



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

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

February 28, 2000

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

RE: Three administrative applications filed with the Division in December, 1999 pertaining to the existing State "A" A/C-2 Wells No. 2, 34, and 46, all located in Section 5, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

Dear Mr. Keathly:

I am returning the three referenced applications that seek to amend Division Administrative Order NSP-1636 (SD) (L) by changing the current spacing/proration unit and adding wells (see copy of order attached).

The rules currently governing the Jalmat Gas Pool clearly provides that gas spacing and proration units consists of: (i) a single quarter-quarter section or lot; or (ii) quarter-quarter sections or lots that are contiguous by a common bordering side (see copies of Division Rule 104.D and Rule 2 (a) 4 of the *"General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool"*, as promulgated by Division Order No. R-8170, as amended, attached).

Your request to include the SE/4 SE/4 of Section 5 by attaching it onto the corner of Unit "J" of Section 5 goes against this rule and will therefore not be considered.

Furthermore, with the recent developments and potential conflict in the Jalmat Gas Pool, the Division will no longer accept administrative applications that are incomplete. Applications that do not reference or provide copies of all pertinent orders that pertain to the current proration unit and/or wells within that unit may be returned as incomplete. Further, it is important that the applicant state clearly, correctly, and concisely the intent of its request on the application and notice. Incorrect applications may also be returned. Thank you for your cooperation and support in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Kathy Valdes - OCD, Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe



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Santa Fe, New Mexico 87505
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Raptor Resources, Inc.
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901 Rio Grande
Austin, Texas 78701

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Your request to include the SE/4 SE/4 of Section 5 by attaching it onto the corner of Unit "J" of Section 5 goes against this rule and will therefore not be considered.

Furthermore, with the recent developments and potential conflict in the Jalmat Gas Pool, the Division will no longer accept administrative applications that are incomplete. Applications that do not reference or provide copies of all pertinent orders that pertain to the current proration unit and/or wells within that unit may be returned as incomplete. Further, it is important that the applicant state clearly, correctly, and concisely the intent of its request on the application and notice. Incorrect applications may also be returned. Thank you for your cooperation and support in this matter.

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MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Kathy Valdes - OCD, Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe



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

BRUCE KING
GOVERNOR

September 19, 1991

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

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

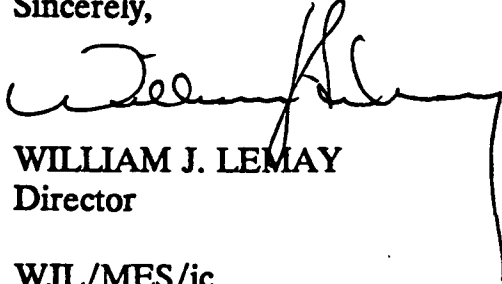
It is my understanding that this unit is to be simultaneously dedicated to the following four existing wells on the State "A" A/C-2 Lease:

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,

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

WILLIAM J. LEMAY
Director

WJL/MES/jc

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

(2) Non-Standard Spacing Units. Any well that does not have the required amount of acreage dedicated to it for the pool or formation in which it is completed may not be produced until a standard spacing unit for the well has been formed and dedicated or until a non-standard spacing unit has been approved.

- (a) Division District Offices have the authority to approve non-standard spacing units without notice when the unorthodox size or shape is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys and/or consists of an entire governmental section and the non-standard spacing unit is not less than 70% or more than 130% of a standard spacing unit. The operator must obtain Division approval of Division Form C-102 showing the proposed non-standard spacing unit and the acreage contained therein.
- (b) The Director may grant administrative approval to non-standard spacing units after notice and opportunity for hearing when an application has been filed and the unorthodox size or shape is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys or the following facts exist:
 - (i) the non-standard spacing unit consists of: (A) a single quarter-quarter section or lot or (B) quarter-quarter sections or lots joined by a common side; and
 - (ii) the non-standard spacing unit lies wholly within: a single quarter section if the well is completed in a pool or formation for which 40, 80, or 160 acres is the standard spacing unit size; a single half section if the well is completed in a pool or formation for which 320 acres is the standard spacing unit size; or a single section if the well is completed in a pool or formation for which 640 acres is the standard spacing unit size.
- (c) Applications for administrative approval of non-standard spacing units pursuant to D(2)(b) shall be submitted to the Division's Santa Fe Office and accompanied by: (i) a plat showing the spacing unit and an applicable standard spacing unit for that pool or formation, the proposed well dedications and all adjoining spacing units; (ii) a list of affected persons as defined in Rule 1207.A(2); and (iii) a statement discussing the reasons for the formation of the non-standard spacing unit.

