1046 44836 NSL 3/5/01

RAPTOR RESOURCES, INC.

901 Rio Grande Austin, Texas 78701 (512) 478-4427

January 30, 2001

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: ***Application of Raptor Resources, Inc for Administrative Approval of an unorthodox gas well location for its State "A" A/C-2 Well No. 78 at a point 1980 feet from the North line and 660 feet from the West line of Section 5, Township 22 South, Range 36 East, NMPM, and simultaneous dedication of this well and other existing wells to the previously approved440.50-acre non-standard GPU in the Jalmat Gas Pool, Lea County, New Mexico.***

Dear Ms. Wrotenbery:

Raptor Resources, Inc hereby seeks administrative approval of a non-standard 440.50-acre Gas Spacing and Proration Unit ("GPU") in the Jalmat Gas Pool, an orthodox gas well location for its State "A" A/C-2 Well No. 78 to be re-completed in the Jalmat Gas Pool at a location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and for simultaneous dedication of this GPU to all producing Jalmat Gas Wells located thereon.

The State "A" A/C-2 Well No 78 was spudded on March 2, 2000 and drilled as a standard oil well location to test the Eunice: Seven Rivers-Queen, South. Raptor now seeks authority to re-enter and recomplete this well up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers) and to simultaneously dedicate this will and the other Jalmat gas wells thereon to a 440.50-acre non-standard GPU comprising Lots 3 and 4, S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5, Township 22 South, Range 36 East, NMPN, Lea County, New Mexico.

A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, MNPN, was established by Division order NSP-518, dated June 10, 1960 and had dedicated thereto the State A/C-2 Well No. 41 **(API No. 30-025-08796)** located 660 feet from the South and West lines (Unit M) which was an orthodox gas well location for a 320-acre GPU.

A non-standard 480.50-acre GPU comprised of Lots 3 and 4, S/2 NW/4 and the S/2 of Section 5, Township 22 South, Range 36 East, MNPM, was established by Division Order No. R-9073, issued in Case No. 9775, dated December 14, 1989 [Paragraph No. 1 of Exhibit "A"] and approved the resulting unorthodox gas well location for the State "A" A/C-2 Well No. 41 and the following two Jalmat gas wells located thereon:

(1) State "A" A/C-2 Well No. 27 **(API No. 30-025-08789)** located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) Section 5; and

(2) State "A" A/C-2 Well No. 44 **(API No. 30-025-08797)** located at an unorthodox gas well gas location 1980 feet from the North and West lines (Unit F) of Section 5.

By Division Administrative Order NSL-1636 (SD) (L), dated September 19,1991, a non-standard 400.50-acre GPU comprised of Lots 3 and 4, S/2 NW/4, SW/4, and W/2 SE/4 of Section 5 was approved by the Division and simultaneously dedicated thereto the State "A" A/C-2 Well Nos. 41, 44 whose unorthodox well location had been approved By Order NO. R-9073 and the following wells at the described unorthodox location:

(1) State "A" A/C-2 Well No. 33 **(API No. 30-025-8793)**, located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5: and

(2) State "A" A/C-2 Well No. 47 **(API No. 30-025-8798)**, located at an orthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 5.

By Division Administrative Order NSL-1636-A (L) (SD), dated July 18, 2000, three additional wells, all of which were located at unorthodox gas well location in Section 5, were also approved for the subject GPU:

(1) State "A" A/C-2 Well No. 2 **(API No. 30-025-08791)**, located 1980 feet from the South line and 660' from the West line (Unit L) of Section 5; and

(2) State "A" A/C-2 Well No. 34 **(API No. 30-025-08794)**, located 1980' from the South and East lines (Unit J) of Section 5; and

(3) State "A" A/C-2 Well No. 46 **(API No. 30-025-08800)**, located 660' from the South line and 1980' from the West line (Unit N) of Section 5.

The Jalmat Gas Pool is governed by Special Pool Rules and Regulations, promulgated by Division order No. R-8170. Rule 2(b) of these rules provides for wells located on 640-acre spacing units to be located no closer than 660 feet from the outer boundary of GPU.

Attached hereto as Exhibit A is a plat which shows the subject 440.50-acre spacing unit comprised of Lots 3 and 4, S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5, Township 22 South, Range 36 East and the operators of offsetting tracts which are not operated by Raptor. Exhibit B is a copy of the Oil Conservation Division Form C-102 which shows the location of the proposed unorthodox well location and all other wells currently dedicated to this non-standard spacing and proration unit.

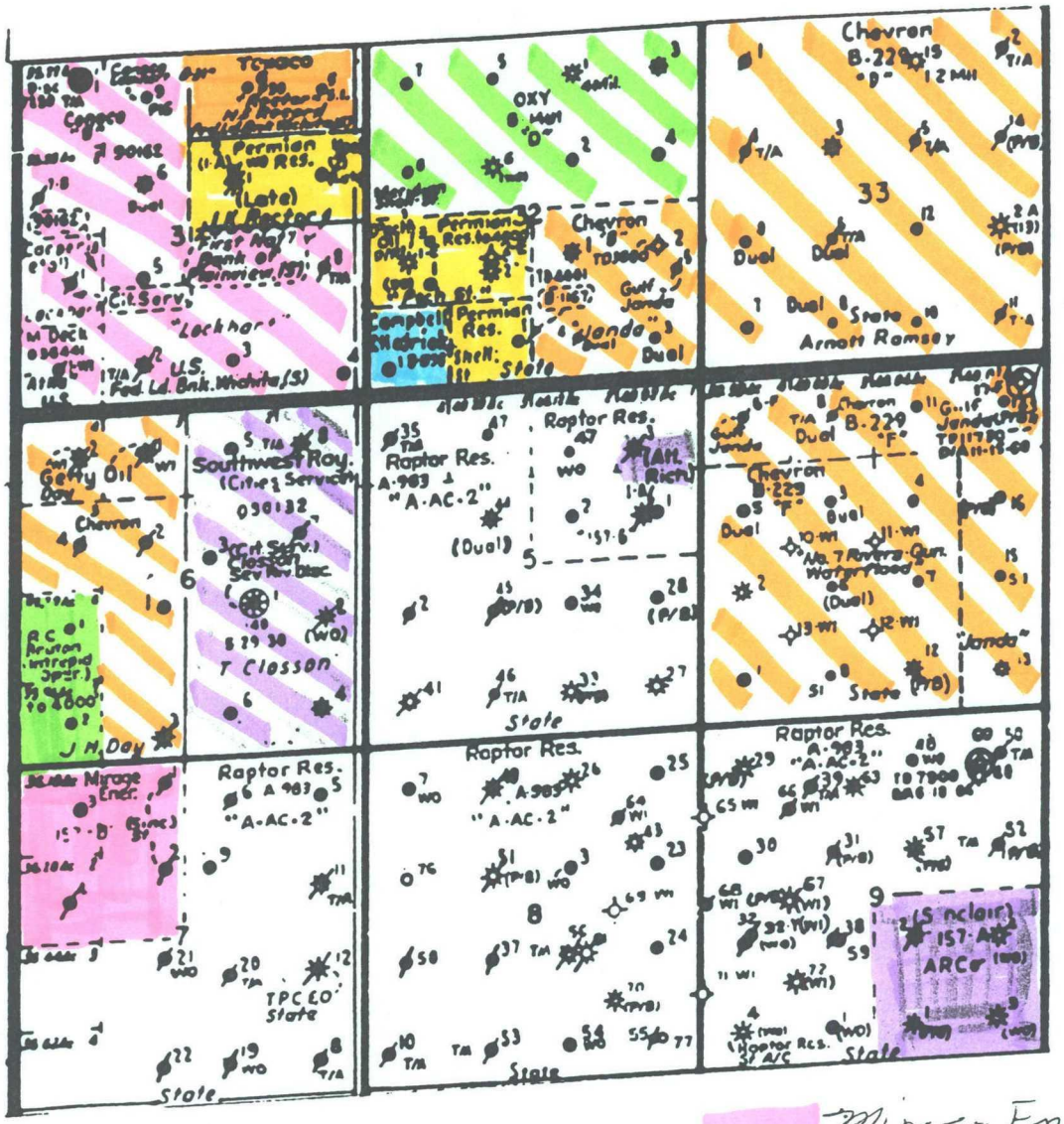
Exhibit C is a list of wells that shows the State "A" A/C-2 Wells No. 41, and 45 have been plugged and abandoned. Exhibit D lists the parties affected by this application. A copy of this Application including a copy of the plat described above has been sent to these affected parties by certified mail-return receipt requested in accordance with Rule 1207 (A)(5) advising them that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Your attention to this application is appreciated.

Very truly yours,

Bill R. Keathly
Regulatory Agent for Raptor Resources, Inc

cc: Oil Conservation Division-Hobbs



Bargo Petro

Conoco Inc

Chevron USA

Permian Resources

Southwest Royalties

Campbell & Hedrick

Oxy USA

Mirage Energy

Ralph C. Burton

Arco Permian

District I
1625 N. French Dr., Hobbs. NM 88240
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd. Aztec, NM 87410
District IV
PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	2 Pool Code	3 Pool Name
30-025- 34910	79240	Jalmat Tansill Yates 7 Rvrs (Pro Gas)

4 Property Code	5 Property Name	6 Well Number
24671	State A A/C 2	78

7 OGRID No.	8 Operator Name	9 Elevation
162791	Raptor Resources	

10 Surface Location

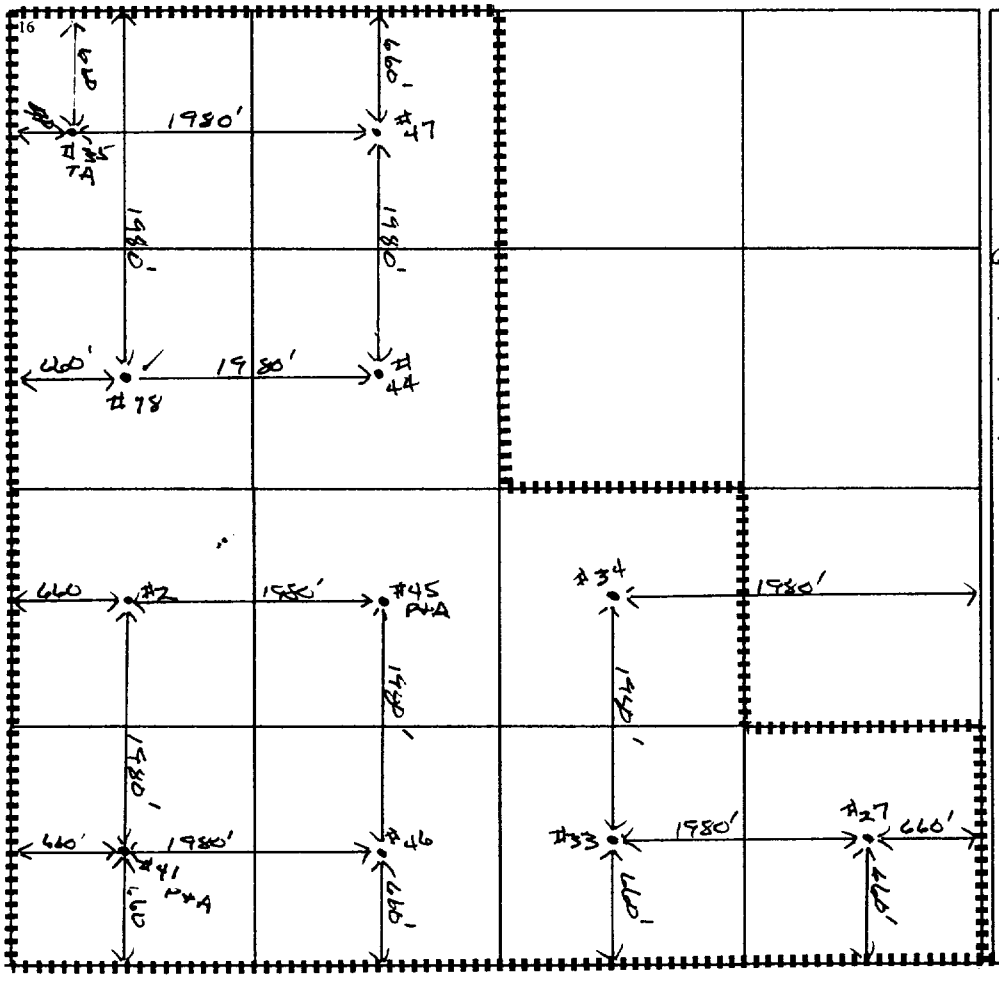
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	22S	36E		1980	North	660	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
440.50			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Bill R. Keathly
Printed Name

Regulatory Agent
Title

1-30-01
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

EXHIBIT C

State "A" A/C 2 Well No. 78

440.50 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit

Township 22 South, Range 36E, N.M.P.M.

