



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

GARREY CARRUTHERS
GOVERNOR

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

September 25, 1990

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

Attention: Jay Cherski

Administrative Order NSL-2872

Dear Mr. Cherski:

Reference is made to your application dated May 22, 1990 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (4) of Exhibit "A") and had dedicated thereon the State "A" A/C-2 Well Nos. 38, 40 and 63 located, respectively, in Units K, A and C of said Section 9 to this proration unit.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

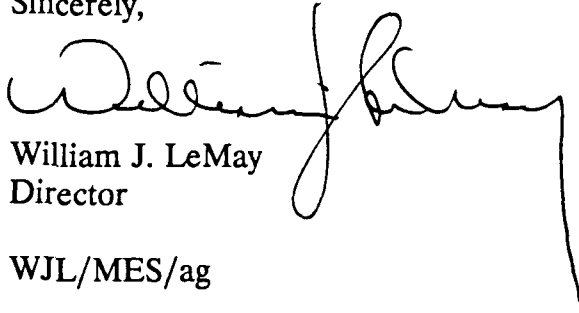
State "A" A/C-2 Well No. 57
1980' FN & EL (Unit G)

Administrative Order NSL-2872
Hal J. Rasmussen Operating, Inc.
September 25, 1990
Page 2

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well No. 57 with the State "A" A/C-2 Well Nos. 38, 40 and 63; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions applicable to the subject GPU in Division Order No. R-9073 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775

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

January 14, 1991

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

Attention: Jay Cherski

Administrative Order NSL-2872-A

Dear Mr. Cherski:

Reference is made to your application dated October 3, 1990 for four unorthodox Jalmat gas well locations in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (4) of Exhibit "A") and had dedicated thereon the State "A" A/C-2 Well Nos. 38, 40 and 63 located, respectively, in Units K, A and C of said Section 9 to this proration unit.

By Division Administrative Order NSL-2872, dated September 25, 1990, an additional well for said GPU, the State "A" A/C-2 Well No. 57 located at an unorthodox gas well location 1980 feet from the North and East lines (Unit G) of said Section 9 was approved. Authorization was also given in said administrative order to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 38, 40, 57 and 67 to the subject GPU.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described four wells located at unorthodox gas well locations are hereby approved:

State "A" A/C-2 Well No. 29
660' FN & WL (Unit D)

Administrative Order NSL-2872-A
Hal J. Rasmussen Operating, Inc.
January 14, 1991
Page 2

State "A" A/C-2 Well No. 52
1980' FNL & 660' FEL (Unit H)

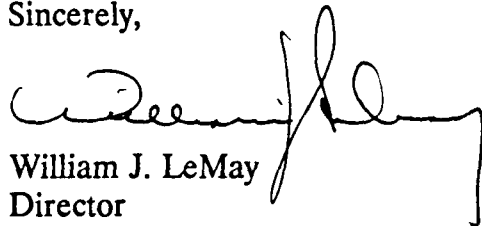
State "A" A/C-2 Well No. 67
2615' FSL & 1345' FWL (Unit K)

State "A" A/C-2 Well No. 72
1410' FSL & 1440' FWL (Unit K).

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well No. 29, 52, 67 and 72 with the State "A" A/C-2 Well Nos. 38, 40, 57 and 63; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Order NSL-2872 shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775
NSL-2872



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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



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

November 4, 1992

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

Attention: David G. Grafe

Administrative Order NSL-2872-B(SD)

Dear Mr. Grafe:

Reference is made to your application dated October 10, 1992 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (4) of Exhibit "A") and had dedicated thereon the State "A" A/C-2 Well Nos. 38, 40 and 63 located respectively, in Units K, A and C of said Section 9 to this proration unit.

By Division Administrative Order NSL-2872 and NSL-2872-A, dated September 25, 1990 and January 14, 1991, respectively, five more wells, the State "A" A/C-2 Well Nos. 29, 52, 57, 67 and 72, all located at unorthodox gas well locations in Units D, H, G, K and K, respectively, of said Section 9 were approved for the subject GPU.

Authorization was also give in said administrative order to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 29, 38, 40, 52, 57, 63, 67 and 72 to the subject GPU.

It is our understanding that the subject well to be considered at this time is currently completed in the South Eunice Seven Rivers Queen Pool, however, said well will be plugged back to the Jalmat Gas Pool upon issuance of this order.