- R-8170
- 2) Assigning an allowable to the non-standard GPU.

RULE 2(a)4 NON-STANDARD PRORATION UNIT APPROVAL
PROCEDURE AT DIRECTOR LEVEL: The Director of the Division may grant an exception to the requirements of Rule 2(a)2 when the unorthodox size or shape of the GPU is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys and the non-standard GPU is less than 75% or more than 125% of a standard GPU, or where the following facts exist and the following provisions are complied with:

- 1) The non-standard GPU consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

- 2) The non-standard GPU lies wholly within a governmental subdivision or subdivisions which would be a standard GPU for the well (quarter-section, half-section, or section) but contains less acreage than a standard GPU.

- 3) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the quarter-section, half-section, or section (for 160-acre, 320-acre, 640-acre standard dedications respectively) in which the non-standard GPU is situated and which acreage is not included in said non-standard GPU.

- 4) In lieu of Paragraph (3) of this rule, the applicant may furnish proof of the fact that all of the aforesaid offset operators were notified by registered or certified mail of his intent to form such non-standard GPU. The Director may approve the application if no such operator has entered an objection to the formation of such non-standard GPU within 20 days after Director has received the application.

RULE 2(b) WELL LOCATION: Each well drilled or completed on a spacing and proration unit governed by these rules, including approved non-standard GPUs, shall be located as provided below:

(1) NORTHWEST NEW MEXICO

STANDARD PRORATION UNIT

160 acres

LOCATION REQUIREMENTS

Not closer than 790 feet to the outer boundary of the tract, nor closer than 130 feet to any quarter-quarter

RAPTOR RESOURCES, INC.

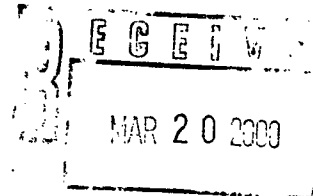
901 Rio Grande

Austin, Texas 78701

(512) 478-4427

March 15, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87504



RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
1980' FSL and 660' FWL
Section 5, T 22S, R 36E (L)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 2 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). We request an increase in the size of the existing 400.50-acre GPU by 40 acres to include the SE/4 SE/4 Unit P of Section 5. It is our desire to also simultaneously dedicate the existing 440.50-acre Proration Unit assigned to our well no's 33, 34, 44, & 27 to all six wells. Previously approved orders are R 9073, NSP 518 & NSP-1636 (SD) (L). Well no 27 located in the SE/4 SE/4 Unit P, of Section 5 is being reclassified from oil to gas in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). Well No. 41 located in the SW/4 SW/4 Unit M of Section 5 has been plugged and abandoned.

The offset operator plat shows that Chevron USA, Conoco Inc, Southwest Royalties, Arco Permian, Campbell & Hedrick and Permian Resources Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

