

DATE IN 12/19/02	SUSPENSE 1/8/03	ENGINEER MS	LOGGED IN MN	TYPE NSP	APP NO PKR 0235438202
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AMEND

#183(SD)

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

RECEIVED
 DEC 19 PM 3:15
 OIL CONSERVATION DIV.

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

12-19-02
Date

wcarr@hollandhart.com
e-mail Address

HOLLAND & HART LLP
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

December 19, 2002

HAND DELIVERED

Lori Wrottenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Raptor Resources, Inc. for administrative approval of a non-standard gas spacing unit by the amendment of Division administrative order NSP-183 (SD) to reduce a 160.14-acre non-standard gas spacing unit by deletion of a 40-acre oil spacing unit, Jalmat Gas Pool, Lea County, New Mexico.

Dear Ms. Wrottenbery:

Pursuant to the provisions of Rule 4 (C) of the Special Pool Rules for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170-P dated December 14, 2001, Raptor Resources, Inc. hereby files its application for an administrative exception to the requirements of Rule 2(A) for the reduction of the existing 160.14-acre non-standard gas spacing unit comprised of Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to a 120.14-acre unit by deleting the NW/4 NE/4 (Unit B) of Section 5. This 160.14-acre non-standard gas spacing unit was authorized by Division Order NSP-183 (SD), dated March 3, 2000.

The reduction of this non-standard Jalmat gas spacing unit is necessary because the gas-liquid test conducted on the State 157 "G" Well No. 4 (API No. 30-025-08790) located in the NW/4 NE/4 of Section 5, showed that it produced at a gas-liquid ratio of less than 100,000 cubic feet of gas per barrel of oil [See, Rule 1] and therefore is an oil well in the Jalmat formation, Jalmat Tansil Yates 7 Rivers (Oil Pool)[Rule 4(C)(2)(a)]. Simultaneous dedication of the 40-acre oil spacing unit dedicated to the State 157 "G" Well No. 4 and the 160.14-acres non-standard gas spacing unit would violate Rule 2(C) of the Special Pool Rules for the Jalmat Gas Pool.

By Administrative Order NSP-183 (SD) the Division (i) reinstated a non-standard 160.14-acre gas spacing and proration unit in the Jalmat Gas pool comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico and (ii) authorized the simultaneous dedication of this non-standard unit to the following existing wells:

- (a) State 157 "G" Well No. 2 (API No. 30-025-08787) located at a standard gas well location for this GPU 1980 feet from the North and East lines (Unit G) of Section 5; and
- (b) State 157 "G" Well No. 4 (API No. 30-025-08790) located at a standard gas well location for this GPU 990 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) Section 5.

Raptor Resources, Inc
Application for Administrative Approval of
a Non-Standard Gas Spacing and Proration Unit
December 19, 2002
Page 2

By administrative Order NSP-183, dated September 2, 1955, a 160.14-acre GPU was initially established by the Division for Sinclair Oil and Gas Company and was dedicated to its State 157 "G" Well No. 1-A, later re-numbered 1-Y, located at a standard gas well location 1980 feet from the North Line and 810 feet from the East line (Unit H) of Section 5. This well ceased producing in 1964 and was plugged and abandoned in 1975. In 1965, Sinclair rededicated this acreage to its State 157 "G" Well No. 3, located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 5. This well ceased producing in 1970 and was plugged and abandoned in 1976.

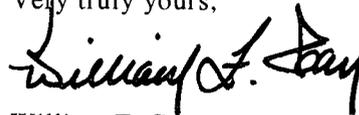
Administrative Order NSP-183 (SD) reinstated the 160.14-acre non-standard gas spacing unit and authorized the simultaneous dedication of this acreage to the State 157 "G" Well Nos. 2 and 4. Raptor attempted to recomplete these wells from the South Eunice-Seven Rivers-Queen Pool to the Jalmat Gas Pool but, on recompletion, the State 157 "G" Well No. 4 was completed as a Jalmat Oil Well. The proposed 120.14-acre non-standard Jalmat gas spacing unit consists of quarter-quarter sections or lots that share a common bordering side. Attached hereto as **Exhibit A** is a land plat which shows the subject 120.14-acre spacing non-standard gas spacing unit comprised of Lot 1 and the S/2 NE/4 of Section 5, Township 22 South, Range 36 East [Rule 4(C)(2)(b)]. The only other Jalmat gas well contained within the NE/4 of Section 5 is the Raptor State 157 G located 1980 feet from the North and East lines of the Section. See, Rule 4(C)(2)(b).

