



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:

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

Raptor Resources Inc.

July 18, 2000

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**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) /



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc.
901 Rio Grande
Austin, Texas 78701
Attention: **Bill R. Keathly**

Administrative Order NSL-4615(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on February 13, 2001; (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Order No. R-9073, as amended, (see Paragraph No. 1 in Exhibit "A" of Order No. R-9073) and Division Administrative Orders NSP-1636 (SD) (L) and NSP-1636-A (L) (SD); and (iii) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001: all concerning Raptor's requests for an unorthodox Jalmat infill gas well location within an existing non-standard 440.59-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising Lots 3 and 4, the S/2 NW/4, SW/4, W/2 SE/4, and the SE/4 SE/4 of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Administrative Order NSP-1636-A (L) (SD), dated July 18, 2000 and pursuant to this order currently has dedicated thereon the following seven wells:

- (1) State "A" A/C-2 Well No. 2 (API No. 30-025-08791), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 1980 feet from the South and West lines (Unit L) of Section 5;
- (2) State "A" A/C-2 Well No. 27 (API No. 30-025-08789), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 660 feet from the South and East lines (Unit P) of Section 5;
- (3) State "A" A/C-2 Well No. 33 (API No. 30-025-08793), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636 (SD) (L), dated September 19, 1991] 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- (4) State "A" A/C-2 Well No. 34 (API No. 30-025-08800),

located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 1980 feet from the South and East lines (Unit J) of Section 5;

- (5) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636 (SD) (L)] 1980 feet from the North and West lines (Unit F) of Section 5;
- (6) State "A" A/C-2 Well No. 46 (API No. 30-025-08800), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 5; and
- (7) State "A" A/C-2 Well No. 47 (API No. 30-025-08798), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636 (SD) (L)] 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 5.

This application has been duly filed under the provisions of: (i) 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; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

It is our understanding that the subject well to be considered at this time was initially drilled to a total depth of 4,000 feet in March, 2000 in order to test the South Eunice-Seven Rivers-Queen Pool at standard oil well location within a 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 5. Assuming this lower zone to be non-productive, Raptor now seeks to recomplete this well up-hole into the Jalmat Gas Pool upon issuance of this order.

By the authority granted me under the provisions of Division Rules 104.F (2) and 605.B (2) (b) and the applicable provisions of the special pool rules, regulations, and procedures governing the Jalmat Gas Pool, the following well located at an unorthodox Jalmat gas well location in Section 5 is hereby approved:

**State "A" A/C-2 Well No. 78
1980' FNL & 660' FWL (Unit E)
(API No. 30-025-34910).**

Administrative Order NSL-4615(SD)

Raptor Resources, Inc.

July 27, 2001

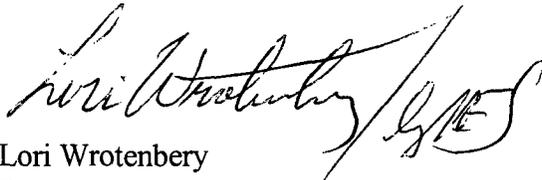
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Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well No. 78 with the State "A" A/C-2 Wells No. 2, 27, 33, 34, 44, 46, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all eight of these wells in any proportion.

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

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1636(SD)(L)
NSP-1636-A(L)(SD)
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 29, 2002

Raptor Resources, Inc.
c/o Holland & Hart LLP
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

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

Dear Mr. Carr:

Reference is made to the following: (i) your application (*pKRV0-213539914*) on behalf of the operator, Raptor Resources, Inc.'s ("Raptor"), dated April 30, 2002; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Order No. R-9073, as amended, and R-11643 and Division Administrative Orders NSP-1636 (SD) (L), NSP-1636-A (L) (SD), and NSL-4615 (SD): all concerning Raptor's requests to decrease the acreage of the existing 440.50-acre non-standard gas spacing unit for the Jalmat Gas Pool (79240), 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, NMPM, Lea County, New Mexico, which was established by Division Administrative Order NSP-1636-A (L) (SD), dated July 18, 2000, by deleting therefrom the 40-acre tract comprising the SW/4 NW/4 (Unit E) of Section 5.

Your application submitted on behalf of Raptor has been duly filed under the provisions of the "Special Pool Rules for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

It is our understanding from this application and the Division's records that the following nine described wells are shown to be currently dedicated to this 440.50-acre non-standard spacing unit:

- (1) State "A" A/C-2 Well No. 2 (API No. 30-025-08791), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 5, which well was the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (2) State "A" A/C-2 Well No. 27 (API No. 30-025-08789), located 660 feet from the South and East lines (Unit P) of Section 5, which well was also the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (3) 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, which well was the subject of Division Administrative Order NSP-1636 (SD) (L), dated September 19, 1991;