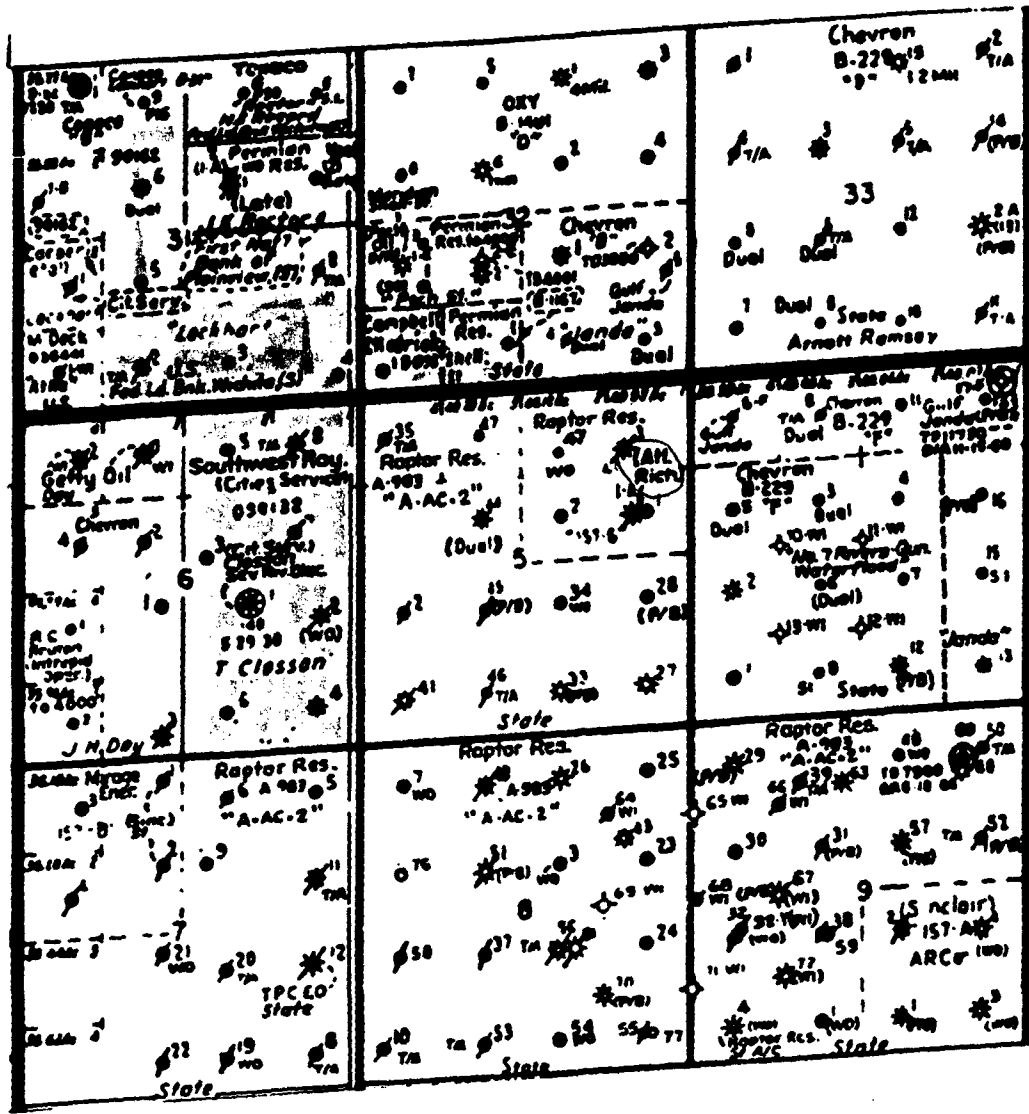
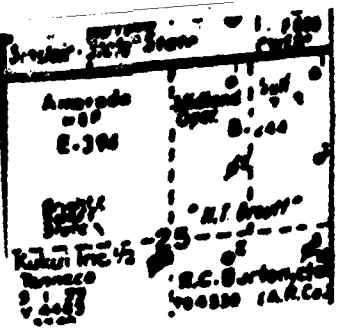
In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,

Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs



Chevron USA

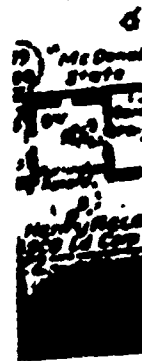
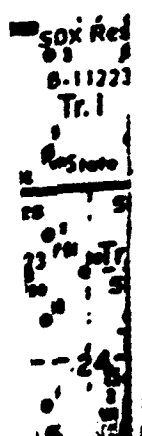
Conoco Inc

Permian Resources

Southwest Royalties

Campbell + Hedrick

Arco Permian



State "A" A/C 2 # 2
Section 5, T-22S, R-36E, (L)
API # 30-025-08791
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

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

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

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

Arco Permian
P.O. Box 1610
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

Z 444 966 701

Z 444 966 702

Z 444 966 703

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

PS Form 3800, April 1995 *State A AK 2 # 2*

Sent to	
<i>Southwest Realty Inc.</i>	
Street & Number	<i>P.O. Box 11370</i>
Post Office, State, & ZIP Code	<i>Midland, TX 79702</i>
Postage	\$ <i>3.20</i>
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ <i>3.20</i>
Postmark or Date	

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

PS Form 3800, April 1995 *State A AK 2 # 2*

Sent to	
<i>Campbell & Hedrick</i>	
Street & Number	<i>P.O. Box 401</i>
Post Office, State, & ZIP Code	<i>Midland, TX 79701</i>
Postage	\$ <i>3.20</i>
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ <i>3.20</i>
Postmark or Date	

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

PS Form 3800, April 1995 *State A AK 2 # 2*

Sent to	
<i>Arco Petroleum</i>	
Street & Number	<i>P.O. Box 1610</i>
Post Office, State, & ZIP Code	<i>Midland, TX 79702</i>
Postage	\$ <i>3.20</i>
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ <i>3.20</i>
Postmark or Date	