Section 5, 1980' FNL & 660' FEL (Unit E)

WELL Name	Well No	Status	API No.	Sec/Twp/Rg/UL	Footage from Lease	
State "A" A/C 2	47 ✓	P	30-025-08798	5 22S 36E C	660' FNL & 1980' FWL	
State "A" A/C 2	35	TA	30-025-08795	5 22S 36E D	660' FNL & 330' FWL	Finish well at completion
State "A" A/C 2	44 ✓	P	30-025-08797	5 22S 36E F	1980' FNL & 1980' FWL	
State "A" A/C 2	34 ✓	P	30-025-08794	5 22S 36E J	1980' FSL & 1980' FEL	
State "A" A/C 2	2 ✓	TA	30-025-08791	5 22S 36E L	1980' FSL & 660' FWL	
State "A" A/C 2	46 ✓	TA	30-025-08800	5 22S 36E N	660' FSL & 1980' FWL	
State "A" A/C 2	33 ✓	P	30-025-08793	5 22S 36E O	660' FSL & 1980' FEL	
State "A" A/C 2	27 ✓	P	30-025-08793	5 22S 36E P	660' FSL & 660' FEL	
State "A" A/C 2	45	P&A	30-025-08799	5 22S 36E K	1980' FSL & 1980' FWL	
State "A" A/C 2	41	P&A	30-025-08796	5 22S 36E M	660' FSL & 660' FWL	P&A

~~I~~ 44
~~27~~ 46
~~33~~ 47
~~34~~ 78

EXHIBIT D

State "A" A/C/ 2 Well No. 78
440.50 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit
Township 22 South, Range 36 East, N.M.P.M.
Section 5, 1980' FNL & 660' FWL (Unit E)

Notification of Offset Operators

Bargo Petroleum
700 Louisiana St, Suite 3700
Houston, TX 77002

Conoco Inc
10 Desta Dr., Ste 100 W
Midland, TX 79705

Chevron USA Inc
Attn: WOJV- Business Unit
P.O. Box 1635
Houston, TX 77251

Permian Resources Inc
P.O. Box 590
Midland, TX 79702

Southwest Royalties Inc
P.O. Box 11390
Midland, TX 79702

Campbell & Hedrick
P.O. Box 401
Midland, TX 79701

OXY USA
P.O. Box 50250
Midland, TX 79710

Mirage Energy Inc
7915 N. Llewelyn
Hobbs, NM 88242

Ralph C. Burton
3500 Acoma
Hobbs, NM 88240

Arco Permian
PO Box 1610
Midland, TX 79701

CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4147

Article Sent To:
HOUSTON, TX 77251

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

State A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
Cherrow USA Inc
Street, Apt. No.; or PO Box No.
P.O. Box 1635
City, State, ZIP+ 4
Houston, Tx 77251

PS Form 3800, July 1999 See Reverse for Instructions

CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4209

Article Sent To:
MIDLAND, TX 79702

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

State A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
Permian Resources Inc.
Street, Apt. No.; or PO Box No.
P.O. Box 590
City, State, ZIP+ 4
Midland, Tx 79702

PS Form 3800, July 1999 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4448

Article Sent To:
MIDLAND, TX 79702

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

State A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
Southwest Royalties Inc.
Street, Apt. No.; or PO Box No.
P.O. Box 11390
City, State, ZIP+ 4
Midland, Tx 79702

PS Form 3800, July 1999 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4445

Article Sent To:
MIDLAND, TX 79702

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

State A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
Arco Permian
Street, Apt. No.; or PO Box No.
P.O. Box 1610
City, State, ZIP+ 4
Midland, Tx 79702-1610

PS Form 3800, July 1999 See Reverse for Instructions

CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4452

Article Sent To:
MIDLAND, TX 79701

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

Stuart A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
Campbell + Hedrick
Street, Apt. No.; or PO Box No.
P.O. Box 401
City, State, ZIP+4
Midland, Tx 79701

PS Form 3800, July 1999 See Reverse for Instructions

CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4469

Article Sent To:
HOUSTON, TX 77002

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

Stuart A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
Barco Petroleum Inc
Street, Apt. No.; or PO Box No.
700 Louisiana St. Ste 3700
City, State, ZIP+4
Houston, Tx. 77002

PS Form 3800, July 1999 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
HOBBS, NM 88242

Postage	$ 0.76	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 4.16	02/06/01

Stuart A/C #78

Name (Please Print Clearly) (To be completed by mailer)
Mirage Energy Inc.
Street, Apt. No.; or PO Box No.
7915 N. Llewelyn
City, State, ZIP+4
Hobbs N.M. 88242

PS Form 3800, July 1999 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4476

Article Sent To:
MIDLAND, TX 79710

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

Stuart A/C Z #78

Name (Please Print Clearly) (To be completed by mailer)
OXY USA
Street, Apt. No.; or PO Box No.
P.O. Box 50250
City, State, ZIP+4
Midland, Tx 79710

PS Form 3800, July 1999 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4490

Article Sent To:

HOBBS, NM 88240

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

Name (Please Print Clearly) (To be completed by mailer)
Ralph C. Burton
Street, Apt. No.; or PO Box No.
3500 Acoma
City, State, ZIP+4
Hobbs, N.M. 88240

PS Form 3800, July 1999 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3220 0006 1554 4216

Article Sent To:

MIDLAND, TX 79705

Postage	$ 0.55	UNIT ID: 0710
Certified Fee	1.90	
Return Receipt Fee (Endorsement Required)	1.50	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KZFR01
Total Postage & Fees	$ 3.95	02/06/01

Name (Please Print Clearly) (To be completed by mailer)
Conoco Inc.
Street, Apt. No.; or PO Box No.
10 Desta Dr. Ste 100W
City, State, ZIP+4
Midland, Tx 79705

PS Form 3800, July 1999 See Reverse for Instructions

District I
PO Box 1980. Hobbs. NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10. 1994
Instructions on back
Submit to Appropnate District Offico
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DR1LL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

' Operator Name and Address.	' OGRID No_
Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701	162791
	' API Number 30 - 0 25-34910

' Property Code	' Property Name	' Well No.
24671	State A A/C 2	78

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	22S	36E		1980	North	660	West	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

' Proposed Pool 1	" Proposed Pool 2
Jalmat Tansill Yates 7 Rvrs (Pro Gas)	

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	3600
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
		Tnsl/Yates/7 Rvrs		

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention_program, if any._Use additional sheets if necrssary.

PROPOSED OPERATIONS:

1. Set CIBP above the Eunice: 7 Rvrs, Qn at 3500' +/-
2. Perf the Tnsl/Yates/7 Rvrs from 3182' to 3438'.
3. Acidize
4. Frac
5. POP

23 I hereby cenify that the information given above is true and complute to the best of my knowledge and belief.

Signature: Bill R. Keathly

Printed name: Bill R. Keathly

Title: R egulatory Agent for Raptor

Date: 1-30-01

Phone (915) 697-1609

O1L CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:
Attached

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 12679
ORDER NO. R-11643

APPLICATION OF RAPTOR RESOURCES, INC. FOR TWO UNORTHODOX INFILL GAS WELL LOCATIONS AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 14, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of August, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) Division Cases No. 12678 and 12679 were consolidated at the hearing for the purpose of testimony.

(3) The applicant, Raptor Resources, Inc. ("Raptor"), seeks an exception to the well location and well density provisions currently governing the Jalmat (Tansill-Yates-Seven Rivers) Gas Pool for the following-described wells in Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

Well Name & Number	API Number	Well Location
State "A" A/C-2 No. 78	30-025-34910	1980' FNL & 660' FWL (Unit E)
State "A" A/C-2 No. 81	N/A	2080' FSL & 1980' FWL (Unit K)

(4) These wells are to be dedicated to an existing non-standard 440.50-acre Jalmat Gas Pool gas proration unit comprising Lots 3 and 4, and the S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5.

(5) The applicant also seeks authority to simultaneously dedicate the subject non-standard gas proration unit to its proposed State "A" A/C-2 Wells No. 78 and 81, and to the following-described existing wells:

Well Name & Number	API Number	Well Location
State "A" A/C-2 No. 2	30-025-08791	1980' FSL & 660' FWL (Unit L)
State "A" A/C-2 No. 27	30-025-08789	660' FSL & 660' FEL (Unit P)
State "A" A/C-2 No. 33	30-025-08793	660' FSL & 1980' FEL (Unit O)
State "A" A/C-2 No. 34	30-025-08794	1980' FSL & 1980' FEL (Unit J)
State "A" A/C-2 No. 44	30-025-08797	1980' FNL & 1980' FWL (Unit F)
State "A" A/C-2 No. 46	30-025-08800	660' FSL & 1980' FWL (Unit N)
State "A" A/C-2 No. 47	30-025-08798	660' FNL & 1980' FWL (Unit C)

(6) The subject non-standard gas proration unit was initially established by Division Order No. R-9073 dated December 14, 1989. This order further authorized the simultaneous dedication to this unit of the State "A" A/C-2 Wells No. 27, 41 and 44, all located at unorthodox gas well locations.

(7) By Division Order No. NSP-1636(SD)(L) dated September 19 1991, a 400.50-acre non-standard gas proration unit in the Jalmat Gas Pool was established comprising Lots 3 and 4, and the S/2 NW/4, SW/4 and W/2 SE/4 of Section 5. This order further authorized the simultaneous dedication to this unit of the State "A" A/C-2 Wells No. 33, 41, 44 and 47, all located at unorthodox gas well locations.

(8) By Division Order No. NSP-1636-A(L)(SD) dated July 18, 2000, a 440.50-acre non-standard gas proration unit in the Jalmat Gas Pool was established comprising Lots 3 and 4, and the S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5. This order further authorized the simultaneous dedication to this unit of the State "A" A/C-2 Wells No. 2, 33, 34, 41, 44, 46 and 47, all located at unorthodox gas well locations.

(9) Division records demonstrate that the State "A" A/C-2 Well No 41 was plugged and abandoned on December 28, 1994.

(10) The rules and procedures currently governing the Jalmat Gas Pool include, but are not necessarily limited to:

(a) the "*Special Rules and Regulations for the Jalmat Gas Pool,*" as promulgated by Division Order No. R-8170, as amended;

(b) Division Rule 605.B.;

(c) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;

(d) Rule 1207.A.(2); and

(e) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe, New Mexico issued on July 11, 2001 in Hartman vs Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Amended Stipulated Declaratory Judgement").

(11) Division records demonstrate that Raptor originally filed an administrative application dated January 30, 2001, to recomplete its State "A" A/C-2 Well No. 78 to the Jalmat Gas Pool at an unorthodox gas well location, and to simultaneously dedicate this well to the subject 440.50-acre non-standard gas proration unit.

(12) No action was taken by the Division on this administrative application pursuant to certain provisions contained within the original Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe, New Mexico issued on January 4, 2001 in Hartman vs Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgement").

(13) The Amended Stipulated Declaratory Judgement provided greater flexibility to the Division to approve these types of applications, and as a result, Raptor's original administrative application was approved by Division Order No. NSL-4615(SD) dated July 27, 2001.

(14) That portion of Raptor's application to recomplete its State "A" A/C-2 Well No. 78 to the Jalmat Gas Pool at an unorthodox gas well location, and to simultaneously dedicate this well to the subject 440.50-acre non-standard gas proration unit should be dismissed.

(15) The evidence presented in this case demonstrates that:

(a) there is substantial geologic discontinuity in the Yates and Seven Rivers formations within the Jalmat Gas Pool underlying Section 5 in which Raptor proposes to drill its State "A" A/C-2 Well No. 81;

(b) modern well logs and well completion techniques provide Raptor the opportunity to identify, perforate, stimulate and produce sands in the Yates and Seven Rivers formations that may not have been produced in older offset wells;

(c) with the exception of certain well recompletions Raptor has accomplished recently, most of the wells offsetting the proposed State "A" A/C-2 Well No. 81 are producing at marginal rates from the Jalmat Gas Pool;

(d) by drilling the State "A" A/C-2 Well No. 81, Raptor expects to recover at least 0.5 BCF of gas from the subject proration unit that may otherwise not be recovered by the existing wells, thereby preventing waste;

(e) the State "A" A/C-2 Well No. 81 can be economically drilled to recover the incremental gas reserves underlying the subject gas proration unit; and

(f) the proposed unorthodox gas well location for the State "A" A/C-2 Well No. 81 is necessary due to geologic and engineering considerations, and will provide Raptor the best opportunity to recover incremental gas reserves from the Jalmat Gas Pool underlying the subject gas proration unit.

(16) All Jalmat Gas Pool operators within the eight-section area surrounding Section 5 were notified of Raptor's application. No offset operator or interest owner appeared at the hearing in opposition to the application.

(17) Approval of the proposed unorthodox gas well location and simultaneous dedication will result in the recovery of hydrocarbons that will otherwise not be

recovered, thereby preventing waste, and will otherwise be in the best interest of conservation and protection of correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Raptor Resources, Inc., is hereby authorized to drill its State "A" A/C-2 Well No. 81 at an unorthodox gas well location for the Jalmat Gas Pool 2080 feet from the South line and 1980 feet from the West line (Unit K) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) A 440.50-acre non-standard gas proration unit comprising Lots 3 and 4, and the S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5, shall be simultaneously dedicated to the State "A" A/C-2 Well No. 81 and to the following-described existing Jalmat Gas Pool wells:

Well Name & Number	API Number	Well Location
State "A" A/C-2 No. 2	30-025-08791	1980' FSL & 660' FWL (Unit L)
State "A" A/C-2 No. 27	30-025-08789	660' FSL & 660' FEL (Unit P)
State "A" A/C-2 No. 33	30-025-08793	660' FSL & 1980' FEL (Unit O)
State "A" A/C-2 No. 34	30-025-08794	1980' FSL & 1980' FEL (Unit J)
State "A" A/C-2 No. 44	30-025-08797	1980' FNL & 1980' FWL (Unit F)
State "A" A/C-2 No. 46	30-025-08800	660' FSL & 1980' FWL (Unit N)
State "A" A/C-2 No. 47	30-025-08798	660' FNL & 1980' FWL (Unit C)
State "A" A/C-2 No. 78	30-025-34910	1980' FNL & 660' FWL (Unit E)

(As approved by Division Order No. NSL-4615(SD) dated July 27, 2001)

(3) That portion of Raptor's application to recomplete its State "A" A/C-2 Well No. 78, located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5, to the Jalmat Gas Pool, and to simultaneously dedicate this well to the subject 440.50-acre non-standard gas proration unit is hereby dismissed.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery

LORI WROTENBERY
Director

SEAL

Sec. 5 Township No. 22 South of Range No. 36 East

440.50-acre GPU approved by NSP-A(L)(SD)

Eunice Oil Comp.	State "A" A/C-2 #47 30-025-08798 660'FNL-1980'FWL NSP-1636 (SD)(L) 9-19-01 2-13-01 Appl. shows prod.		
State "A" A/C-2 #78 1980'FNL-660'FWL 30-025-34910 ~~Subject of 2-13-01 Appl.~~	State "A" A/C-2 #44 F 30-025-08797 1980'FNWL (was originally a part of R-9073) NSP-1636 (SD)(L) 9-19-01 2-13-01 Appl. shows prod.		
State "A" A/C-2 #2 L 30-025-08791 1980'FSL-660'FWL NSP-1636-A(L)(SD) 2-13-01 Appl shows TA	P&A'ed Well	State "A" A/C-2 #24 J 30-025-08794 1980'FSLEL NSP-1636-A(L)(SD) 2-13-01 Appl shows Prod.	
State "A" A/C-2 #41 30-025-08796 660'FSLWL was originally a part of R-9073 and was included in NSP-1636 (SD)(L) Omitted by NSP-1636-A(L)(SD)	State "A" A/C-2 #46 N 30-025-08800 660'FSL-1980'FWL NSP-1636-A(L)(SD) 2-13-01 Appl. shows TA	State "A" A/C-2 #33 O 30-025-08793 660'FSL-1980'FEL NSP-1636 (SD)(L) (9-19-91) 2-13-01 Appl. shows prod	State "A" A/C-2 #27 P 30-025-08789 660'FSLEL (Was originally a part of R-9073) placed in this unit by NSP-1636-A(L)(SD) 2-13-01 Appl shows prod.