Administrative Order NSL-2872-¹³B

Clayton W. Williams, Jr., Inc.

November 4, 1992

Page 2

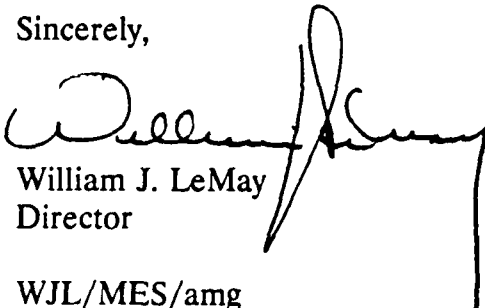
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

State "A" A/C-2 Well No. 1
660' FSL - 1980' FWL (Unit N)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 29, 38, 40, 52, 57, 63, 67 and 72 with the State "A" A/C-2 Well No. 1. Furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2872 and NSL-2872-A shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775
NSL-2872
NSL-2872-A



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 8, 1999

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704
Attention: Chuck Morgan

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702
Attention: Doyle Hartman

RE: SD-99-14: *Jalmat Gas Pool development within an existing non-standard 120-acre gas spacing and proration unit ("GPU") comprising the W/2 NW/4 and the SE/4 NW/4 of Section 32, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1087, issued to Allied Chemical/Union Texas Petroleum Division on March 13, 1978.*

Dear Messrs. Morgan and Hartman:

Reference is made to the following:

(1) SDX Resources, Inc.'s ("SDX") letter of application dated September 16, 1999, which was received by the New Mexico Oil Conservation Division in Santa Fe ("Division") on October 12, 1999, for the following additional infill gas well location to be drilled at an unorthodox gas well location within this existing GPU:

State A-32 Well No. 6 to be drilled 1880 feet from the North line
and 760 feet from the West line (Unit E) of Section 32;

(2) A letter of objection filed by Mr. Doyle Hartman, an offset operator to this GPU, on October 13, 1999;

(3) The rules currently governing the Jalmat Gas Pool, which include:

- (a) Division Order Nos. R-8170, as amended, and R-10987, as amended;
- (b) Division Rules 605; and
- (c) Division Rule 104.D(3);

(4) Division Administrative Order NSP-1087, issued to Union Texas Petroleum a Division of

Allied Chemical on March 13, 1978, which initially established this 120-acre GPU and had dedicated thereon the State A-32 Well No. 4 (**API No. 30-025-25845**) located at an unorthodox gas well location 1780 feet from the North line and 1400 feet from the West line (Unit F) of Section 32; and

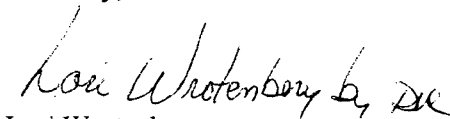
(5) Division Administrative Order SD-99-1, issued to SDX on January 26, 1999, which recognized the State A-32 Well No. 5 (**API No. 30-025-34555**), located at a standard gas well location 710 feet from the North line and 660 feet from the West line (Unit D) of Section 32, as an infill well for this GPU.

Subsequent to the Division's review of this matter, it is found that: (i) this existing 120-acre GPU is currently operated by SDX and is simultaneously dedicated to the two above-described State A-32 Wells No. 4 and 5; (ii) the Jalmat Gas Pool is a prorated gas pool and the rules currently governing this pool do not contain provisions restricting the number of producing gas wells within a spacing and proration unit; (iii) pursuant to these rules the proposed infill well location for the State A-32 Well No. 6 is considered standard for this particular GPU since it is no closer to the outer boundary of this 120-acre GPU; and (iv) Mr. Hartman's letter of objection has no basis.

Therefore, SDX is allowed to simultaneously dedicate Jalmat Gas Pool production from the above described three wells to this existing 120-acre GPU. Furthermore, SDX is permitted to produce the allowable assigned the subject 120-acre GPU from these three wells in any proportion.