- (4) State "A" A/C-2 Well No. 34 (API No. 30-025-08794), located 1980 feet from the South and East lines (Unit J) of Section 5, which well was also the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (5) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), located 1980 feet from the North and West lines (Unit F) of Section 5, which well was also the subject of Division Administrative Order NSP-1636 (SD) (L);
- (6) State "A" A/C-2 Well No. 46 (API No. 30-025-08800), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 5, which well was also the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (7) 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 the subject of Division Administrative Order NSP-1636 (SD) (L);
- (8) State "A" A/C-2 Well No. 78 (API No. 30-025-34910), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5, which well was the subject of Division Administrative Order NSL-4615 (SD), dated July 27, 2001; and
- (9) State "A" A/C-2 Well No. 81 (API No. 30-025-35868), located at an unorthodox gas well location (approved by Division Order No. R-11643, issued in Case No. 12679 on August 27, 2001) 2080 feet from the South line and 1980 feet from the West line (Unit K) of Section 5.

IT SHALL BE NOTED AT THIS TIME THAT the locations of the above described State "A" A/C-2 Wells No. 2, 27, 33, 34, 44, 46, 47, and 78 are now considered to be standard pursuant to Rule 3 (D) (2) of the special rules currently governing the Jalmat Gas Pool.

It our understanding that the above described State "A" A/C-2 Well No. 78 in Unit "E" of Section 5 was recently completed as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 of Section 5 is to be omitted from the 440.50-acre non-standard gas unit at this time.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, the following described 400.50-acre non-standard gas spacing unit is hereby approved:

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

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

Raptor Resources, Inc.

May 29, 2002

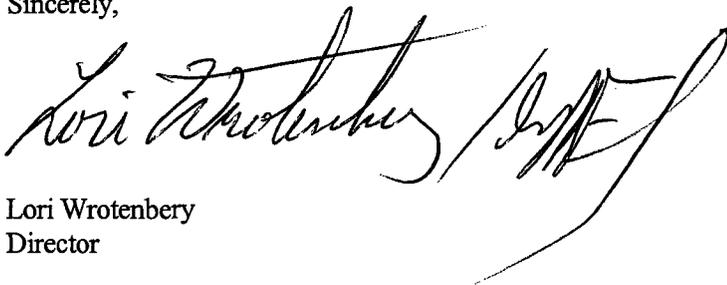
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Also, pursuant to Rule 6 (B) of the Jalmat special pool rules, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 2, 27, 33, 34, 44, 46, 47, and 81.

All provisions applicable to the subject GPU in Division Order No. R-11643 not in conflict with this order shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery". The signature is written in dark ink and is positioned above the typed name and title.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: Case No. 12679

NSL-4615 (SD)

NSP-1636 (SD) (L)

NSP-1636-A (L) (SD)

**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:

| <u>Well Name & Number</u> | <u>API Number</u> | <u>Well Location</u> |
|-------------------------------|-------------------|--------------------------------|
| 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:

| <u>Well Name & Number</u> | <u>API Number</u> | <u>Well Location</u> |
|-------------------------------|-------------------|--------------------------------|
| 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:

| <u>Well Name & Number</u> | <u>API Number</u> | <u>Well Location</u> |
|-------------------------------|-------------------|--------------------------------|
| 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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director

FAX TRANSMITTAL SHEET
OIL CONSERVATION DIVISION
HOBBS, NM
FAX NO. (505) 393-0720

| | |
|-------------------------|----------------------|
| TO: <i>Mike Stogner</i> | FROM: <i>Evelyn</i> |
| PAGES W/COVER: <i>3</i> | DATE: <i>7-18-91</i> |

If there is any problem with this transmission, please call (505) 393-6161.

attached are my comments on the wells
to Rasmussen which you having pending
I believe ~~the~~ Clayton Williams will be
contacting Dick Staments to clear them up

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

July 2, 1991

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 2700
Midland, TX 79705

Attention: Jay Cherski or Bonita Gilbert

RE: Pending applications for the existing 480.50 acre non-standard gas spacing and proration unit comprising Lots 3 and 4, S/2 NW/4, and S/2 of Section 5, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

Dear Mr. Cherski or Ms. Gilbert:

In reviewing my record for the subject proration unit, I show that there are four filings pending review which affect this unit.

Completed as oil well
but current GOR
is 124000/1
as gas well loc will be NS.
oil well
still need NSL
Recomp work
not done

- » State "A"^IA/C-2 Well No. 28 (Unit B), the deletion of 40-acres comprising the NE/4 SE/4 - dated January 23 and March 15, 1990;
- » State "A"^IA/C-2 Well No. 47 (Unit C), the deletion of 40 acres, more or less, comprising Lot 3 - dated January 23 and March 15, 1990;
- » State "A"^IA/C-2 Well No. 33 (Unit O), non-standard gas well location - dated February 5, 1990; and
- » State "A"^IA/C-2 Well No. 45 (Unit K), non-standard gas well location - dated October 3, 1990.

On September 21, 1990 I sent a letter requesting additional information to complete the filings for both the No. 28 and 47 wells (see copy attached). To date I have not received a response.

On January 14, 1991, I again requested this information (see copy attached).