F.4

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 5, 2001

James A. Hall
District Judge, Division II
First Judicial District Court
P.O. Box 2268
Santa Fe, New Mexico 87504

Re: *Doyle Hartman, Oil Operator v. The New Mexico Oil Conservation Division, Lori Wrotenbery, Division Director*, First Judicial District Cause No. D-0101-CV9902927

Dear Judge Hall,

Counsel for the Division in this matter, Lyn Hebert, has left the Energy, Minerals and Natural Resources Department and for the time being I am handling this matter.

Please find enclosed the original and several copies of a proposed Amended Stipulated Declaratory Judgment in the above-referenced case. If appropriate, the parties desire that you execute the Amended Judgment.

As you recall, the parties agreed to entry of a Stipulated Declaratory Judgment, which was executed and filed on January 4, 2001. Since entry of the Judgment, minor issues have arisen with regard to its proper interpretation, and the parties conferred recently and agreed to minor amendments to clarify its meaning. The changes from the original Judgment are found in paragraph 2 and paragraph 3.

If you desire further explanation of the changes, I will be happy to request a hearing for presentment.

Thank you very much for your further consideration of this matter.

Sincerely,

Stephen C. Ross
Assistant General Counsel

Cc: J.E. Gallegos

FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF SANTA FE

DOYLE HARTMAN, OIL OPERATOR,

Plaintiff,

v. **No. D-0101-CV9902927**

NEW MEXICO OIL CONSERVATION DIVISION, LORI WROTENBERY, DIVISION DIRECTOR,

Defendants.

AMENDED STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agreed to the granting of the plaintiff's motion by the entry of a Declaratory Judgment and that judgment should be modified to provide the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

1. The approval of drilling an additional well or wells on a spacing unit ("infill drilling") in the Eumont and Jalmat Gas Pools shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.

2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells

in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for affected persons. Once notice is provided, the Division may process the application in a manner consistent with paragraph 3, herein, and otherwise consistent with the Division's practice, its Rules and Regulations and the Oil and Gas Act.

3. If no affected person timely objects and Division rules allow for administrative approval of the application, the application may be processed administratively and approved or denied by the Division without hearing. If an affected person timely objects, the Division shall set the matter for hearing.

4. This order will not impact or affect any administrative approvals issued prior to December 15, 2000, except for those orders which were the subject of this litigation.

5. Each party shall bear their own costs and fees incurred in this matter.

JAMES A. HALL
DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

By _____
J.E. GALLEGOS
MICHAEL J. CONDON
Attorneys for Doyle Hartman, Oil Operator

By_____
STEPHEN C. ROSS
Attorney for New Mexico Oil Conservation Division and Lori Wrotenbery, Director

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

MEMORANDUM

TO: Steve Ross, Legal Counsel
Ms. Lori Wrotenbery, Director

FROM: Michael E. Stogner, Chief Hearing Officer/Engineer MES

SUBJECT: Stipulated declaratory judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on December 15, 2000 (see copy attached).

cc: David R. Catanach, Engineer/Hearing Officer
Chris Williams, District I Supervisor

DATE: March 7, 2001

Mr. Ross,

I understand from Mr. Catanach that while I was out of the office the week of February 19th through the 23rd that you were in the process of reviewing and possibly amending the judgement issued by the District Court in Santa Fe. I have an application by Citation to **recomplete** an existing well to the Eumont Gas Pool. The judgement in Ordering Paragraph No. 1 refers to the **drilling** of additional wells. Please advise. Thanks.

FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF SANTA FE

DOYLE HARTMAN, OIL OPERATOR,

Plaintiff,

v. No. D-0101-CV9902927

NEW MEXICO OIL CONSERVATION DIVISION, LORI WROTENBERY, DIVISION DIRECTOR,

Defendants.

STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agree to the granting of the plaintiff's motion by the entry of this Declaratory Judgment in the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

1. The approval of drilling an additional well or wells on a spacing unit ("infill drilling") in the Eumont and Jalmat Gas Pools shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.

2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing

of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for affected persons. The application must be supported by evidence that the additional well or wells are necessary to efficiently and economically drain the proration unit, will prevent waste and protect correlative rights.

3. Each party shall bear their own costs and fees incurred in this matter.

JUDGE JIM HALL

JAMES A. HALL
DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

By _____
J.E. GALLEGOS
MICHAEL J. CONDON
Attorneys for Doyle Hartman, Oil Operator

By _____
MARILYN S. HEBERT
Attorney for New Mexico Oil Conservation Division and Lori Wrotenbery, Director

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 9775
ORDER NO. R-9073

APPLICATION OF HAL J. RASMUSSEN OPERATING INC. FOR NON-STANDARD GAS PRORATION UNITS, UNORTHODOX GAS WELL LOCATIONS, SIMULTANEOUS DEDICATION AND SPECIAL GAS METERING PROVISIONS, LEA COUNTY, NEW MEXICO

See also Order No.
R-9073-A
R-9073-B
R-9073-C
R-9073 C-1
R-9073-D

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of December, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing this case was consolidated with Division Case Nos. 9774 and 9776 for the purpose of testimony.

(3) The applicant in this matter, Hal J. Rasmussen Operating Inc., is the operator of its State "A" Lease Accounts 1 and 2 (State of New Mexico Oil and Gas Lease No. A-983) and State "A" Lease Account 3 (State of New Mexico Oil and Gas Lease No. B-1484) covering mineral rights under certain lands in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico.

(4) The interests under both of said state leases are individually common throughout.

(5) The Jalmat Gas Pool covers the acreage which is the subject of this

application and is governed by Special Rules and Regulations, as promulgated by Division Order No. R-8170, as amended, which provide for 640-acre spacing and designated well locations.

(6) Applicant now seeks to redesignate the existing gas spacing and proration units in the Jalmat Gas Pool on their acreage by the formation of 16 non-standard gas proration units and one standard 640-acre gas proration unit in the Jalmat Gas Pool as further described in Exhibit "A" attached hereto and made a part hereof.

(7) The applicant also seeks approval of all unorthodox gas well locations for the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A."

(8) The applicant further seeks special metering provisions for Jalmat gas production whereby the operator would meter the total gas production from each of the 17 aforementioned units and allocate this production back to each well on its respective unit by means of a periodic testing of the wells thereon.

(9) The applicant has recently assumed gas purchaser/transporter responsibility for the acreage which is the subject of this order and by this application seeks to reduce production and transportation costs in the area and to more efficiently operate its properties by consolidating production facilities and eliminating unnecessary equipment.

(10) Each of the aforementioned units may reasonably be presumed productive of gas from the Jalmat Gas Pool and each of the non-standard gas proration units can be efficiently and economically drained and developed by the aforementioned wells.

(11) The applicant further testified that approval of the subject application will lower costs and permit the production of gas reserves within the Jalmat Gas Pool underlying this area which would otherwise not be recovered thereby preventing waste.

(12) Doyle Hartman, an operator in the Jalmat Gas Pool, appeared and objected to this application; however, there were no offsetting operators objecting to this application.

(13) The operator of each of the aforementioned Jalmat gas spacing and proration units should allocate the production to each well on its respective proration unit on the basis of well tests. The applicant proposed that this testing procedure will provide that one of the wells on the proration unit will be flowing through the testing meter for a 48-hour period with each well being tested in turn throughout the month. The remaining wells on the proration unit will be flowing through a field production meter. The daily amount of gas credited to the wells on the unit would be the total production

through the test meter and through the field meter. The production from individual proration units will be allocated back to each of the wells on that unit based upon the data derived from the periodic testing through the test meter.

(14) The applicant should file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other report or form required to be filed as operator of the proration unit and as transporter for the wells involved herein.

(15) The Division should be empowered to administratively rescind any portion of this order or require that a particular well or wells be metered individually if it should appear that such action would prevent waste and protect correlative rights.

(16) The area of the Hal J. Rasmussen Operating, Inc. State "A" Account 1, 2 and 3 Leases has been the subject of numerous orders establishing and re-aligning non-standard and standard Jalmat Gas Pool gas proration and spacing units as well as simultaneously dedicating a variety of wells at orthodox and unorthodox locations thereto. On Exhibit "B", attached hereto and made a part hereof, is a listing of all Division Orders known to have been issued relative to the property which is the subject of this hearing. These orders should be superceded to the extent that they are inconsistent with any provision of this order.

(17) Should it be found that any additional orders exist that are contradictory to any such order issued in this case, then such order should be superceded in a like manner as described above.

(18) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and should otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Hal J. Rasmussen Operating, Inc. to redesignate acreage in certain existing gas spacing and proration units in the Jalmat Gas Pool in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico, resulting in the formation of a standard 640-acre gas spacing and proration unit and 16 non-standard gas units, as further described in Exhibit "A", attached hereto and made a part hereof, is hereby approved.

IT IS FURTHER ORDERED THAT:

(2) The unorthodox gas well locations for all of the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A", is also approved.

FURTHERMORE, IT IS ORDERED THAT:

(3) Special metering provisions for Jalmat gas production within each of the aforementioned units, as described in Finding Paragraph No. (13) above, is hereby approved.

(4) The applicant shall file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other reports or forms required to be filed as operator of each proration unit and as transporter for the wells involved herein.

(5) The Division may administratively rescind any portion of this order or require a particular well or wells be metered individually if it should appear necessary to prevent waste and protect correlative rights.

(6) All known and subsequent Division Orders issued relative to any property which is the subject of this hearing (see Exhibit "B" attached hereto and made a part hereof) shall be superceded to the extent that they are inconsistent with any provision of this order.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

EXHIBIT "A"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

PROPOSED NON-STANDARD JALMAT GAS PRORATION UNITS AND JALMAT GAS WELL LOCATIONS

[redacted]

[redacted]

[redacted]			
[redacted]			
[redacted]			

2) Section 7: Lots 3 and 4, N/2 NE/4, SE/4 NE/4, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 comprising 393.06 acres, more or less, in State "A" A/C-2.

Well No. 5	660' FN & EL	Unit A	NSL
Well No. 12	1980' FSL & 660' FEL	Unit I	NSL
Well No. 8	660' FS & EL	Unit P	NSL

3) Section 8: All *(Standard 640-acre unit)* in State "A" A/C-2.

Well No. 49	660' FNL & 1980' FWL	Unit C	NSL
Well No. 43	1650' FNL & 990' FEL	Unit H	NSL
Well No. 56	1980' FS & EL	Unit J	Standard Location

4) Section 9: N/2 and SW/4 comprising 480 acres in State "A" A/C-2.

Well No. 40	990' FN & EL	Unit A	Standard Location
Well No. 63	990' FNL & 2310' FWL	Unit C	Standard Location
Well No. 38	1980' FS & WL	Unit K	NSL

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

5) Section 3: S/2 comprising 320 acres in State "A" A/C-1.

Well No. 30	1650' FSL & 990' FEL	Unit I	NSL
Well No. 35	1650' FSL & 990' FWL	Unit L	NSL

6) Section 4: Lots 1, 2, 3 and 4, and S/2 N/2 comprising 327.25 acres, more or less, in State "A" A/C-1.

Well No. 23	660' FNL & 2310' FEL	Unit B	Standard Location
Well No. 15	1980' FN & WL	Unit F	Standard Location
Well No. 87	1980' FN & EL	Unit G	Standard Location

7) Section 4: SW/4 and Section 9: N/2 NW/4, SW/4 NW/4, and SW/4 comprising 440 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

(Section 9)

Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL

8) Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4 and Section 10: W/2 comprising 480 acres in State "A" A/C-1.

(Section 10)

Well No. 37	1650' FN & WL	Unit F	Standard Location
Well No. 38	990' FS & WL	Unit M	Standard Location

9) Section 10: E/2 comprising 320 acres in State "A" A/C-3.

Well No. 1	990' FN & EL	Unit A	Standard Location
Well No. 2	1650' FSL & 990' FEL	Unit I	Standard Location

10) Section 11: N/2 and SW/4 comprising 480 acres in State "A" A/C-1.

Well No. 16	660' FN & EL	Unit A	NSL
Well No. 29	990' FNL & 1650' FWL	Unit C	Standard Location
Well No. 34	1650' FS & WL	Unit K	Standard Location

11) Section 13: N/2 and SW/4 and Section 14: NE/4 comprising 640 acres in State "A" A/C-1.

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL

12) Section 14: NW/4 and Section 15: N/2 comprising 480 acres in State "A" A/C-1.

(Section 14)

Well No. 28	1650' FN & WL	Unit F	Standard Location

(Section 15)

Well No. 33	1650' FN & WL	Unit F	Standard Location
Well No. 31	1650' FN & 990' FEL	Unit H	Standard Location

13) Section 17: SE/4, Section 20: NE/4, and Section 21: N/2 NW/4 and SW/4 NW/4 comprising 440 acres in State "A" A/C-1.

(Section 17)

Well No. 39	1980' FS & EL	Unit J	NSL

(Section 20)

Well No. 5 (Currently P & A'd)	1320' FNL & 660' FEL	Units A/H	NSL

(Section 21)

Well No. 4	330' FNL & 1660' FWL	Unit C	NSL
Well No. 3	1650' FNL & 330' FWL	Unit E	NSL

14) Section 20: SE/4 and Section 21: NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 comprising 320 acres in State "A" A/C-2.

(Section 21)

Well No. 8	660' FSL & 1980' FEL	Unit O	NSL

15) Section 22: NE/4 NW/4, S/2 NW/4, and SW/4 comprising 280 acres in State "A" A/C-1.

Well No. 94	660' FNL & 1980' FWL	Unit C	NSL
Well No. 19	1650' FNL & 330' FWL	Unit E	NSL
Well No. 97	1980' FN & WL	Unit F	Standard Location
Well No. 1	330' FSL & 2310' FWL	Unit N	NSL

16) Section 23: N/2 comprising 320 acres in State "A" A/C-1.

Well No. 27	1650' FN & WL	Unit F	Standard Location
Well No. 26	1650' FN & EL	Unit G	Standard Location
Well No. 105	2080' FNL & 660' FEL	Unit H	NSL

17) Section 24: W/2 and SE/4 comprising 480 acres in State "A" A/C-1.

Well No. 53	1980' FNL & 660' FWL	Unit E	NSL
Well No. 25	1650' FN & WL	Unit F	Standard Location
Well No. 32	1650' FS & EL	Unit J	Standard Location
Well No. 24	990' FSL & 1650' FWL	Unit N	Standard Location

EXHIBIT "B"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

DIVISION ORDERS ISSUED RELATIVE TO THE PROPERTY WHICH IS THE SUBJECT OF THIS HEARING.