2 444 766 676

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

PS Form 3800 April 1995 State A A/C 2 # 2

Sent to	Chermon USA
Street & Number	P.O. Box 1435
Post Office, State, & ZIP Code	Houston, TX 77251
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

2 444 966 699

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C 2 # 2

Sent to	Comoco Inc
Street & Number	10 Dasha Dr. Ste 100
Post Office, State, & ZIP Code	Midland, TX 79705
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

2 444 966 700

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C 2 # 2

Sent to	Permian Resources Inc
Street & Number	P.O. Box 570
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

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 Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address: Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No. 162791
		API Number 30 - 025-08791
Property Code 24671	Property Name State 'A' A/C 2	Well No. 2

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22S	36E		1980	South	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 Jalmat: Tan-Yates-7 rvrs (Pro Gas)					Proposed Pool 2				

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
Tns/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 necessary.

PROPOSED OPERATIONS

1. Set CIBP above the Eunice: 7 Rvrs-Queen
2. Perf the Yates @ 3127-3320; 7 Rvrs @ 3320-3680'.
3. Acidize
4. Frac
5. POP

23 I hereby certify 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:

R regulatory Agent for Raptor

Date:

3-16-00

Phone

(915) 697-1609

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

District I
1625 N. French Dr., Hobbs. NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Instructions on back

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

District IV
PO Box 2088, Santa Fe. NM 87504-2088

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08791		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
4 Property Code 24671		5 Property Name State "A" A/C 2			6 Well Number 2
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

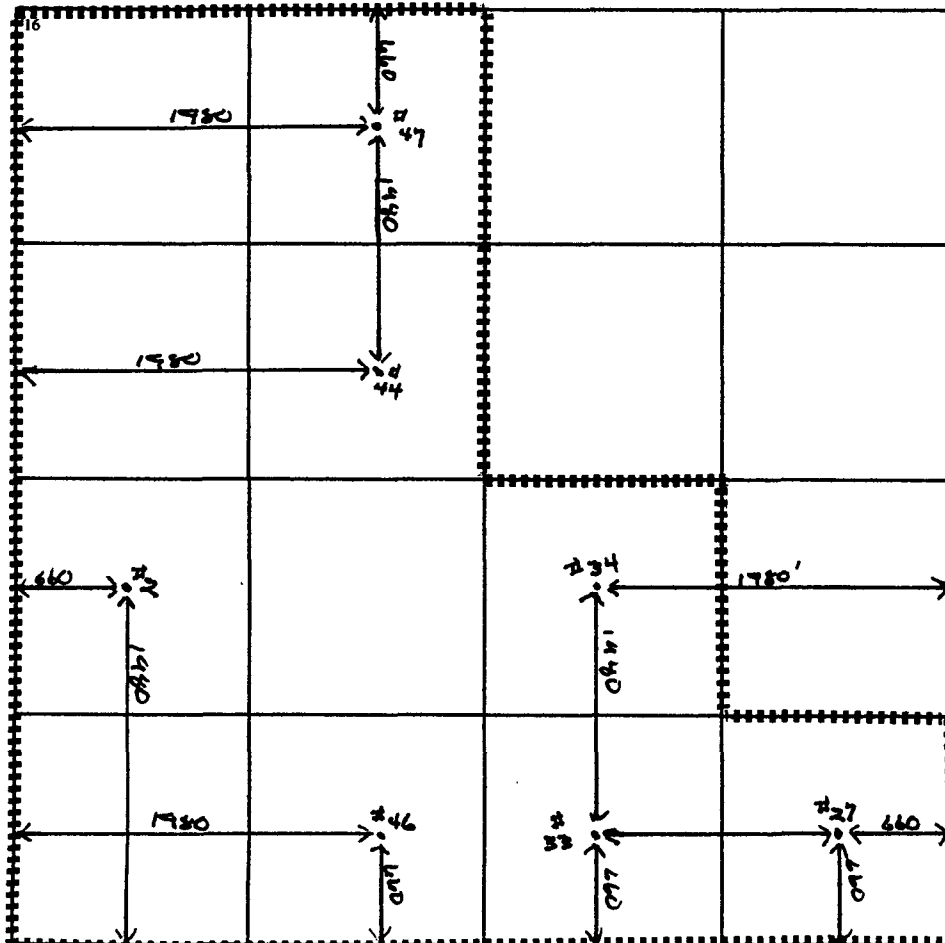
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22S	36E		1980	South	660	West	Lea

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 440.50	13 Joint or Infill	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
3-16-00
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

NSL(CSD) 4/10/00

RAPTOR RESOURCES, INC.