Exhibit B-1 is a copy of the Oil Conservation Division Form C-102 that shows the 40-acre location for the State 157 "G" Well No. 4. **Exhibit B-2** is a copy of the Oil Conservation Division Form C-102 that shows the 160.14-acre that shows the location for the State 157 "G" Well No. 2 which has been re-completed as a Jalmat gas well.

The owners of the mineral estate in the acreage which is excluded from a 640-acre standard gas spacing unit in Section 5 are identical to the mineral owners in the proposed 120.14-acre non-standard gas spacing unit that is the subject of this application. Raptor is the owner of all working interest in the section and the State of New Mexico is the only royalty owner. Raptor has provided a copy of this application, including all attachments, to the New Mexico Commissioner of Public Lands by certified mail-return receipt requested in accordance with Rule 1207 (B) advising that if the State Land Office has an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days after filing of this application and proof of notice with the Division.

Your attention to this application is appreciated.

Very truly yours,



William F. Carr
Attorney for Raptor Resources, Inc

Enclosures

cc: Oil Conservation Division-Hobbs

Mr. John Lawrence
Raptor Resources, Inc.

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

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 30-025-08790		2 Pool Code 33820		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Oil)	
4 Property Code 24670		5 Property Name State 157 G			6 Well Number 4
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

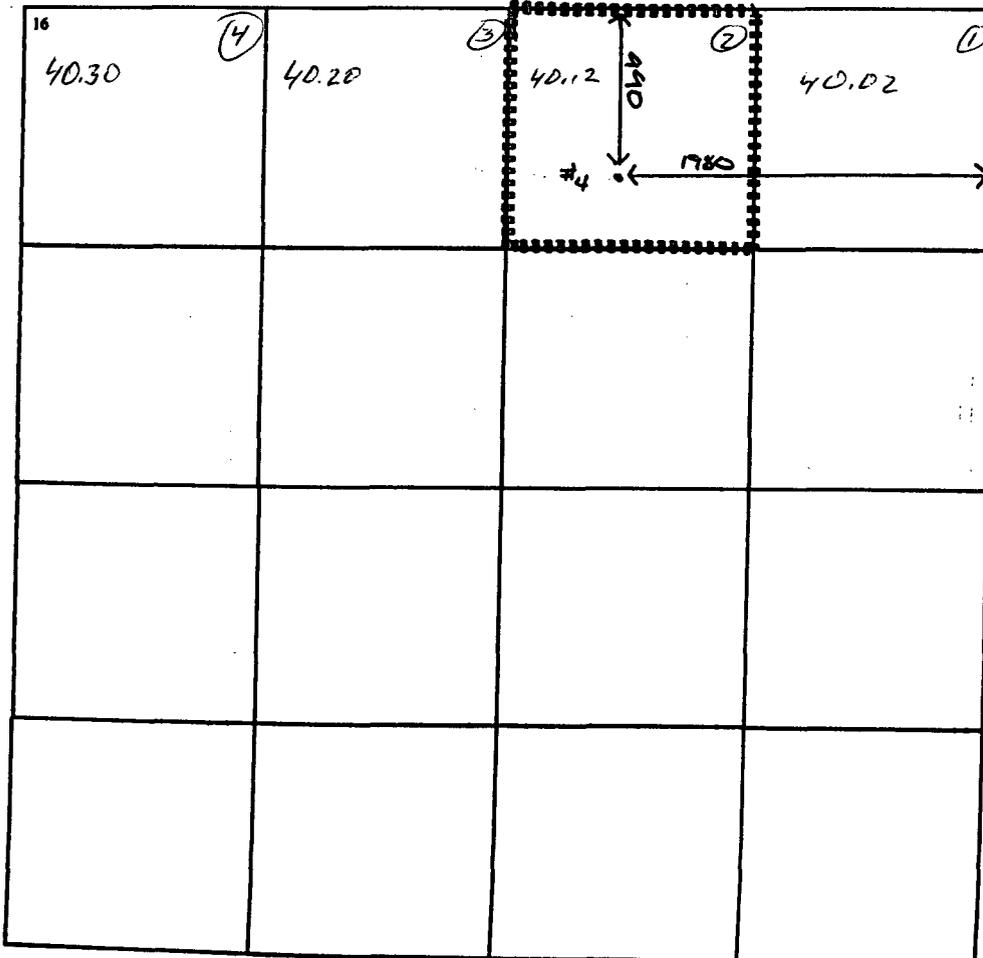
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	5	22S	36E		990	North	1980	East	Lea