Division Orders issued prior to hearing	Division Administrative Orders
R-634	NSP-406
R-1364	NSP-518
R-2504	NSP-614
R-3188	NSP-615
R-3209	NSP-1044
R-3264	NSP-1108
R-3892	NSL-1219
R-3893	
R-4116	
R-4361, as amended	
R-4484	

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9874
ORDER NO. R-9073-A

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. FOR TWO UNORTHODOX
GAS WELL LOCATIONS AND SIMULTANEOUS
DEDICATION, AND TO AMEND, IN PART,
DIVISION ORDER NO. R-9073 AND
ADMINISTRATIVE ORDER NSL-2728,
LEA COUNTY, NEW MEXICO

See also Order Nos
R-9073
R-9073-B
R-9073-C
R-9073-C-1
R-9073-D

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of February, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Administrative Order NSL-2728, dated December 7, 1989, an unorthodox gas well location was approved for Hal J. Rasmussen Operating Inc.'s State "A" A/C-1 Well No. 71 to be drilled 660 feet from the South and West lines (Unit M) of Section 13, Township 23 South, Range 36 East, Jalmat Gas Pool, NMPM, Lea County, New Mexico. Said order also authorized the simultaneous dedication of Jalmat Gas production from the State "A" A/C-1 Well Nos. 20, 21, 22 and 71, located in Units C, H, N and M of said Section 13, respectively, to the then 480-acre non-standard gas spacing and proration unit (GPU) comprising the N/2 and SW/4 of said Section 13.

(3) By Division Order No. R-9073, dated December 14, 1989 (Paragraph No. 11 of Exhibit "A"), a 640-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool was established comprising the N/2 and SW/4 of Section 13 and the NE/4 of Section 14, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, said unit to be simultaneously dedicated to the State "A" A/C-1 Well Nos. 20, 21 and 22 located in Units C, H and N, respectively, of said Section 13 and Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14.

(4) At this time the applicant, Hal J. Rasmussen Operating Inc., seeks approval to recomplete the following two wells from the Langlie-Mattix Pool to the Jalmat Gas Pool, both wells are located at unorthodox gas well locations for said Jalmat Gas Pool within the previously approved 640-acre non-standard gas spacing and proration unit, as described above:

State "A" A/C-1 Well No. 66
660 feet from the North and West lines
(Unit D); and

State "A" A/C-1 Well No. 75
1980 feet from the North and West lines
(Unit F), both located in said Section 13.

(5) Applicant also seeks to amend Division Administrative Order NSL-2728 to reflect the proper dedicated acreage for the State "A" A/C-1 Well No. 71, located at an unorthodox Jalmat gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" A/C-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, N, D, M and F, respectively, in Section 13 and Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14.

(6) Both the State "A" A/C-1 Well Nos. 66 and 75 were originally drilled and completed in the last four months of 1959 as Langlie-Mattix Seven Rivers Queen Grayburg San Andres oil producers both at standard oil well locations.

(7) Since both wells have depleted the Langlie-Mattix reserves underlying each respective drill tract, the applicant proposes to recomplete both wells in the Jalmat Gas Pool in order to help drain the remaining gas reserves underlying the above-described 640-acre non-standard gas proration unit.

(8) No offset operators or interested parties appeared at the hearing in opposition to this matter.

(9) Approval of the proposed recompletions, unorthodox gas well locations and simultaneous dedication will afford the applicant to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

(10) To reduce the number of orders applicable in this proration unit, existing approvals should be consolidated with this application in order to lessen confusion; therefore, Division Administrative Order NSL-2728 should be superceded by this order and Paragraph No. (11) in Exhibit "A" attached to Order No. R-9073 should be amended to include the State "A" A/C-1 Well Nos. 66, 71 and 75.

IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order NSL-2728, dated December 7, 1989 is hereby superceded until further notice.

(2) Paragraph No. (11) of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same, is hereby amended to read in its entirety as follows:

"(11) Section 13: N/2 and SW/4 of Section 14: NE/4 comprising 640 acres in State "A" A/C-1.

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL
Well No. 66	660' FN & WL	Unit D	NSL
Well No. 71	660' FS & WL	Unit M	NSL
Well No. 75	1980' FN & WL	Unit F	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL"

(3) All other provisions of said Order No. R-9073 shall remain in full force and effect until further notice.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9775
ORDER NO. R-9073-B

APPLICATION OF HAL J. RASMUSSEN OPERATING, INC. FOR NON-STANDARD GAS PRORATION UNITS, UNORTHODOX GAS WELL LOCATIONS, SIMULTANEOUS DEDICATION AND SPECIAL GAS METERING PROVISIONS, LEA COUNTY, NEW MEXICO

See also Order Nos
R-9073
R-9073-A
R-9073-C
R-9073-C-1
R-9073-D

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-9073 dated December 14, 1989, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Paragraph No. (8) of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same is hereby amended to read in its entirety as follows:

"(8) Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4 and Section 10: W/2 comprising 520 acres in State "A" A/C-1.

(Section 10)

Well No. 37	1650' FN & WL	Unit F	Standard Location
Well No. 38	990' FS & WL	Unit M	Standard Location"

(2) All other provisions of said Order No. R-9073 and Division Order No. R-9073-A, dated February 28, 1990, which amended Paragraph No. (11) of said Exhibit "A", shall remain in full force and effect until further notice.

(3) The corrections set forth in this order be entered nunc pro tunc as of December 14, 1989.

DONE at Santa Fe, New Mexico, on this 27th day of September, 1990.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10151
ORDER NO. R-9073-C

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. TO AMEND, IN PART,
DIVISION ORDER NO. R-9073, LEA
COUNTY, NEW MEXICO

See Also R-9073
R-9073-A
R-9073-B
R-9073-C-1
R-9073-D

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 14, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of November, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-9073, dated December 14, 1989 (Paragraph No. 7 of Exhibit "A"), a 440-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool was established comprising the SW/4 of Section 4 and the N/2 NW/4, SW/4 NW/4, and SW/4 of Section 9, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit was to be simultaneously dedicated to the State "A" A/C-1 Well Nos. 18 and 111 located in Units M and N, respectively, of said Section 4 and Well Nos. 14, 104, 10, and 9 located in Units E, K, L and M, respectively, of said Section 9.

(3) At this time the applicant, Hal J. Rasmussen Operating, Inc., seeks approval to delete 40 acres, comprising the SE/4 SW/4 (Unit N) of said Section 9 from the above-described 440-acre non-standard gas spacing and proration unit.

(4) The acreage to be deleted is to be dedicated to the applicant's State "A" A/C-1 Well No. 123 to be drilled 990 feet from the South line and 2250 feet from the West line (Unit N) of said Section 9 as an oil well in the Seven Rivers zone of the Jalmat Pool.

(5) This amendment is necessary for the applicant to comply with Rule 2(a) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, which states in part that "a standard oil proration unit in the Jalmat Gas Pool shall be 40 acres" and that "acreage dedicated to a gas well in the Jalmat Gas Pool shall not be simultaneously dedicated to an oil well in the Jalmat Gas Pool.

(6) Applicant has provided sufficient notice to all offset operators pursuant to Division General Rule 1207.

(7) No offset operators or interested parties appeared at the hearing in opposition to this matter.

(8) Approval of the proposed amendment to said Order No. R-9073 will afford the applicant the right to produce its just and equitable share of the oil and gas in the subject pool, is in the best interests of conservation and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Paragraph No. 7 of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same is hereby amended to read in its entirety as follows:

"7) Section 4: SW/4 and Section 9: N/2 SW/4, SW/4 NW/4 and N/2 SW/4 and SW/4 SW/4 comprising 400 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

(Section 9)

Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL"

(2) All other provisions of said Order No. R-9073 shall remain in full force and effect until further notice.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 10151
ORDER NO. R-9073-C-1

APPLICATION OF HAL J. RASMUSSEN OPERATING, INC. TO AMEND, IN PART, DIVISION ORDER NO. R-9073, LEA COUNTY, NEW MEXICO

See Also R-9073
R-9073-A
R-9073-B
R-9073-C
R-9073-D

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-9073-C dated November 27, 1990, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (1) of Division Order No. R-9073-C, dated November 27, 1990, be and the same is hereby amended to read in its entirety as follows:

"(1) Paragraph No. 7 of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same is hereby amended to read in its entirety as follows:

7) Section 4: SW/4 and Section 9: N/2 NW/4, SW/4 NW/4 and N/2 SW/4 and SW/4 SW/4 comprising 400 acres in State "A" A/C-1.

	(Section 4)		
Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL
	(Section 9)		
Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL"

(2) The corrections set forth in this order be entered nunc pro tunc as of November 27, 1990.

DONE at Santa Fe, New Mexico, on this 23rd day of January, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

See Also Orders No.
R-9073
R-9073-A
R-9073-B
R-9073-C
R-9073-C-1

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 12360
ORDER NO. R-9073-D

APPLICATION OF DOYLE HARTMAN, OIL OPERATOR FOR RESCISSION AND RECONSIDERATION OF PORTIONS OF DIVISION ORDER NO. R-9073, AS AMENDED, AFFECTING LANDS IN TOWNSHIPS 22 AND 23 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 4, 2000, at Santa Fe, New Mexico before Examiner David R. Catanach.

NOW, on this 30th day of May, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) By Order No. R-9073, as amended, issued in Case No. 9775 on December 14, 1989, the Division approved, upon application of Hal J. Rasmussen Operating Inc. ("Rasmussen"):

(a) the redesignation of acreage in certain existing gas spacing and proration units in the Jalmat Gas Pool in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico, thereby forming one standard 640-acre gas proration unit and sixteen non-standard gas proration units;

(b) the location of any existing Jalmat gas well within the subject area that became unorthodox as a result of the acreage rededication;

(c) the simultaneous dedication of the existing Jalmat wells on each of the redesignated gas proration units; and

(d) a special gas metering provision whereby the total gas production from each of the 17 gas proration units shall be metered, and this production allocated back to each well by means of a 48-hour monthly well test.

(3) The applicant, Doyle Hartman, Oil Operator ("Hartman"), seeks there consideration and rescission of certain special gas metering provisions set forth in Order No. R-9073, as amended.

(4) Hartman is the operator of leases that offset certain non-standard gas proration units approved by Order No. R-9073, as amended.

(5) Raptor Resources, Inc. ("Raptor") is the successor operator of Rassmussen's Jalmat gas proration units.

(6) Both Raptor and Hartman appeared at the hearing through legal counsel.

(7) Raptor and Hartman presented the parties' stipulation, Exhibit No. 1.

(8) Adoption of the stipulated agreement, Exhibit 1, and proposed amendment of Division Order No. R-9073, as amended, is in the best interest of conservation and protection of correlative rights and should therefore be approved.

IT IS THEREFORE ORDERED THAT:

(1) The application of Doyle Hartman, Oil Operator, for reconsideration and rescission of certain special gas metering provisions set forth in Order No. R-9073, as amended, is hereby approved.

(2) Ordering Paragraph (3) of Division Order No. R-9073, as amended, is hereby amended to read in its entirety as follows:

> (3) Special metering provisions for Jalmat gas production within each of the aformentioned units, as described in Finding Paragraph No. (13) above, is hereby approved provided that such approval is not

inconsistent with the following agreement between Doyle Hartman, Oil Operator, and Raptor Resources, Inc.:

The operator of certain Jalmat Pool gas wells, presently Raptor Resources, Inc., shall comply with NMOCD Rule 403.A by proceeding with due diligence to separately meter the below described seven (7) wells and any future wells drilled or recompleted on the following properties:

S/2 of Section 8 and the SW/4 of Section 9 in T-22-S, R-36-E (encompassing Well Nos. 54, 24 and 4)

SE/4 of Section 3, the NE/4 of Section 10 and the N/2 of Section 11 in T-23-S, R-36-E (encompassing Well No. 58). Raptor is not required to meter Well No. 64 in Section 3 since it is a marginal well nor is Raptor required to meter Well No. 81 in Section 10 since it is outside of the NE/4 and is a marginal well.

SW/4 of Section 14, the S/2 of Section 15, the W/2 of Section 22 and the NW/4 of Section 23 in T-23-S, R-36-E (encompassing the Matkins No. 3, the Matkins No. 6, and Well No. 72).

(3) All other provisions contained within Order No. R-9073, as amended, shall remain in full force and effect.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery

LORI WROTENBERY
Director

SEAL

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 19, 1991

Clayton W. Williams, Jr., Inc.
3000 Claydesta National Bank Building
Six Desta Drive
Midland, Texas 79705

Attention: Dorothea Owens

Administrative Order NSP-1636(SD)(L)

Dear Ms. Owens:

Reference is made to your application dated August 28, 1991 for a 400.50-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 5: Lots 3 and 4, S/2 NW/4, SW/4, and W/2 SE/4

It is my understanding that this unit is to be simultaneously dedicated to the following four existing wells on the State "A" A/C-2 Lease:

Well No.	Description	Unit	Location
33	660' FSL - 1980' FEL	O	Non-Standard Location
41	660 ' FS & WL	M	Non-Standard Location
44	1980' FN & WL	F	Non-Standard Location
47	660' FNL - 1980' FWL	C	Non-Standard Location

By authority granted me under the provisions of Rule 2(a)4 and 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described non-standard gas spacing and proration unit and resulting unorthodox gas well locations are hereby approved. Also, you are hereby permitted to produce the allowable assigned the GPU from all of said wells in any proportion.

Further, Paragraph No. 1 in Exhibit "A" of Division Order No. R-9073, which authorized a 480.05-acre non-standard Jalmat Gas Pool gas spacing and proration unit comprising Lots 3 and 4, S/2 NW/4, and S/2 of said Section 5, is hereby placed in abeyance until further notice.

Sincerely,

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe
File: Case No. 9775

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

MEMORANDUM

TO: Steve Ross, Legal Counsel
Ms. Lori Wrotenbery, Director

FROM: Michael E. Stogner, Chief Hearing Officer/Engineer MS

SUBJECT: Stipulated declaratory judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on December 15, 2000 (see copy attached).

cc: David R. Catanach, Engineer/Hearing Officer
Chris Williams, District I Supervisor

DATE: March 7, 2001

Mr. Ross,

I understand from Mr. Catanach that while I was out of the office the week of February 19th through the 23rd that you were in the process of reviewing and possibly amending the judgement issued by the District Court in Santa Fe. I have an application by Citation to **recomplete** an existing well to the Eumont Gas Pool. The judgement in Ordering Paragraph No. 1 refers to the **drilling** of additional wells. Please advise. Thanks.

FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF SANTA FE

DOYLE HARTMAN, OIL OPERATOR,

Plaintiff,

v. No. D-0101-CV9902927

NEW MEXICO OIL CONSERVATION DIVISION, LORI WROTENBERY, DIVISION DIRECTOR,

Defendants.

STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agree to the granting of the plaintiff's motion by the entry of this Declaratory Judgment in the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

1. The [redacted] shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.

2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing

of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for affected persons. The application must be supported by evidence that the additional well or wells are necessary to efficiently and economically drain the proration unit, will prevent waste and protect correlative rights.

3. Each party shall bear their own costs and fees incurred in this matter.

JUDGE JIM HALL

_____

JAMES A. HALL
DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

By_____
J.E. GALLEGOS
MICHAEL J. CONDON
Attorneys for Doyle Hartman, Oil Operator

By_____
MARILYN S. HEBERT
Attorney for New Mexico Oil Conservation Division and Lori Wrotenbery, Director

NSL-3949 2/2/01

Citation
OIL & GAS CORP.

February 2, 2001

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

ATTN: Mr. Michael Stogner

Re: Administrative Application for Simultaneous Dedication
State L (B-1400) Lease, Wells #1, #2 and #2Y
Eumont Yates Seven Rivers Queen (Pro Gas) Pool
SE/4 Sec. 1, T21S, R35E, Lea County, New Mexico

Dear Mr. Stogner:

Citation Oil & Gas Corp. respectfully requests your approval of this administrative application for Simultaneous Dedication of acreage for the State L #1, #2 and #2Y wells. On February 16, 1998, your office approved Administrative order NSL-3949 (SD) for the State L #2 and #2Y wells due to reclassification of well #2Y from oil to gas. A copy of that Order is attached. ~~The State L #1 well was completed as an oil well on 5/11/1937 and was temporarily abandoned 4/19/1965. On 12/7/2000, it was recompleted to a gas well in the Eumont Yates Seven Rivers Queen (Pro Gas) Pool.~~

Citation intends to simultaneously dedicate the existing 160 acre Gas Proration Unit currently dedicated to the State L #2 and #2Y gas wells to include the State L #1 well. Approval to this administrative application is requested in order to prevent waste and to have all three wells classified as gas.

Attached is a map showing offset operators, Form C-102 and a copy of Form C-104 for reclassification of the L #1. A copy of this letter and attachments, with waiver to objection forms are being furnished by Certified Mail to offset operators as notice of this application.

If you have any questions or require additional information, please contact me at (281) 517-7194.

Sincerely,

Debra Harris
Production/Regulatory Coordinator

Attachments

cc: NMOCD District I - Hobbs, NM
NM Commissioner of Public Lands Office

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 18, 2000

Raptor Resources, Inc.
c/o Cambell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSP-1636-A (L) (SD)

Dear Mr. Carr:

Reference is made to the following: **(i)** Raptor Resources, Inc.'s ("Raptor") earlier applications dated October 25, 1999, December 8, 1999, December 12, 1999, March 15, 2000, and March 16, 2000; **(ii)** the New Mexico Oil Conservation Division's ("Division") response to these earlier applications by letters of withdrawal dated November 19, 1999, February 28, 2000, and March 21, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; **(iii)** your re-submittal of these applications to the Division on behalf of Raptor on June 8 and 9, 2000; **(iv)** the Division's records in Santa Fe, including the files on Division Order No. R-9073, as amended, and Division Administrative Order NSP-1636 (SD) (L); **(v)** the two Division directives dated December 22, 1999 and January 5, 2000; **(vi)** the Division's "*NOTICE*" to all operators in the Jalmat Pool dated January 11, 2000; and **(vii)** the Division Director's "*MEMORANDUM*" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor's requests:

(1) to increase the acreage of the existing 400.50-acre non-standard gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising Lots 3 and 4, the S/2 NW/4, SW/4, and W/2 SE/4 of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which was established by Division Administrative Order NSP-1636 (SD) (L), dated September 19, 1991, by including the 40 acres comprising the SE/4 SE/4 (Unit P) of Section 5 to the GPU; and

(2) for four additional infill Jalmat gas wells to be included within this new expanded 440.50-acre GPU all of which are at unorthodox infill gas well locations thereon.

Currently, under the provisions of Division Administrative Order NSP-1636 (SD) (L) the following four described wells, all located at and approved as unorthodox gas well locations, are simultaneously dedicated to the existing 400.50-acre non-standard GPU:

(1) State "A" A/C-2 Well No. 33 (**API No. 30-025-08793**), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;

(2) State "A" A/C-2 Well No. 41 (**API No. 30-025-08796**), 660 feet from the South and West lines (Unit M) of Section 5 {which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]};

(3) State "A" A/C-2 Well No. 44 (**API No. 30-025-08797**), 1980 feet from the North and West lines (Unit F) of Section 5 {which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]}; and

(4) State "A" A/C-2 Well No. 47 (**API No. 30-025-08798**), located 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 5 {which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]}.

The Division's records indicate that the aforementioned State "A" A/C-2 Well No. 41 was plugged and abandoned in 1994 and can therefore be omitted from this GPU at this time.

It is our understanding that Raptor's existing State "A" A/C-2 Well No. 27 (**API No. 30-025-08789**), located at a previously approved unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 5 {see Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]} is currently completed in the Jalmat Gas Pool as an "oil" well, in which the 40 acres comprising the SE/4 SE/4 (Unit P) of Section 5 is currently dedicated to form a standard 40-acre oil spacing and proration unit; however, this completion is to be reclassified a gas well.

By authority granted me under the provisions Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.D (2), the following described 440.50-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 5: Lots 3 and 4, S/2 NW/4, SW/4, W/2 SE/4, and SE/4 SE/4.

It is further understood that the three other subject wells to be considered at this time are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, all three are to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

Furthermore, by authority granted me under the provisions of Rule 2(d) of the special Jalmat Gas Pool rules and Division Rule 104.F (2) the following three described wells located at unorthodox Jalmat infill gas well locations, all in Section 5, are hereby approved:

State "A" A/C-2 Well No. 2
1980' FSL & 660' FWL (Unit L)
(*API No. 30-025-08791*);

State "A" A/C-2 Well No. 34
1980' FS & EL (Unit J)
(*API No. 30-025-08794*); and

State "A" A/C-2 Well No. 46
660' FSL & 1980' FWL (Unit N)
(*API No. 30-025-08800*)

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 2, 27, 34, and 46 with the State "A" A/C-2 Wells No. 33, 44, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all seven of these wells in any proportion

All provisions applicable to the subject GPU in Division Administrative Orders NSL-1636 (SD) (L) not in conflict with this order shall remain in full force and affect until further notice.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1636 (SD) (L) /

District I
PO Box 1980. Hobbs. NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10. 1994
Instructions on back
Submit to Appropnate District Offico
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DR1LL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

' Operator Name and Address.	' OGRID No_
Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701	162791
	' API Number 30 - 025-34910

' Property Code	' Property Name	' Well No.
24671	State A A/C 2	78

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	22S	36E		1980	North	660	West	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

' Proposed Pool 1	" Proposed Pool 2
Jalmat Tansill Yates 7 Rvrs (Pro Gas)	

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	3600
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
		Tnsl/Yates/7 Rvrs		

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention_program, if any._Use additional sheets if necrssary.

PROPOSED OPERATIONS:

Permit Expires 1 Year From Approval Date Unless ~~Drilling~~ Underway
Plug back

1. Set CIBP above the Eunice: 7 Rvrs, Qn at 3500' +/-
2. Perf the Tnsl/Yates/7 Rvrs from 3182' to 3438'.
3. Acidize
4. Frac
5. POP

Approval for workover ONLY -- CANNOT produce until Non-Standard Location is approved

23 I hereby cenify that the information given above is true and ~~complete to~~ the best of my knowledge and belief.

Signature: Bill R. Keathly	OIL CONSERVATION DIVISION
Printed name: Bill R. Keathly	Approved by: Chris Williams
Title: R egulatory Agent for Raptor	Title: DISTRICT I SUPERVISOR
Date: 1-30-01 / Phone (915) 697-1609	Approval Date: FEB 13 2001 / Expiration Date:
	Conditions of Approval: Attached

District I
1625 N. French Dr., Hobbs. NM 88240
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd. Aztec, NM 87410
District IV
PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	2 Pool Code	3 Pool Name
30-025- 34910	79240	Jalmat Tansill Yates 7 Rvrs (Pro Gas)

4 Property Code	5 Property Name	6 Well Number
24671	State A A/C 2	78

7 OGRID No.	8 Operator Name	9 Elevation
162791	Raptor Resources	

10 Surface Location

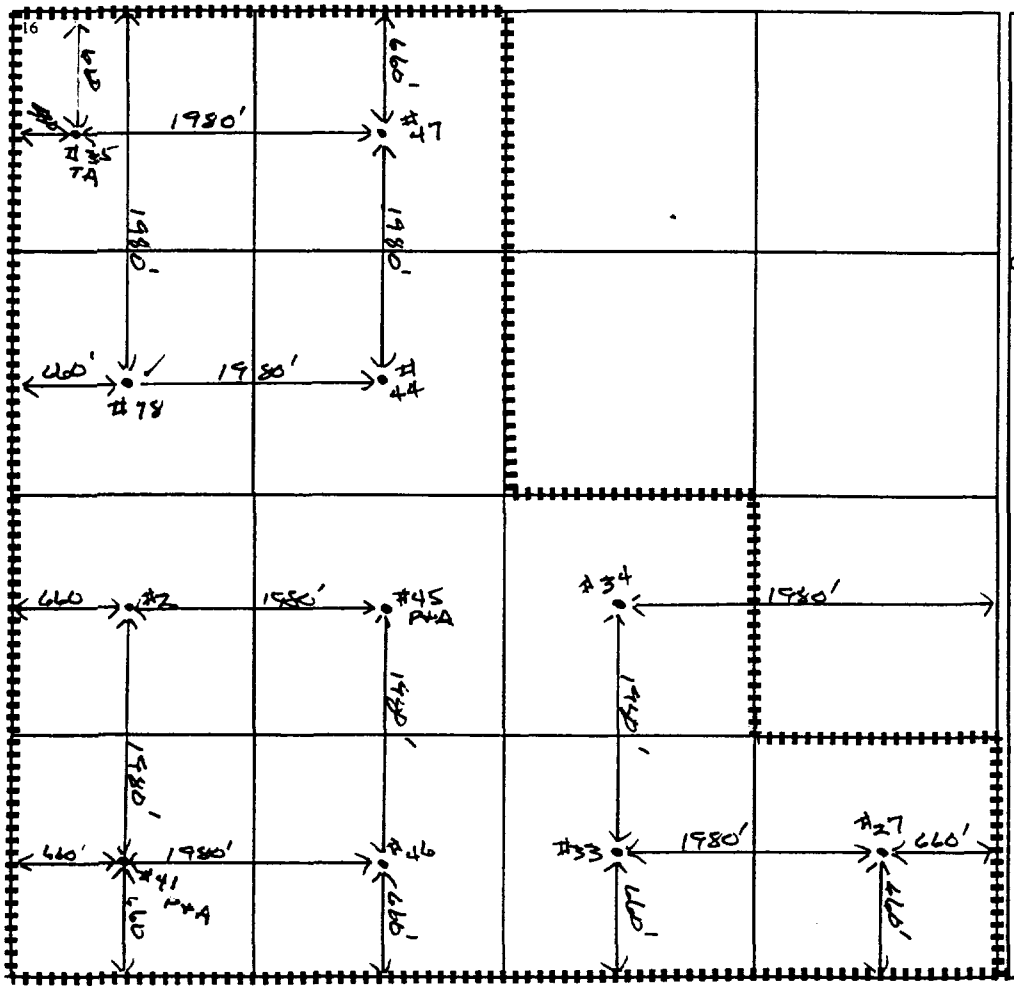
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	22S	36E		1980	North	660	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infil	14 Consolidation Code	15 Order No.
440.50			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Bill R. Keathly
Printed Name

Regulatory Agent
Title

1-30-01
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

+Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM S8240

P.O. Drawer DD, Artesia, NM 88210

DISTRICT T11
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34910

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE •APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: State A A/C 2

1. Type of Well: Oil Well ☒ Gas Well ☐ OTHER

2. Name of Operator: Raptor Resources, Inc.

8. Well No. 78

3. Address of Operator: 901 Rio Grande, Austin, TX 78701

9. Pool name or Wildcat: Eunice: Seven Rivers-Queen, South (24130)

4. Well Location

Unit Letter E 1980 Feet From The North Line and 660 Feet From The West Line

Section 5 Township 22S Range 36E NMPM Lea County

10. Elevauon (Show *whether DF, RKB. RT, GR, ctc.)* 3600'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐		CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER Squeeze Lower Perfs ☒	

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

10/11/00 MIRU. POOH W/ 2 3/8" tbg & pump. GIN W/ 5 1/2" RBP set @ 3604'. Perf the Jalmat 7 Rvrs Reef W/ 2 SPF @ 3455', 3479', 3484', 3492', 3499', 3512', 3536', 3.562', 3570', 3586', 3593' and 3597' for a total of 24 holes. GIH W/ 2 3/8" tbg & 5 1/2" packer set @ 3346'.
10/18/00 Shut in well for further evaluation.

10/28/00 RU. Lower RBP to 3725', spot 2 sks sand on RBP. GIH W/ tbg & AD-1 Pkr. Run 5 1/2" cement retainer set @ 3416', test tbg to 1000# & retainer to 500#. Sting into retainer pump 200 sks Class "C" neat W/ 2% CaCl to squeeze perfs from 3455 to 3711'. Final squeeze pressure @ 85#, stung out of retainer & reversed 35 sks. SI WOC.
10/31/00 GIH W/ 4 3/4" bit & 6 3 1/2" drill collars on 2 3/8" tbg. Drill out retainer & hard cement to 3422', circ hole clean. Continue drilling out cmt. Tested squeezed perfs to 500# @ 3504', 3575' & 3725', washed 4' of sand off RBP, circ hole clean, POOH. GIH W. releasing tool on 2 3/8" tbg, latched onto & released RBP @ 3725', POOH . GIH W/ 109 jts 2 3/8" tbg set @ 3499' and set Sub pump.
11/18/00 RDMO. Returned well to production, producing from perfs @ 3730' to 3912'.

