

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

December 18, 2001

Via Facsimile (512) 478-4476 and Certified Mail

Raptor Resources, Inc.

901 Rio Grande (78701)

P.O. Box 160430

Austin, Texas 78716-0430

Attn: Russell Douglass, President

Mike Nell, Vice President

Bill Keathly, Regulatory Agent

Re: Notice of Infill Well

State "A" A/C 2 Well No. 54

660' FSL and 1980' FEL

Unit O, Section 8, T-22-S, R-36-E

Lea County, New Mexico

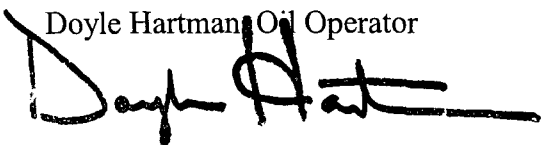
Gentlemen:

Reference is made to Holland & Hart LLP and Campbell & Carr's certified notice, to us, dated December 5, 2001, received by us December 11, 2001, corresponding to Raptor Resources, Inc.'s (Raptor's) proposed State "A" A/C 2 Well No. 54 Jalmat completion located in O-8-22S-36E, Lea County, New Mexico. Please be advised that Doyle Hartman waives objection to Raptor's proposed State "A" A/C 2 Well No. 54 Jalmat completion, providing that Raptor has no objection to (1) the possible recompletion of our State "H" No. 1 well (A-17-22S-36E), as a Jalmat well, and (2) the drilling of our State "H" No. 6 well (B-17-22S-36E), as a Jalmat producer.

Please promptly let us know if the conditions of our approval are acceptable to Raptor. If our conditions are not acceptable, this letter shall serve as Doyle Hartman's timely objection to Raptor's application.

Very truly yours,

Doyle Hartman, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a horizontal line extending to the right.

Doyle Hartman
Owner

Raptor Resources, Inc.
December 18, 2001
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lil
wp7\corresp.dh\nmocc-raptor-state.h.1

AGREED AND ACCEPTED BY RAPTOR RESOURCES, INC.

By: _____

Title: _____

Date: _____

cc: Via Facsimile (915) 684-4508 and Certified Mail
John Lawrence, Engineer
Raptor Resources, Inc.
414 W. Texas, Suite 202
Midland, TX 79701

Via Facsimile (915) 684-4508 and Certified Mail
Bill R. Keathly, Regulatory Agent
Raptor Resources, Inc.
414 W. Texas, Suite 202
Midland, TX 79701

Via Facsimile (505) 476-3462 and Certified Mail
New Mexico Oil Conservation Division
1220 S. Francis Drive
Santa Fe, NM 87505
Attn: Lori Wrotenbery, Director
Michael Stogner, Chief Hearing Officer

Via Facsimile (505) 983-6043 and Certified Mail
William F. Carr, Attorney for Raptor Resources, Inc.
Holland & Hart LLP and Campbell & Carr
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501-6525

Raptor Resources, Inc.
December 18, 2001
Page 3

Via Facsimile (505) 986-0741 and FedEx
Gallegos Law Firm
460 St. Michaels Drive, Building 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael J. Condon

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Midland)

DIVIDER PAGE

HOLLAND & HART LLP
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

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

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

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

December 5, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED PARTIES

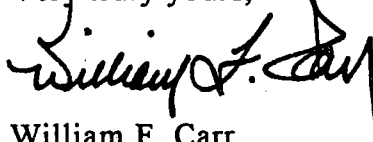
Re: **Application of Raptor Resources, Inc., for administrative approval of an unorthodox well location for its State "A" A/C-2 Well No. 54; 1980 feet from the South and East lines of Section 8, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.**

Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Raptor Resources, Inc. for administrative approval of an unorthodox well location for its State "A" A/C-2 Well No. 54 (API No. 30-025-08841, located 660 feet from the South line and 1980 feet from the East Line of Section 8, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office 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 unorthodox location may be approved.

Very truly yours,



William F. Carr
Attorney for Raptor Resources, Inc.

Enclosure

cc: Mr. Russell Douglass
Mr. John Lawrence

DOYLE HARTMAN
OIL OPERATOR
RECEIVED

DEC 11 2001

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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

[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

Signature

Title

Date

e-mail Address

Attorney
 12-5-01
 wcarr @ westofpcos . com

HOLLAND & HART ^{LLP}
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
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TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

December 5, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 S. Saint Francis Drive
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. 54(API No. 30-025-08841) at a point 660 feet from the South line and 1980 feet from the East line of Section 8, Township 22 South, Range 36 East, NMPM, and simultaneous dedication of this well and other existing wells to a standard spacing unit in the Jalmat gas Gas Pool, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Pursuant to the provisions of the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended, and the Amended Stipulated Declaratory Judgment issued by the First Judicial District Court of Santa Fe County, New Mexico on July 11, 2001, in Hartman v. Oil Conservation Commission (Cause No. D-0101-CV-9902927), Raptor Resources, Inc. hereby files its application for approval of an unorthodox gas well location for its State "A" A/C-2 Well No. 54 (API No. 30-025-088410) at location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico and the simultaneous of this well and all existing producing Jalmat gas wells on a standard 640-acre spacing unit comprised of said Section 8. The approval of this application and the re-completion of this well in the Jalmat Gas Pool will result

Raptor Resources, Inc.
Application for Administrative Approval of
Unorthodox Well Location and Simultaneous Dedication
December 5, 2001
Page 2

in spacing of less than 160 acres per well. The State "A" A/C-2 Well No. 54 was drilled at a standard oil well location to test the Langlie Mattix Pool (Seven Rivers-Queen- Grayburg). Raptor seeks authority to plug back and recomplete this well up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers).