Finally, all three of the aforementioned State A-32 Wells No. 4, 5, and 6 and existing 120-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to the Jalmat Gas Pool including Division Order No. R-4929, issued in Case No. 5368 dated December 3, 1974.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
J. E. Gallegos, Legal Counsel for Doyle Hartman - Santa Fe
Ms. Lori Wrotenbery, Director - NMOCD, Santa Fe
Rand Carroll, Legal Counsel - NMOCD, Santa Fe ✓
File: NSP-1087
SD-99-1



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 8, 1999

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704
Attention: Chuck Morgan

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702
Attention: Doyle Hartman

RE: SD-99-15: *Jalmat Gas Pool development within an existing non-standard 159.95-acre gas spacing and proration unit ("GPU") comprising Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 5, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-358, issued to El Paso Natural Gas Company on March 10, 1957.*

Dear Messrs. Morgan and Hartman:

Reference is made to the following:

(1) SDX Resources, Inc.'s ("SDX") letter of application dated September 8, 1999, which was received by the New Mexico Oil Conservation Division in Santa Fe ("Division") on October 12, 1999, for the following two additional infill gas well locations to be drilled at unorthodox locations within this existing GPU:

- (a) Wells Federal Well No. 22 to be drilled 660 feet from the North line and 1780 feet from the West line (Lot 3/Unit C) of Section 5; and
- (b) Wells Federal Well No. 23 to be drilled 1886 feet from the North line and 758 feet from the West line (Unit E) of Section 5;

(2) A letter of objection filed by Mr. Doyle Hartman, an offset operator to this GPU, on October 13, 1999;

(3) The rules currently governing the Jalmat Gas Pool, which include:

- (a) Division Order Nos. R-8170, as amended, and R-10987, as amended;
- (b) Division Rules 605; and

(c) Division Rule 104.D(3);

(4) Division Administrative Order NSP-358, issued to El Paso Natural Gas Company on March 10, 1957, which initially established this 159.95-acre GPU and had dedicated thereon the Wells Federal Well No. 4 (**API No. 30-025-11465**) located at a standard gas well location 1980 feet from the North and West lines (Unit F) of Section 5; and

(5) Division Administrative Order NSL-1821 (SD), issued to Doyle Hartman, Oil Operator on May 17, 1984, which authorized the Wells Federal Well No. 15 (**API No. 30-025-28725**), located at an unorthodox gas well location 810 feet from the North line and 460 feet from the West line (Lot 4/Unit D) of Section 5, as an infill well for this GPU.

Subsequent to the Division's review of this matter, it is found that: (i) this existing 159.95-acre GPU is currently operated by SDX and is simultaneously dedicated to the two above-described Wells Federal Wells No. 4 and 15; (ii) the Jalmat Gas Pool is a prorated gas pool and the rules currently governing this pool do not contain provisions restricting the number of producing gas wells within a spacing and proration unit; (iii) pursuant to these rules the two proposed infill well locations for the Wells Federal Wells No. 22 and 23 are considered standard for this particular GPU; and (iv) Mr. Hartman's letter of objection has no basis.

Therefore, SDX is allowed to simultaneously dedicate Jalmat Gas Pool production from the above described four wells to this existing 159.95-acre GPU. Furthermore, SDX is permitted to produce the allowable assigned the subject 159.95-acre GPU from these four wells in any proportion.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
J. E. Gallegos, Legal Counsel for Doyle Hartman - Santa Fe
Ms. Lori Wrotenberg, Director - NMOCD, Santa Fe
Rand Carroll, Legal Counsel - NMOCD, Santa Fe ✓
File: NSL-1821 (SD)
NSP-358

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: law@westofpecos.com

March 31, 2000

HAND DELIVERED

David R. Catanach, Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
00 MAR 31 AM 8:22

Re: Case 12363: Application of Raptor Resources, Inc. for two unorthodox
infill gas well locations, Lea County, New Mexico.

NSL-2872-L

Case 12303 (Readvertised): Application of Raptor Resources, Inc. for three
unorthodox infill gas well locations, Lea County, New Mexico.

Case 12304 (Readvertised): Application of Raptor Resources, Inc. for three
unorthodox infill gas well locations, Lea County, New Mexico.

Dear Mr. Catanach:

This letter confirms our March 23, 2000, meeting in which J. E. Gallegos and I advised the Division that Raptor Resources, Inc. and Doyle Hartman, Oil Operator, have reached agreement whereby, among other matters, Doyle Hartman has withdrawn his objections to the above referenced applications pending before the Oil Conservation Division.


Raptor Resources, Inc. therefore requests that the Division dismiss the hearings in Cases 12303, 12304 and 12363 and that the applications of Raptor Resources, Inc. which are the subject of these cases be approved pursuant to Division administrative procedures.

Letter to David Catanach
March 31, 2000
Page 2


Your attention to this request is appreciated.

Very truly yours,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By: 
William F. Carr
Attorneys for Raptor Resources, Inc.