12. I hereby *certify* that the *information* above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE R egulatory Agent for Raptor DATE 12/3/00

TYPE OR PRINT NAME Bill R. Keathly TELEPHONE NO. 915-697-1609

(this space *for* State Use)

APPROVED BY [signature] TITLE FIELD REPRESENTATIVE II DATE DEC 0 [illegible]

CONITIONS OF APPROVAL, IF ANY

+Submit to Appropriate
District Office
State Lease-6 copies
Fee Lease-5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

Stale of New Mexico
Energy, Minerals and Natural Resources Deprtment

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 875042088

Form C-105
Revised 1-1- 89

Corrected

WELL API NO. 30-025-34910

5. Indicale Type Lease STATE [X] FEE [ ]

6 State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL [X] GAS WELL [ ] DRY [ ] OTHER

b. Type of Completion: NEW WELL [ ] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF RESVR [X] OTHER Squeeze

7. Lease Name or Unit Agreement Name: State 'A' A/C 2

v Name of Operator: Raptor Reasources, Inc.

8. Well No. 78

3. Address of Operator: 901 Rio Grande, Austin, TX. 78701

9. Pool name or Wildcat: Eunice: Seven Rivers-Queen, South (24130)

4. Well Location

Unit letter E 1980 Feet From The North Line and 660 Feet From The West Line

Section 5 Township 22S Ra nge 36E NMPM Lea County

10 Date Spudded	11. Date TD. Reached	12 Date Compl. (Ready to Prod.)	13. Elevatiou (DF& RKB. RT. GR. etc.)	14. Elev. Casinghead
3/2/00	3/7/00	6/7/00	3600'	

15. Total Depth	16 Plug Back TD.	17. If Multiple Compl How Many	18. Intavals Drilled By	Rotary Tools	Cable Tools
4000	3947'	1		XX	

19. Producing Interval(s), of this completion - Top, Bottom, Name: 3730 - 3912' Queen

20. Was Directional Survey Made: No

21. Type Electric and Other Logs Run

22. Was Well Cored: No

21

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
	SAME AS	BEFORE			

24 LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 7/8"	3499'	

26 Perforation record (interval size, and number)
Perf W/ 1 SPF from 3623 - 3912' (17 holes)
Perf W/ 2 spf @ 3455 - 3597' (24 Holes)
Squeeze W/ 200 sx "C" from 3455 to 3711'

27. ACID, SHOT, FRACTURE, CEMENT, SQUREZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	2000 g 15% HCl. Frac W/ 31,450 g 40#
3623 - 3912 Queen	Gel foamed to 70 Q W/ 148T CO2 &
	30000# 20/40 & 62000# 16/30 Sd

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
11/18/00	Pumping	Producing

Date d of Test	Hours Tested	Choke Size	Prod'n For Test Peroid	Oil - Bbl.	Gas - MCF	Water- Bbl.	Gas - Oil Ratio
11/21/00	24			3	55	295	1833

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water- BbL	Oil Gravity - API - (Corr.)
			3	55	295	32

29. Disposition of Gas (Sold, used for fuel, vented, etc.): Sold

Test Witnessed By: Marc Briggs

30. List Attachments

31. I hereby certify that the information shown on b oth sides of this form is true and complet to the best of my knowledge and belief.

Signature [signature] Printed Name Bill R. Keathly Title Regulatory Agent Date 12/3/00

ROD RIC CORPORATION

P.O. BOX 1767
MIDLAND, TEXAS 79702
(915) 682-7880

30-025-34910

Well Name & Number: State "A" A/C #2, Well #78 Unit E 1950/N & 660/W

Operator: Raptor Resources, Inc. Attn: Drilling Department

Location: Sec. 5, T-22-S, R-36-E, Lea County New Mexico

The undersigned hereby certifies that he/she is an authorized representative of the drilling contractor who drilled the above described well and that he/she has conducted deviation tests and obtained the following results:

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X 100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
342	342	0.50	0.87	2.98	2.98
630	288	1.00	1.75	5.04	8.02
986	356	1.00	1.75	6.23	14.25
1,480	494	1.50	2.62	12.94	27.19
1,970	490	2.00	3.05	14.95	42.14
2,432	462	2.00	3.05	14.09	56.23
2,856	424	3.50	6.10	25.86	82.09
3,350	494	1.75	3.05	15.07	97.16
3,443	93	2.50	4.36	4.05	101.21
3,982	539	1.25	2.18	11.75	112.96

Drilling Contractor: Rod Ric Corporation

By: Pamela D. Lathram

Pamela D. Lathram-Secretary

Subscribed and sworn to me before this 9th day of May, 2000.

TONY LYNN WILLIS
NOTARY PUBLIC
State of Texas
Comm. Exp. 06-24-2000

Tony Lynn Willis
Notary Public

My Commission Expires: 6-24-2000

Midland County, Texas

+Submit to Appropriate
District Office
State Lease-6 copies
Fee Lease-5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

Stale of New Mexico
Energy, Minerals and Natural Resources Deprtment

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 875042088

Form C-105
Revised 1-1- 89

WELL API NO. 30-025-34910

5. Indicale Type Lease STATE ☒ FEE ☐

6 State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER

b. Type of Completion: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER

7. Lease Name or Unit Agreement Name: State A A/C 2

v Name of Operator: Raptor Reasources, Inc.

8. Well No. 78

3. Address of Operator: 901 Rio Grande, Austin, TX. 78701

9. Pool name or Wildcat: Eunice: Seven Rivers-Queen, South (24130)

4. Well Location

Unit letter E 1980 Feet From The North Line and 660 Feet From The West Line

Section 5 Township 22S Ra nge 36E NMPM Lea County

10 Date Spudded	11. Date TD. Reached	12 Date Compl. (Ready to Prod.)	13. Elevatiou (DF& RKB. RT. GR. etc.)	14. Elev. Casinghead
3-2-00	3-7-00	6-7-00	3600'	

15. Total Depth	16 Plug Back TD.	17. If Multiple Compl How Many	18. Intavals Drilled By	Rotary Tools	Cable Tools
4000	3947'			XX	

19. Producing Interval(s), of this completion - Top, Bottom, Name: 3623 - 3912 Queen

20. Was Directional Survey Made: No

21. Type Electric and Other Logs Run: Dual Spaced Neuron: Dual Laterolog/Micro-SFL

22. Was Well Cored: No

21

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24#	630'	12 1/4"	240 sx Class C	
5 1/2"	17#	4000'	7 7/8"	850 sx 50/50 POz 'C'	

24 LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SI ZE	DEPTH SET	PACKER SET
2 3/8" Tbg.	3577'	

26 Perforation record (interval size, and number)
Perf Seven Rivers/Queen W/ 1 SPF from 3623 to 3912' for a total of 17 holes.

27. ACID, SHOT, FRACTURE, CEMENT, SQUREZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	2000 g A cid. Frac W/ 31, 450 g gelled
3623-3912	water to 70 Q W/ 855 MCF N2, 148T co2
	30000# 20/40, 62000# 16/30, 98000 12/20

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
7-/11/00	Pumping (submersible)	Producing

Date d of Test	Hours Tested	Choke Size	Prod'n For Test Peroid	Oil - Bbl.	Gas - MCF	Water- Bbl.	Gas - Oil Ratio
7-18-00	24	none		9	377	70	7778

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water- BbL	Oil Gravity - API - (Corr.)
			9	377	70	32

29. Disposition of Gas (Sold, used for fuel, vented, etc.): Sold

Test Witnessed By: Marc Briggs

30. List Attachments: Logs, C-104, Inclination Report

31. I hereby certify that the information shown on b oth sides of this form is true and complet to the best of my knowledge and belief.

Signature [signature] Printed Name Bill R. Keathly Title Regulatory Agent Date 8-12-00

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally dnlled wells, true vertical depths shall also be reported. For multiple completions. Items 25 through 29 shall be reported for each zone. The form Is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico				Northwestern New Mexico			
T. Anhy		1-. Canyon		T. Ojo Alamo		T. Penn. "B"	
T. Salt		T. Strawn		T. Kirtland-Fruitland		T. Penn. "C"	
B. Salt		T. Atoka		T. Pictured Cliffs		T. Penn. "D"	
T. Yates	3170'	T. Miss		T. Cliff House		T. Leadville	
T. 7 Rivers	3380'	T. Devonian		T. Menefee		T. Madison	
T. Queen	3812'	T. Silurian		T. Point Lookout		T. Elbert	
T. Grayburg		T. Montoya		T. Mancos		T. McCracken	
T. San Andres		T. Sirnpson		T. Gallup		T. Ignacio Otzte	
T. Glorieta		T. McKee		Base Greenhorn		T. Granite	
T. Paddock		T. Ellenburger		T. Dakota		T.	
T. Blinebry		T. Gr. Wash		T. Morrison		T.	
T. Tubb		T. Delaware Sand		T. Todidilto		T.	
T. Drinkard		T. Bone Springs		T. Entrada		T.	
T. Abo		T. Tansill	3132'	T. Wingate		T.	
T. Wolfcamp		T.		T. Chinle		T.	
T. Penn		T.		T. Permain		T.	
T. Cisco (Bough C)		T.		T. Penn "A"		T.	

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____ No. 3, from _____ to _____

No. 2, fronL _____ to _____ No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet.

No. 2, from _____ to _____ feet.

No. 3, from _____ to _____ feet.

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology

+Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM S8240

P.O. Drawer DD, Artesia, NM 88210

DISTRICT TI1
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34910

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE •APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: State A A/C 2

1. Type of Well: Oil Well ☒ Gas Well ☐ OTHER

2. Name of Operator: Raptor Resources, Inc.

8. Well No. 78

3. Address of Operator: 901 Rio Grande, Austin, TX 78701

9. Pool name or Wildcat: Eunice: Seven Rivers-Queen, South (24130)

4. Well Location

Unit Letter E 1980 Feet From The North Line and 660 Feet From The West Line

Section 5 Township 22S Range 36E NMPM Lea County

10. Elevauon (Show *whether DF, RKB, RT, GR, ctc.)* 3600'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐		CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER Completion work ☒	

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

4/27/00 MIRU Sierra Well service. GIH W/ 5 1/2" scrapter to PBTD @ 3947', displact hole W/ 130 bbl KCl water, POOH, RD
5/2/00 RU P-M Wireline, Perf Seven Rivers/Queen W/ 1 SPF @ 3623, 3626, 3638, 3648, 3678, 3711, 3730, 3815, 3817, 3835, 3851, 3874,3878, 3883, 3890, 3901 & 3912 for a total 17 holes, RD. Acidize perfs W/ 2000 gal acid. Frac perfs W/ 31,450 gal gelles water foamed to 7 Quality W/ 855 MCF N2 and 148 T CO2 and 30,000# 20/40 sand, 62,000# 16/30 sand & 98,000#12/20 Brady sand. GIH W/ notched collar on 2 3/8" tbg, tag sand fill @ 3896'. RU foam air unit clean out sand fill to PBTD @ 3947', POOH. GIH W/ 111 jts 2 3/8" tbg set @ 3577', 2" X 1 1/2" X 12' RWTC pump and rods. 6/8/00 SI waiting on larger pumping equipment.
7/8/00 POOH with rods, pump and tbg. GIH W/ TD300 ESP submersible pump and 2 3/8' tbg set @ 3577'.

7/11/00 RDMO. Turned well to production

Test Dated 7/18/00: 9 BO/D; 377 BW/D: 70 MCF

12. I hereby *certify* that the *information* above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE R egulatory Agent for Raptor DATE 8/12/00

TYPE OR PRINT NAME Bill R. Keathly TELEPHONE NO. 915-697-1609

(this space *for* State Use)

APPROVED BY Chris Williams TITLE DATE

CONITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd. Aztic, NM 87410
District IV
PO Box 2088, Santa Fe NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-104
Revised October 18, 1994
Instructions on back:
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1. Opertor name and Address	2 OGRID Number
Raptor Resources, Inc 901 Rio Grande Austin, TX. 78701	162791
	3. Reason for Filling Code NW

4 API Number	5 Pool Name	6. Pool Code
30 - 025-34910	Eunice: Seven Rivers-Queen, South (24130)	24130
7. PropertyCode	**8 Property Name**	**9 Well Nember**
24671	State A A/C 2	78

II. 10 Surface Location

UL or lot. no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West Line	Couunty
E	5	22S	36E		1980	North	660	West	Lea

11 Bottom Hole Location

UL or Lot	Section	Township	Range	Lot. Idn.	Feet from the	North/South Line	Feet from the	Eest/West Line	county

12 Lse Code	13. Producing Method Code	14. Gas Connection Date	15. C-129 Permit Number	16. C-129 Effective Date	17. C-12b Expiration Date
S	P				

III. Oil and Gas Transporters

18 Transporter OGRID	19. Transporter Name and Address	20 POD	21. O/G	22. POD ULSTR Location and Desciption
34053	Plains Marketing, L.P.	2825249	O	5 22S 36E (P) Battery 5
20809	Sid Richardson Gasoline Co.	2825246	G	5 22S 36E (K) Battery 2

IV. Produced Water

23 POD	24. POD ULSTR Location and Description
2825251	5 22S 36E (P) Battery 5

V. Well Com pletion Data

25 Spud Date	26 Rea dy Date	27. TD	28 PBTD	29 Perforations	DHC,DC,MC
3-2-00	6-8-00	4000	3947'	3623-3912	

30. Hole Size	31. Casing & Tubing Size	32 Depth Set	33. Sacks Cement
12 1/4"	8 5/8"	630'	240 sx Class C
7 7/8"	5 1/5"	4000'	850 sx 50/50 POz 'C'
	2 3/8" Tbg.	3577'	

VI. Well Test Data

34. Date New Oil	35. Gas Delivery Date	36. Test Date	37. Test Length	38. Tbg. Pressure	39. Csg. Pressure
7-11-00	7-11/00	7/18/00	24 hrs		
40. Choke Siz e	**41. Oil**	**42. Water**	**43. Gas**	**44. AOF**	**45. Test Method**
	9	377	70		P

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief

Signature: Bill R. Keathly

Printed name: Bill R. Keathly

Title: Regulatory Agent - Raptor

Date: 8/12/00 Phone: 915-697-1609

OIL CONSERVATION DIVISION

Approved by: Chris Williams

Title: DISTRICT 1 SUPERVISOR

Approval Date: AUG 24 2000

47. If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

+Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM S8240

P.O. Drawer DD, Artesia, NM 88210

DISTRICT TI1
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34910

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: State 'A' A/C 2

1. Type of Well: Oil Well ☒ Gas Well ☐ OTHER

2. Name of Operator: Raptor Resources, Inc.

8. Well No. 78

3. Address of Operator: 901 Rio Grande, Austin, TX 78701

9. Pool name or Wildcat: Eunice: Seven Rivers-Queen, South (24130)

4. Well Location

Unit Letter E 1980 Feet From The North Line and 660 Feet From The West Line

Section 5 Township 22S Range 36E NMPM Lea County

10. Elevauon (Show *whether DF, RKB. RT, GR, ctc.)* 3600'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐		CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER Set Production Casing ☒	

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

3/7/00 Drill 7 7/8" hole to a total depth of 4000'. GIH W/ 91 jts 5 1/2" 17# casing set @ 4000'. Lead cement 575 sx Class C 50/50 POZ + 5% NaCl + 10% Bentonite gel + 1/4#/ sx Cello Flake. Tail cement 275 sx Class C 50/50 POZ + 0.2% CD-32 + 0.6% FL-32 + 2% Bentonite gel, circulate 50 sx to surface. Plug down @ 11:45 pm on 3/8/00. WOC.