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 40	13 Joint or Infil	14 Consolidation Code	15 Order No.
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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

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent
Title

6-12-00
Date

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

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 30-025-08787		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
4 Property Code 24670		5 Property Name State 157 G			6 Well Number 2
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

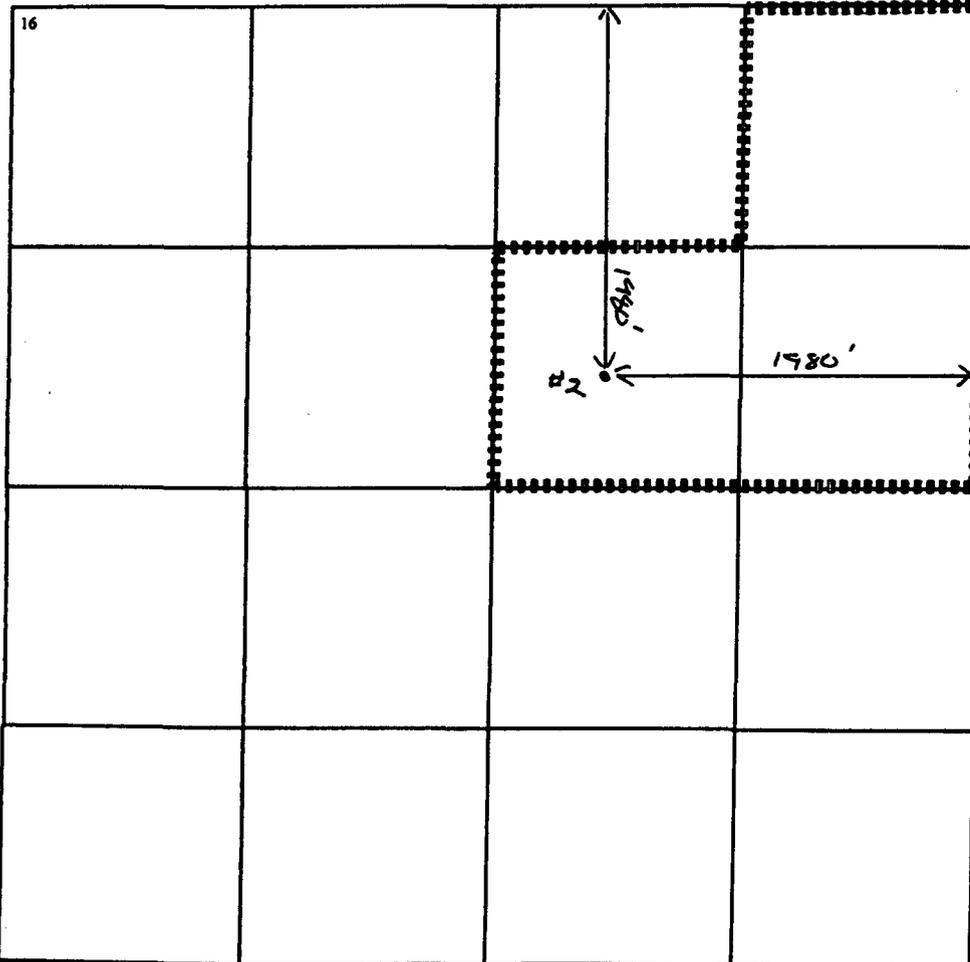
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	5	22S	36E		1980	North	1980	East	Lea

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 120.14	13 Joint or Infill	14 Consolidation Code	15 Order No. NSP-183 (SD)
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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

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent
Title

6-13-00
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.