Raptor Resources, Inc. hereby seeks administrative approval of an unorthodox gas well location for its and the simultaneous of this well and all existing producing Jalmat gas wells on a standard 640-acre spacing unit comprised of said Section 8. The State "A" A/C-2 Well No. 54 was drilled at a standard oil well location to test the Langlie Mattix Pool (Seven Rivers-Queen-Grayburg). Raptor seeks authority to produce this well up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers).

By Order No. R-9073, issued in Case No. 9775, dated December 14, 1989 (Paragraph No. 3 of Exhibit "A") the Division approved the simultaneous dedication of the following three wells IN section 8 to this standard gas spacing unit:

- (1) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit H);
- (2) State "A" A/C-2 Well No. 49 (API No. 30-025-08838), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C); and:
- (3) State "A" A/C-2 Well No. 59 (API No. 30-025-08843), located at a standard gas well location 11980 feet from the South and East lines (Unit J).

By Division Administrative Order NSL-2816(SD), dated June 28, 1990, the following three wells located at unorthodox gas well locations in Section 8 were approved for this gas spacing unit:

Raptor Resources, Inc.

Application for Administrative Approval of
Unorthodox Well Location and Simultaneous Dedication

December 5, 2001

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- (1) State "A" A/C-2 Well No. 24 (API No. 30-025-08833), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I);
- (2) State "A" A/C-2 Well No. 26 (API No. 30-025-08835) located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B); and
- (3) State "A" A/C-2 Well No. 53 (API No. 30-025-08843) located 660 feet from the South line and 1980 feet from the West line (Unit N).

Authority was also given in said administrative order to simultaneously dedicated Jalmat gas production form the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53 and 59.

By Division Administrative Order NSL-2816-A(SD), dated September 25,1990, the following two wells located at unorthodox gas well locations in Section 8 were approved for this gas spacing unit:

- (1) State "A" A/C-2 Well No. 55 (API No. 30-025-08842) located 660 feet from the South and East lines (Unit P); and
- (2) State "A" A/C-2 Well No. 58 (API No. 30-025-20978) located 2030 feet from the South line and 660 feet from the West line (Unit L).

Authority was also given in said administrative order to simultaneously dedicated Jalmat gas production form the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53, 55, 58 and 59

By Division Administrative Order NSL-2816-B(SD) dated April 21, 1992, another well for this spacing unit, the State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located at an unorthodox gas well location 1295 feet from the South and East lines (Unit P) of Section 8 was approved.

By Division Administrative Order No. SD-99-7 dated June 30, 1999, an additional well for this spacing unit, the State "A" A/C-2 Well No. 3 (API No. 30-025-08829) located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8 was approved. On March 21, 2000 a request to cancel this order was sent to the Division.

By Division Administrative Order NSL-2816-C(SD), dated October 13, 1999, the following two wells located at unorthodox gas well locations IN section 8 were approved for this gas spacing unit:

- (1) State "A" A/C-2 Well No. 24 (API No. 30-025-08833) located 1980 feet from the South line and 660 feet from East line (Unit I); and
- (2) State "A" A/C-2 Well No. 25 (API No. 30-025-08834) located 660 feet from the North and East lines (Unit A).

On this date, Raptor has also filed administrative applications seeking approval of unorthodox gas well locations and authorization for simultaneous dedication of the following three wells located in Section 8:

- (1) State "A" A/C-2 Well No. 3 (API No. 30-025-08829) located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8;
- (2) State "A" A/C-2 Well No. 7 (API No. 30-025-08830) located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 8; and,
- (3) State "A" A/C-2 Well No. 76 (API No. 30-025-34692) located 1980 feet from the North line and 660 feet from the West line (Unit D) of Section 8,

E

Raptor Resources, Inc.
Application for Administrative Approval of
Unorthodox Well Location and Simultaneous Dedication
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The Jalmat Gas Pool is governed by Special Pool Rules and Regulations, promulgated by Division order No. R-8170. Rule 2(b)1. of these rules provides for wells located on 640-acre spacing units to be located no closer than 1650 feet from the outer boundary of the spacing unit.

Attached hereto as Exhibits A is a plat which shows the subject 640-acre spacing unit comprised of Section 8 and the operators of offsetting tracts. Exhibit B is a copy of 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 unit. Exhibit C is a list of these wells.

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)(2) 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.

A draft order for your consideration approving this application has been E-mailed to the Division and is enclosed on hard copy and computer disk.

Your attention to this application is appreciated.