Release rig, and wait on Completion unit.

12. I hereby *certify* that the *information* above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE R egulatory Agent for Raptor DATE 3-19-00

TYPE OR PRINT NAME Bill R. Keathly TELEPHONE NO. 915-697-1609

(this space *for* State Use)

APPROVED BY Chris Williams TITLE DISTRICT SUPERVISOR DATE MAR 27 2000

CONITIONS OF APPROVAL, IF ANY:

+Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34910

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: State 'A' A/C 2

1. Type of Well: Oil Well [X] Gas Well [ ] OTHER

2. Name of Operator: Raptor Resources, Inc.

8. Well No. 78

3. Address of Operator: 901 Rio Grande, Austin, TX 78701

9. Pool name or Wildcat: Eunice: Seven Rivers-Queen, South (24130)

4. Well Location

Unit Letter E 1980 Feet From The North Line and 660 Feet From The West Line

Section 5 Township 22S Range 36E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3600'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: [ ]		OTHER Spud & set Surface Casing [X]	

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

3-2-00 Spud well @ 12:30 pm on 3-2-00. Drill 12 1/4" hole to a depth of 630'. GIH W/ 15 jts 8 5/8" 24# casing set @ 630'. Lead cement 140 sx Class 'C' + 2% CaCl + 1/4#/sx Cello Flake + 6% Bentonite gel. Tail cement 100 sx Class 'C' + 2% CaCl, circulate 75 sacks to surface. Plug down @ 11 pm on 3/2/00. WOC.
Will continue drilling 7 7/8' hole to total depth.

12. I hereby *certify* that the *information* above is true and complete to the best of my knowledge and belief.

SIGNATURE Bill R. Keathly TITLE Regulatory Agent for Raptor DATE 3-11-00

TYPE OR PRINT NAME Bill R. Keathly TELEPHONE NO. 915-697-1609

(this space for State Use)

MAR 20

APPROVED BY Chris Williams TITLE DISTRICT SUPERVISOR DATE

CONITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980. Hobbs. NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10. 1994
Instructions on back
Submit to Appropnate District Offico
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DR1LL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

' Operator Name and Address.	' OGRID No_
Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701	162791
	' API Number 30-025-34910

' Property Code	' Property Name	' Well No.
24671	State 'A' A/C 2	78

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	22S	36E		1980	North	660	West	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

' Proposed Pool 1	" Proposed Pool 2
Eunice: Seven Rivers-Queen, South (24130)	

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
N	O	R	S	
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
	3950'	Queen	N/A	2/20/00

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	600'	240	Surface
7 7/8"	5 1/2"	15.5#	3800'	490	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention_program, if any._Use additional sheets if necrssary.

1. Well Location & Acreage Dedication Plat (C-102)
2. Proposed well Plan
3. Cementing Program
4. BOP/Choke Diagram

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

23 I hereby cenify that the information given above is true and complute to the best of my knowledge and belief.

Signature: Bill R. Keathly

Printed name: Bill R. Keathly

Title: R egulatory Agent for Raptor

Date: 1-31-00

Phone: (915) 697-1609

OIL CONSERVATION DIVISION

Approved by: Chris Williams

Title: DISTRICT 1 SUPERVISOR

Approval Date: FEB 03 2000

Expiration Date:

Conditions of Approval:
Attached

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-34910	24130	Eunice; Seven Rivers-Queen, South

Property Code	Property Name	Well Number
24671	STATE A A/C 2	78

OGRID No.	Operator Name	Elevation
162791	RAPTOR RESOURCES, INC.	3600

Surface Location

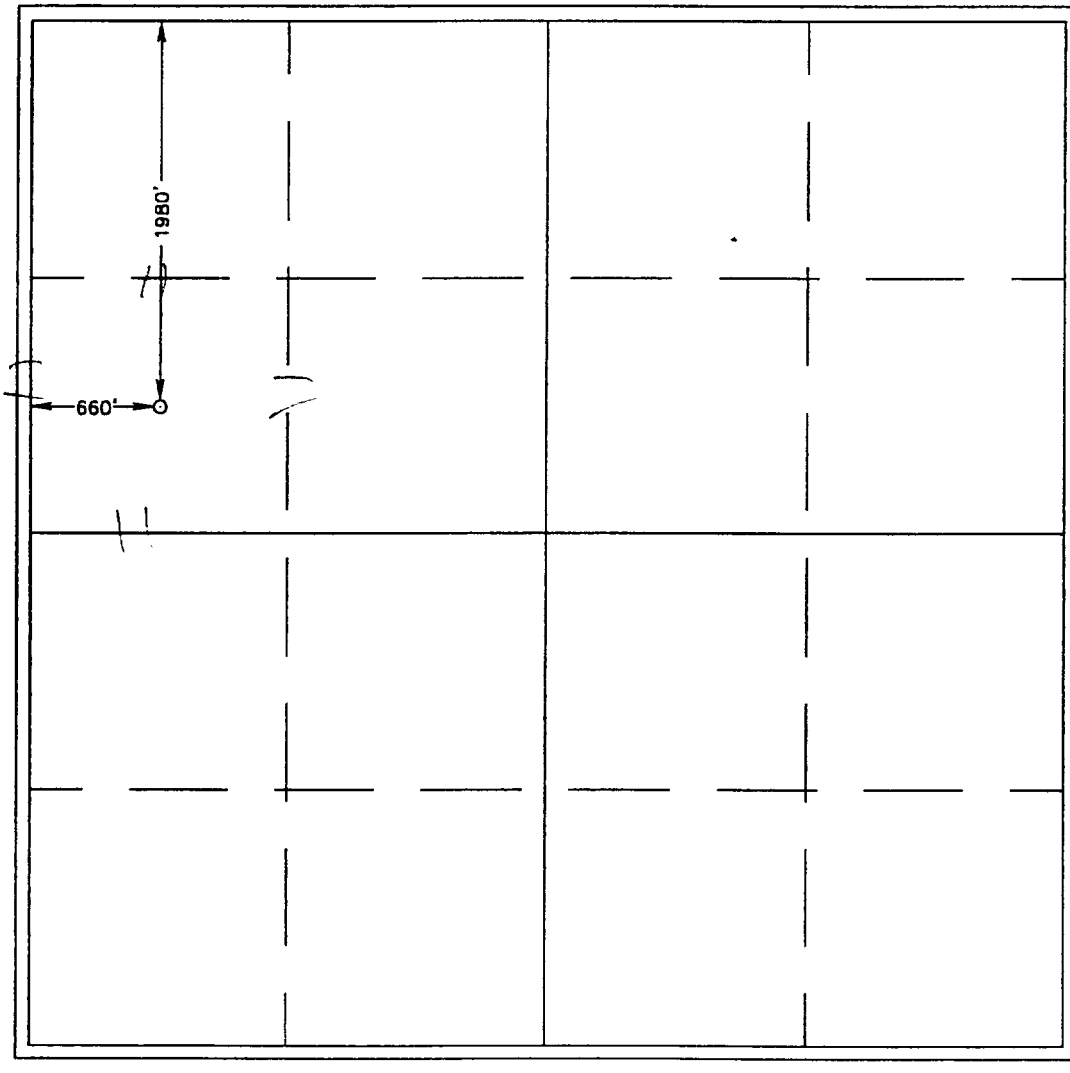
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	22 S	36 E		1980	NORTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent
Title

1-31-00
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.

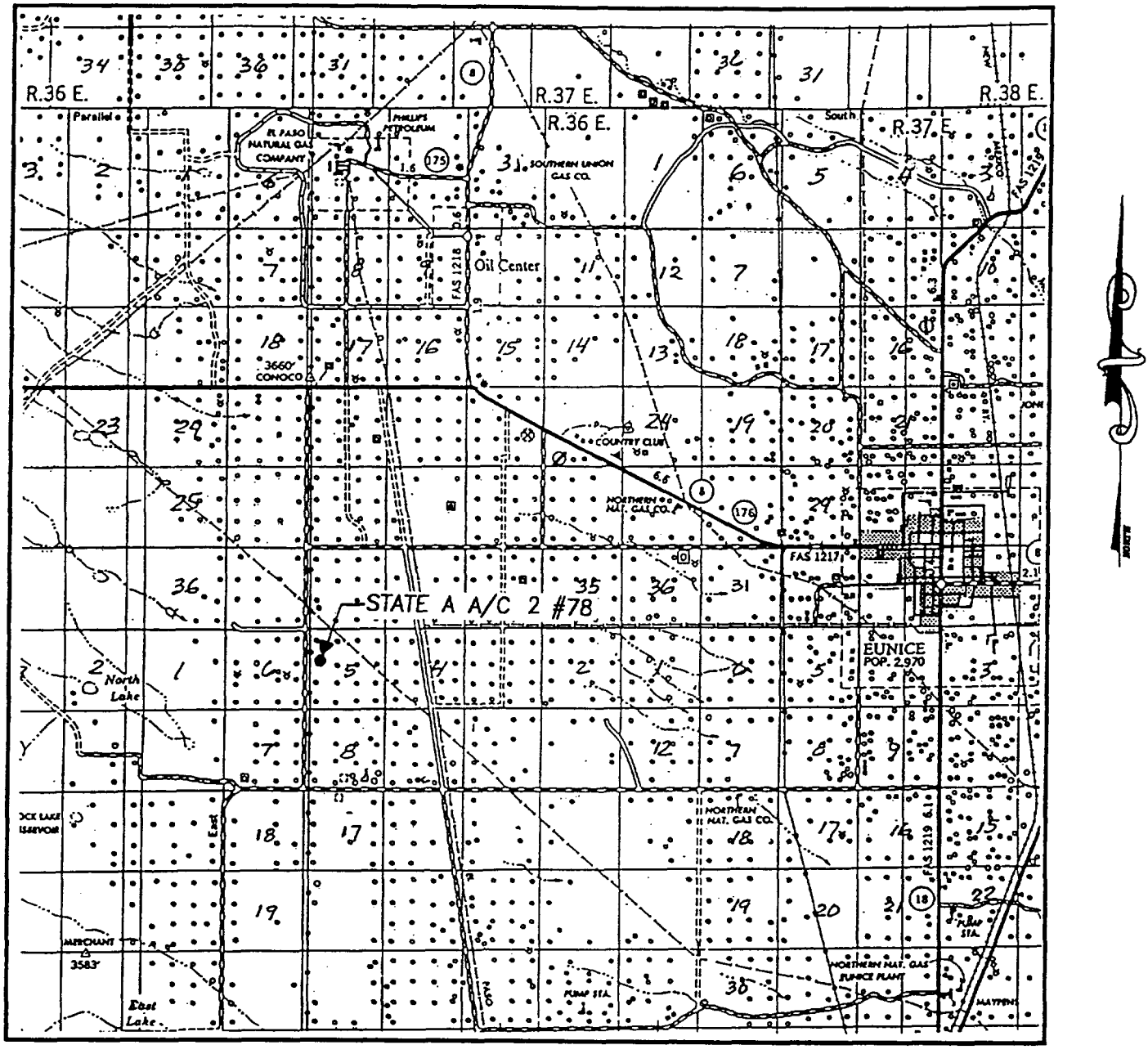
JANUARY 22, 2000
Date Surveyed LMP

Signature & Seal of Professional Surveyor

Ronald J. Eidson 1-28-2000
00-11-0133

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641
MACON McDONALD 12185

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 5 TWP. 22-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FNL & 660' FWL

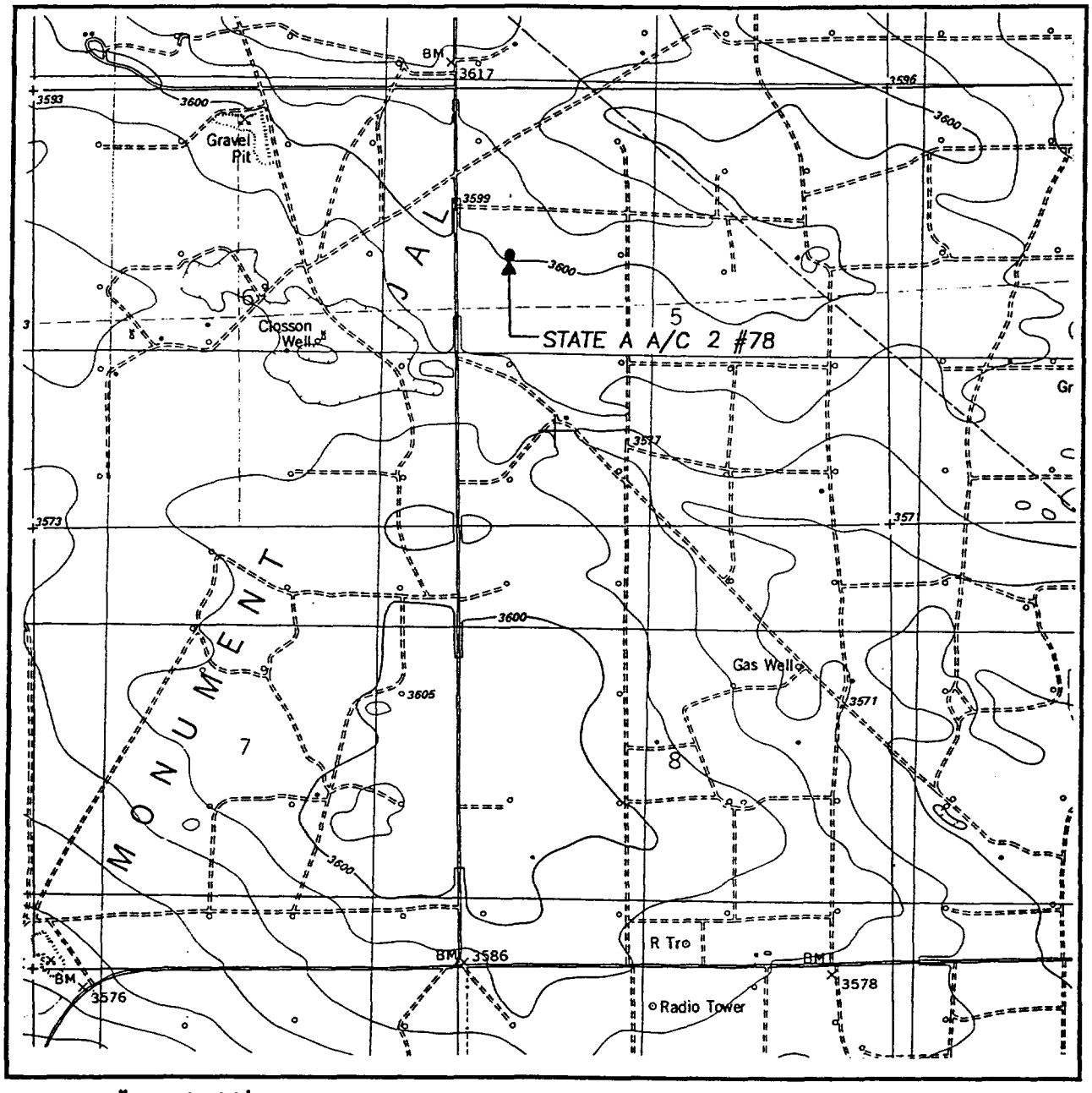
ELEVATION 3600

OPERATOR RAPTOR RESOURCES, INC.