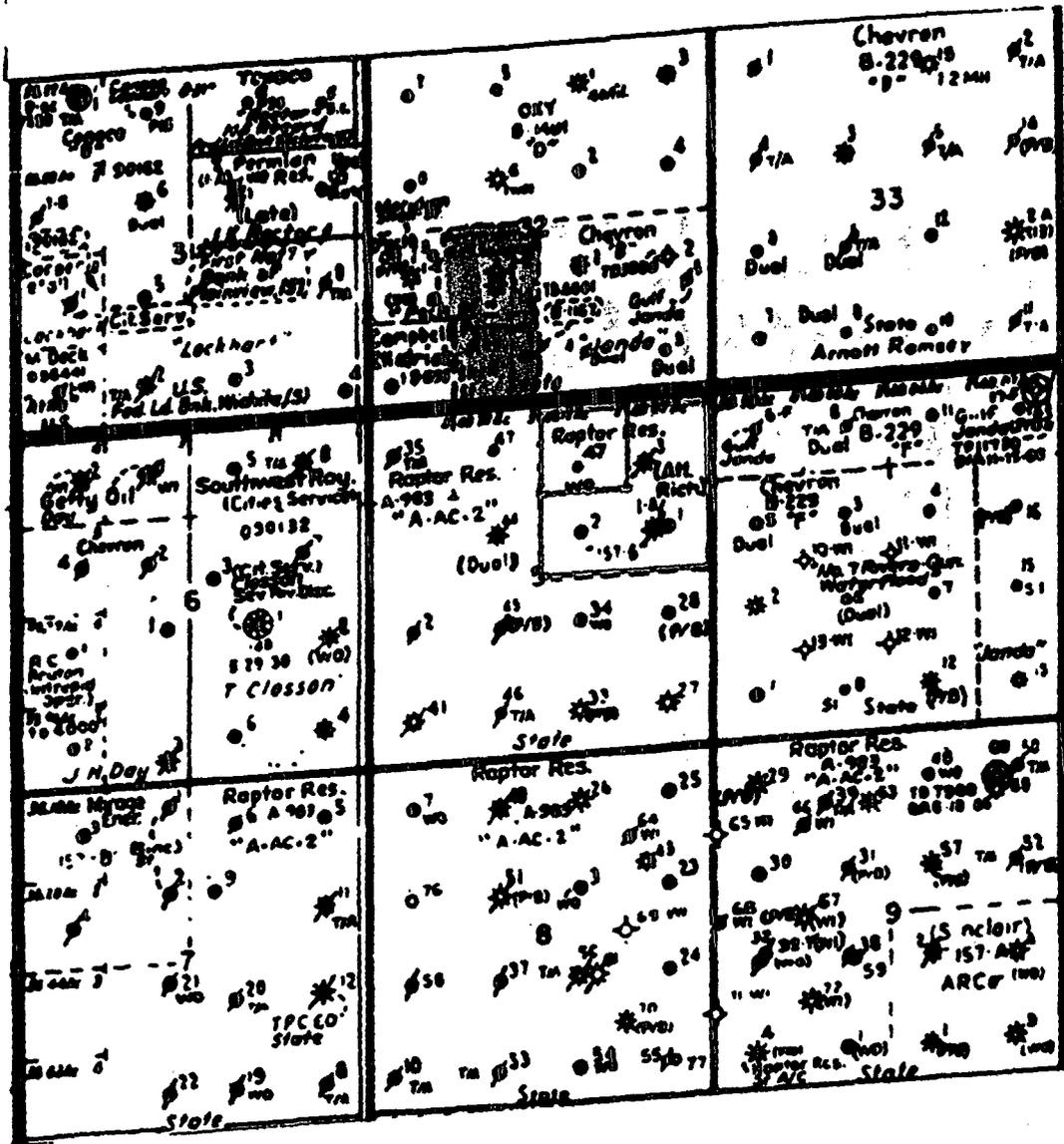
Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number



Chevron

Permian Resources



50x Red
B-11223
Tr. 1

EXHIBIT A

HOLLAND & HART LLP
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

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110 NORTH GUADALUPE, SUITE 1
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TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

December 19, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Commissioner of Public Lands
State of New Mexico
State Land Office Building
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

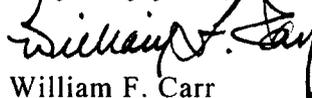
Re: Application of Raptor Resources, Inc. for administrative approval of a non-standard gas spacing unit by the amendment of Division administrative order NSP-183 (SD) to reduce a 160.14-acre non-standard gas unit by the deletion of a 40-acre oil spacing unit, Jalmat Gas Pool, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application that was filed with the Oil Conservation Division on this date by Raptor Resources, Inc. for administrative approval of a 120.14-acre non-standard gas spacing and proration unit comprised of the Lots 1 and 2 and the S/2 NE/4 of Section 5, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

As the owner of an interest that will be affected by the proposed non-standard unit, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the non-standard spacing or proration unit may be approved.

Very truly yours,



William F. Carr
Attorney for Raptor Resources, Inc.

cc: Mr. John Lawrence



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

12/19/02

Oil Conservation Division
1220 S. Francis Drive
Santa Fe, NM 87505

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	_____ X _____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Raptor Resources Inc State 157 #2-G, 5-22s-36e
 Operator Lease & Well No. Unit S-T-R API #30-025-08787

and my recommendations are as follows:

_____ *OK* _____

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1