Very truly yours,

William F. Carr
Attorney for Raptor Resources, Inc.

Enclosures

cc: Bill Keathly
Regulatory Agent for Raptor Resources, Inc.

Oil Conservation Division-Hobbs

EXHIBIT A
OFFSET OPERATORS
SECTION 8, T 22S R 36E
Operator Name
Chevron USA Inc
Ralph C Burton
Southwest Royalties Inc
Mirage Energy
Arco Permian
Conoco Inc
Finley Resources Inc
Marathon Oil Co
Doyle Hartman
OXY USA WTP Limited Partnership
Melrose Operating Co
McCasland Disposal Systems
Raptor Resources Inc



Form C-102

District 1
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 Numbr-- 30-025.08841	2 Pool Code 79240	3 Pool Name Jalmat Tansill Yates 7 Rvrs (Pro Gas)
4 Property Code 24671	5 Property Name State A A/C 2	6 Well Number 54
7 OGRID No. 162791	8 Operator Name Raptor Resources	9 Elevation

10 Surface Location

Ulerial no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
0	8	22S	36E		660	South	1980	East	Lea

11 Bottom Hole Location If Different From Surface

U.L. or L.S. No.	Section	Township	Range	Lot or L.S.	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 640	13 Joint or Infill	14 Consolidation Code	15 Order No. Applied For
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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**

<p>The map shows a grid with several points labeled as wells. Distances between points are written along the grid lines. For example, one point is 1730 units from another horizontally, and 1450 units vertically. Other points are labeled with numbers like 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.</p>	<h3 style="text-align: center;">17 OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <hr/> <p><i>[Signature]</i></p> <p>Signature _____</p> <p>Printed Name Bill R. Keathly</p> <p>Title Regulatory Agent</p> <p>Date 5-27-01</p> <hr/> <h3 style="text-align: center;">18 SURVEYOR CERTIFICATION</h3> <p>I hereby certify that the well location shown on this plot 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.</p> <hr/> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <hr/> <p>Certificate Num _____</p> <p style="text-align: right; font-size: 1.2em;">EXHIBIT B</p>
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EXHIBIT B

EXHIBIT C

State "A" A/C-2 Well No. 3
640 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit
Township 22 South, Range 36 E, N.M.P.M.
Section 8, 1980' FN&EL (Unit G)

Well Name	Well No.	Status	API No.	Sec/Twp/Rg/UL	Footage from Lease
State "A" A/C 2	26	P	30-025-08835	8 22S 36E B	660' FNL & 1980' FEL
State "A" A/C 2	43	P	30-025-08837	8 22S 36E H	1650' FNL & 990' FEL
State "A" A/C 2	24	P	30-025-08833	8 22S 36E I	1980' FSL & 660' FEL
State "A" A/C 2	54	P	30-025-08841	8 22S 36E O	660' FSL & 1980' FEL
State "A" A/C 2	70	SI	30-025-28279	8 22S 36E P	1295' FSL & 1295' FEL
State "A" A/C 2	25	P	30-025-08834	8 22S 36E A	660' FNL & 660' FEL
State "A" A/C 2	49	P&A	30-025-08838	8 22S 36E C	660' FSL & 1980' FWL
State "A" A/C 2	53	P&A	30-025-08840	8 22S 36E N	660' FSL & 1980' FWL
State "A" A/C 2	55	P&A	30-025-08842	8 22S 36E P	660' FSL & 660' FEL
State "A" A/C 2	56	P&A	30-025-08843	8 22S 36E J	1980' FSL & 1980' FEL
State "A" A/C 2	58	P&A	30-025-20978	8 22S 36E L	2030' FSL & 660' FWL
State "A" A/C 2	10	P&A	30-025-08831	8 22S 36E M	660' FSL & 330' FWL
State "A" A/C 2	76	P	30-025-34692	8 22S 36E E	1980' FSL & 660' FWL
State "A" A/C 2	7	SI	30-025-08830	8 22S 36E D	660' FNL & 660' FWL
State "A" A/C 2	3	P	30-025-08829	8 22S 36E G	1980' FNL & 1980' FEL

EXHIBIT D

**State "A" A/C-2 Well No. 3
640 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit
Township 22 South, Range 36 E, N.M.P.M.
Section 8, 1980' FN&EL (Unit G)**

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705

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

Finley Resources
1308 Lake Street, Suite 200
Ft. Worth, TX 76102

Doyle Hartman
P. O. Box 10426
Midland, TX 79702

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

Marathon Oil Co.
Mid-Continent Production Office
P. O. Box 522
Midland, TX 79702

Ralph C. Burton
3500 Acoma
Hobbs, NM 88240

Mirage Energy Inc.
7915 N. Llewelyn
Hobbs, NM 88240

Arco Permian
P. O. Box 1610
Midland, TX 79701

Melrose Operating Co.
P. O. Box 5081
Midland, TX 79704

OXY USA WTP Ltd Partnership
P. O. Box 4294
Houston, TX 77210-4294

EXHIBIT D

McCasland Disposal System
P. O. Box 98
Eunice, NM 88231