LEASE STATE A A/C 2

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117

LOCATION VERFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
OIL CENTER, N.M. – 10'

SEC. 5 TWP. 22-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FNL & 660' FWL

ELEVATION 3600

OPERATOR RAPTOR RESOURCES, INC.

LEASE STATE A A/C 2

U.S.G.S. TOPOGRAPHIC MAP
OIL CENTER, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117

Proposed Well Plan

State "A" A/C 2, Well # 78
1980' FNL & 660' FWL, Sec. 5, T 22S, R 36E, Unit Ltr 'E', Lea Co.

1. Drill 12 ¼" hole from surface to 600'.
2. Run 8 5/8" 24# casing to 600' cement W/ 240 sx cement with additives to Surface.
3. Drill 7 7/8" hole to 3900'.
4. Run 5 ½" 15.5# casing to 3900' cement W/ 490 sx cement with additives to surface.
5. Perforate the Queen formation from 3650' to 3880'
6. Acid and Frac treatment will be determined after looking at the Logs.
7. Complete and put on production.

Well Name: State "A" A/C 2 # 78

Location: 1980' FNL & 660' FWL, Sec.5, T 22S, R 36E, Unit Ltr 'E', Lea County, New Mexico

Casing Program:

Surface:

Lead: 140 sacks Class C Mixed at 11.8 ppg

Additives: 2% CACL2 + 0.25 pps Cello-Flakes + 6% Bentonite

Tail: 100 sacks Class C Mixed at 14.8 ppg

Additives: 2% CACL2

Production

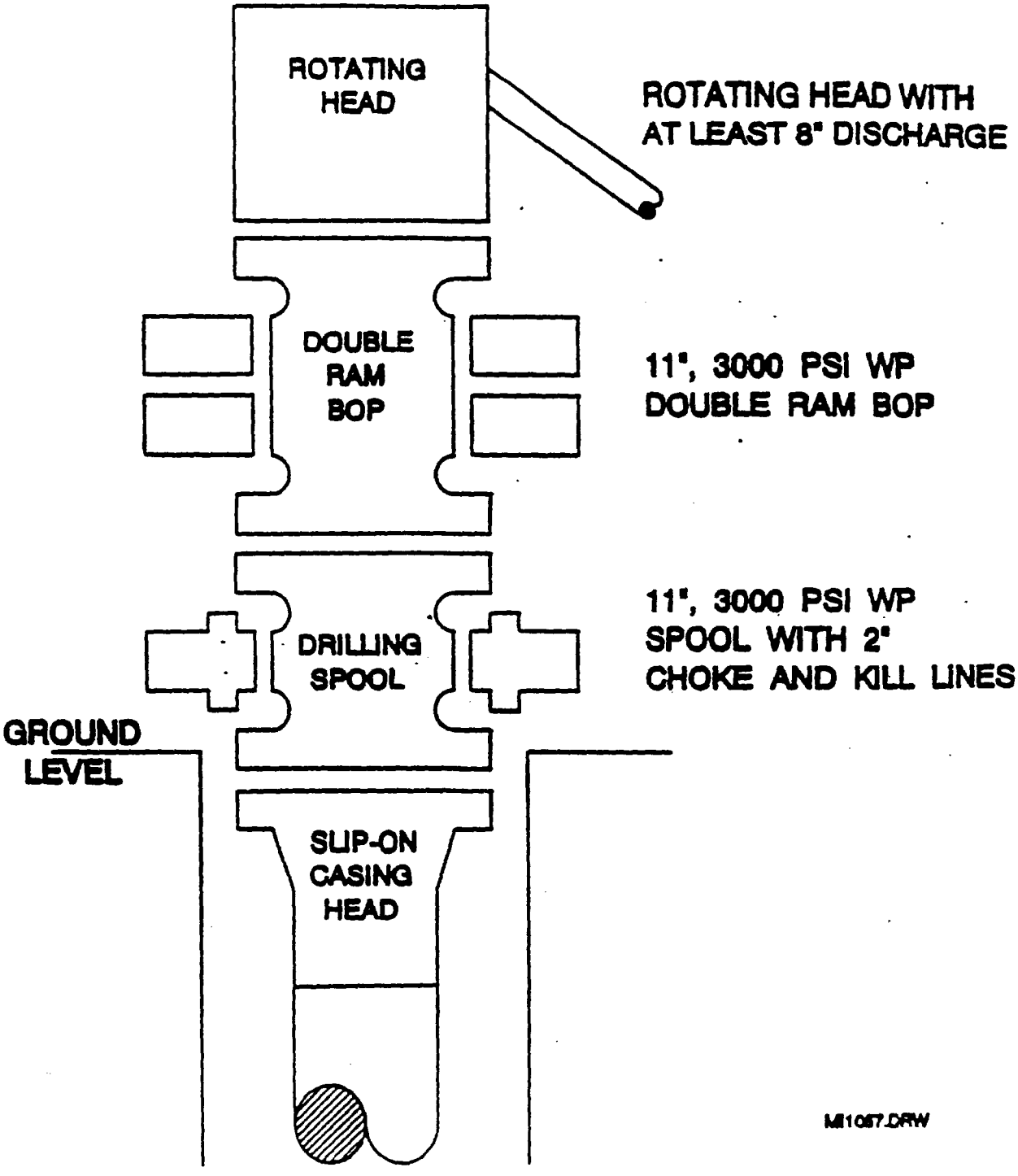
Lead: 390 sacks Class C Mixed at 12.4 ppg

Additves 35:65 Poz (Fly Ash) + 5% CACL2 + 6% Bentonite

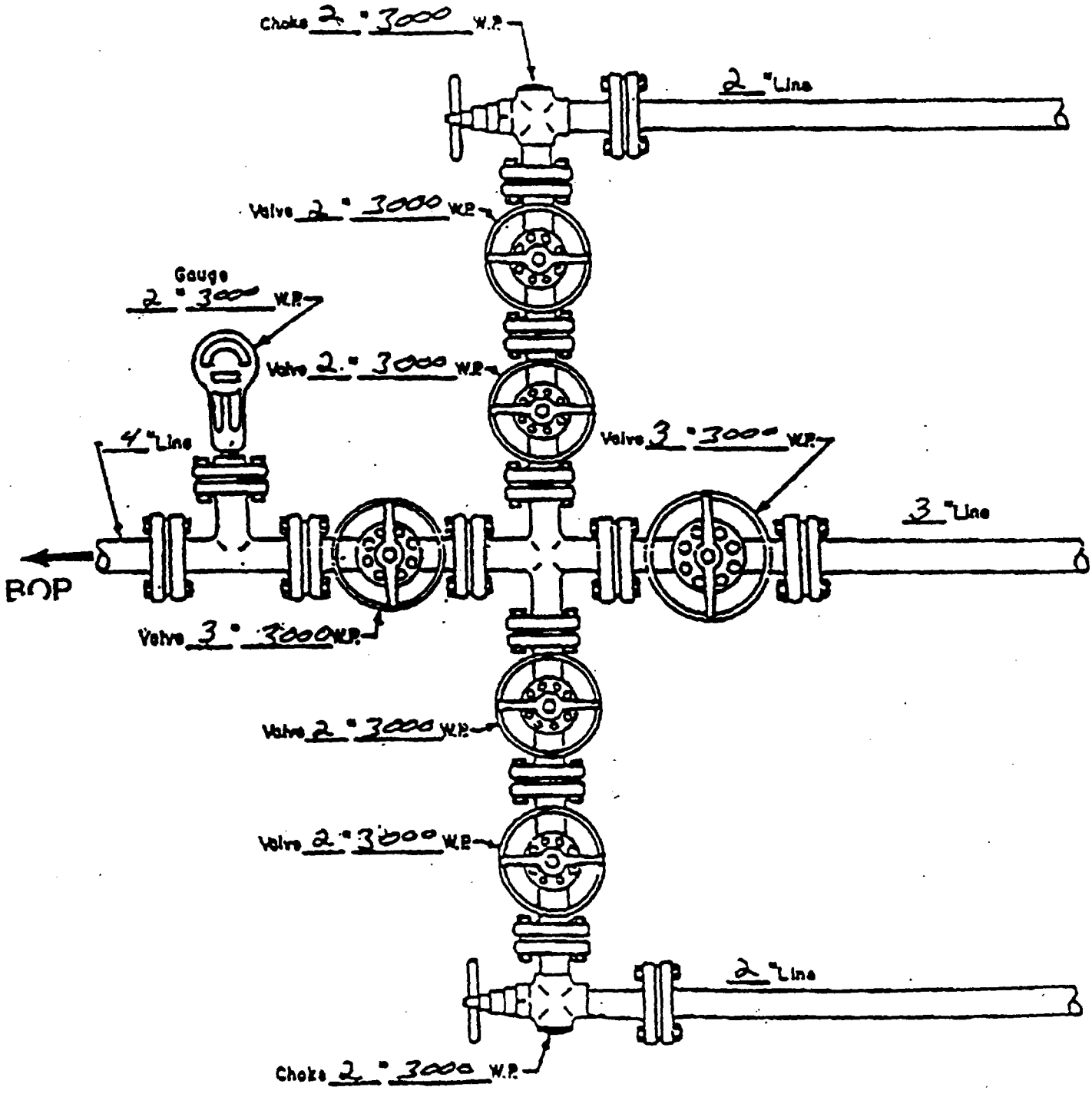
Tail: 100 sacks Class C Mixed at 14.8 ppg

Additives: 3% Potassium Chloride + 2% CD-32 + 0.6% FL-62

BOP SPECIFICATIONS



CHOKE MANIFOLD DIAGRAM



MANIFOLD
3000 #W.P.

☒ Manual
☐ Hydraulic

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 5, 2001

James A. Hall
District Judge, Division II
First Judicial District Court
P.O. Box 2268
Santa Fe, New Mexico 87504

Re: *Doyle Hartman, Oil Operator v. The New Mexico Oil Conservation Division, Lori Wrotenbery, Division Director*, First Judicial District Cause No. D-0101-CV9902927

Dear Judge Hall,

Counsel for the Division in this matter, Lyn Hebert, has left the Energy, Minerals and Natural Resources Department and for the time being I am handling this matter.

Please find enclosed the original and several copies of a proposed Amended Stipulated Declaratory Judgment in the above-referenced case. If appropriate, the parties desire that you execute the Amended Judgment.

As you recall, the parties agreed to entry of a Stipulated Declaratory Judgment, which was executed and filed on January 4, 2001. Since entry of the Judgment, minor issues have arisen with regard to its proper interpretation, and the parties conferred recently and agreed to minor amendments to clarify its meaning. The changes from the original Judgment are found in paragraph 2 and paragraph 3.

If you desire further explanation of the changes, I will be happy to request a hearing for presentment.

Thank you very much for your further consideration of this matter.

Sincerely,

Stephen C. Ross
Assistant General Counsel

Cc: J.E. Gallegos

FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF SANTA FE

DOYLE HARTMAN, OIL OPERATOR,

Plaintiff,

v. **No. D-0101-CV9902927**

NEW MEXICO OIL CONSERVATION DIVISION, LORI WROTENBERY, DIVISION DIRECTOR,

Defendants.

AMENDED STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agreed to the granting of the plaintiff's motion by the entry of a Declaratory Judgment and that judgment should be modified to provide the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

1. The approval of drilling an additional well or wells on a spacing unit ("infill drilling") in the Eumont and Jalmat Gas Pools shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.

2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells

in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for affected persons. Once notice is provided, the Division may process the application in a manner consistent with paragraph 3, herein, and otherwise consistent with the Division's practice, its Rules and Regulations and the Oil and Gas Act.

3. If no affected person timely objects and Division rules allow for administrative approval of the application, the application may be processed administratively and approved or denied by the Division without hearing. If an affected person timely objects, the Division shall set the matter for hearing.

4. This order will not impact or affect any administrative approvals issued prior to December 15, 2000, except for those orders which were the subject of this litigation.

5. Each party shall bear their own costs and fees incurred in this matter.

JAMES A. HALL
DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

By _____
J.E. GALLEGOS
MICHAEL J. CONDON
Attorneys for Doyle Hartman, Oil Operator

By_____
STEPHEN C. ROSS
Attorney for New Mexico Oil Conservation Division and Lori Wrotenbery, Director

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC
DHC
NSL X
NSP
SWD
WFX
PMX

Gentlemen:

I have examined the application for the:

Raptor Resources Inc State A A/c-2 #78-E-5-22s-36e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend hearing due to declaratory order from courts,

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1