GALLEGOS LAW FIRM

By: 
J. E. Gallegos
Michael J. Condon
Attorneys for Doyle Hartman

Date: 3-31-00

WFC/md



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

August 20, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 983-6043

Administrative Order NSL-2872-D (SD)

Dear Mr. Carr:

Reference is made to the following: (i) two applications that were submitted to the New Mexico Oil Conservation Division ("Division") on October 6 and 7, 1999 by Mr. Bill Keathly; (ii) the Division's records in Santa Fe, including the files on Division Order No. 9073, as amended, Administrative Orders NSL-2872, NSL-2872-A, NSL-2872-B (SD), and NSL-2872-C (SD), Division Cases No. 12303 and 12678; and (iii) your telephone conversation with Mr. Michael E. Stogner, Engineer in Santa Fe on August 20, 2001: all concerning Raptor Resources, Inc.'s ("Raptor") requests for two unorthodox Jalmat infill gas well locations within an existing non-standard 480-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (4) of Exhibit "A"]. The following nine described wells were dedicated to this unit at the time these applications were filed with the Division:

- (1) State "A" A/C-2 Well No. 1 (API No. 30-025-08849), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 9 [approved by Division Administrative Order NSL-2872-B (SD), dated November 4, 1992];
- (2) State "A" A/C-2 Well No. 4 (API No. 30-025-08853), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 9 [approved by Division Administrative Order NSL-2872-C (SD), dated July 6, 1999];
- (3) State "A" A/C-2 Well No. 29 (API No. 30-025-08854), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 9 [approved by Division Administrative Order NSL-2872-A, dated January

14, 1991];

- (4) State "A" A/C-2 Well No. 38 (**API No. 30-025-08847**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 9, which was approved by Division Order No. R-9073;
- (5) State "A" A/C-2 Well No. 40 (**API No. 30-025-08848**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 9, which was the subject of Division Order No. R-9073;
- (6) State "A" A/C-2 Well No. 57 (**API No. 30-025-20297**), located at an unorthodox gas well location 1980 feet from the North and East lines (Unit G) of Section 9 [approved by Division Administrative Order NSL-2872, dated September 25, 1990];
- (7) State "A" A/C-2 Well No. 63 (**API No. 30-025-25543**), located at a standard gas well location 990 feet from the North line and 2310 feet from the West line (Unit C) of Section 9, which was also the subject of Division Order No. R-9073;
- (8) State "A" A/C-2 Well No. 67 (**API No. 30-025-28276**), located at an unorthodox gas well location 2615 feet from the South line and 1345 feet from the West line (Unit K) of Section 9 [also approved by Division Administrative Order NSL-2872-A]; and
- (9) State "A" A/C-2 Well No. 72 (**API No. 30-025-28281**), located at an unorthodox gas well location 1410 feet from the South line and 1440 feet from the West line (Unit K) of Section 9 [also approved by Division Administrative Order NSL-2872-A].

It is our understanding that the two 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, both are to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

Administrative Order NSL-2872-D(SD)

Raptor Resources Inc.

August 20, 2001

Page **3**

By authority granted me under the provisions of 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.F (2) the following two described wells located at unorthodox Jalmat infill gas well locations, both in Section 9, are hereby approved:

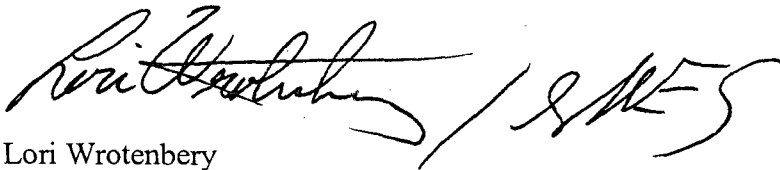
**State "A" A/C-2 Well No. 30
1980' FNL & 660' FWL (Unit E)
(API No. 30-025-08855)**

**State "A" A/C-2 Well No. 48
660' FNL & 1980' FEL (Unit B)
(API No. 30-025-08845).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 30 and 48 with the State "A" A/C-2 Wells No. 1, 4, 29, 38, 40, 57, 63, 67, and 72. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 480-acre GPU from all eleven of these wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2872, NSL-2872-A, NSL-2872-B (SD), and NSL-2872-C (SD) 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: NSL-2872
NSL-2872-A
NSL-2872-B (SD)
NSL-2872-C (SD)
Case No. 12303
Case No. 12678