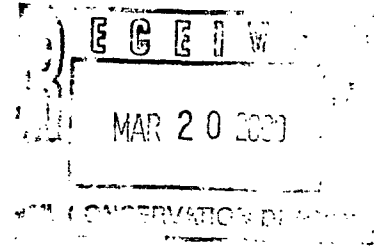
901 Rio Grande

Austin, Texas 78701

(512) 478-4427

March 16, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87504



RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
1980' FSL and 1980' FEL
Section 5, T 22S, R 36E (J)
Lea County, New Mexico

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The offset operator plat shows that Chevron USA, Conoco Inc, Southwest Royalties, Arco Permian, Campbell & Hedrick and Permian Resources Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

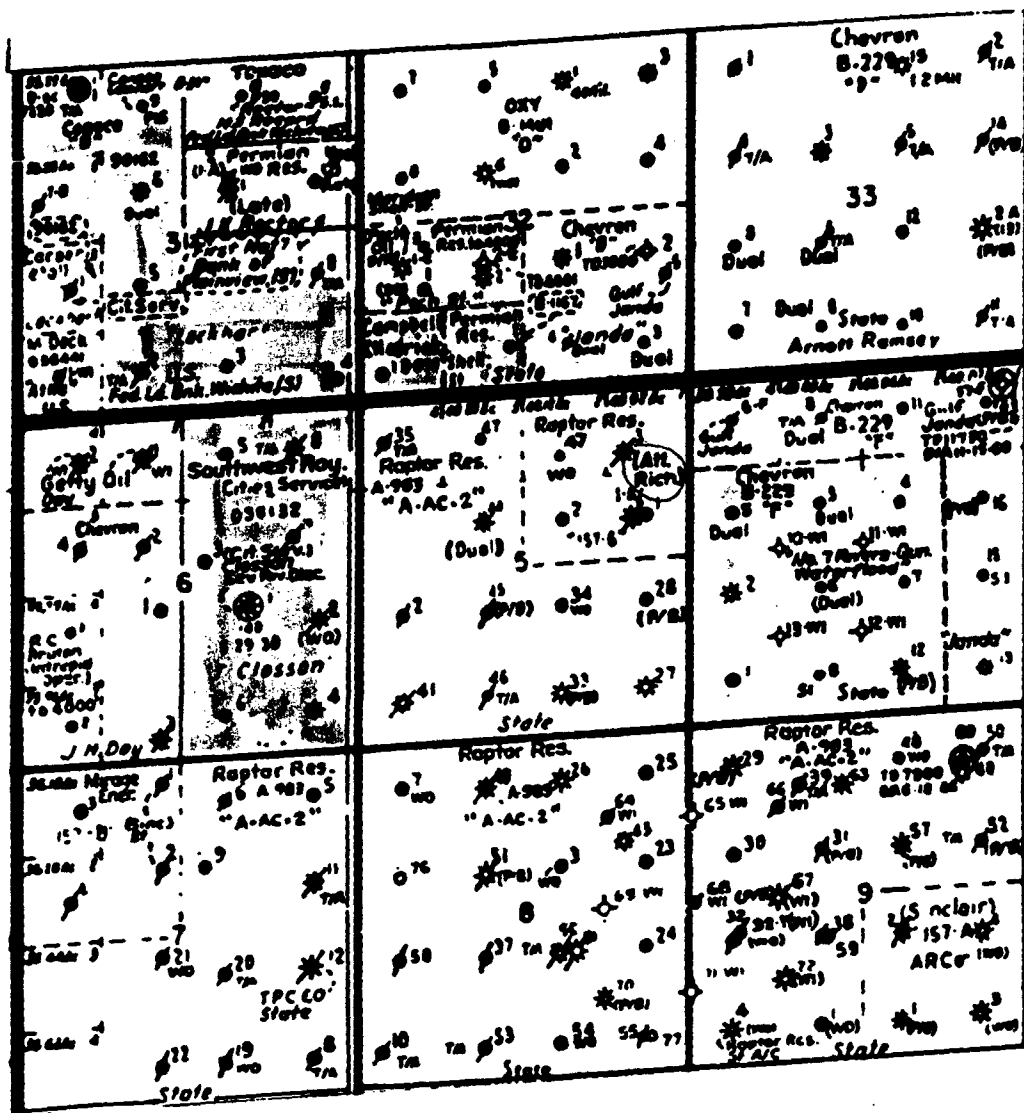
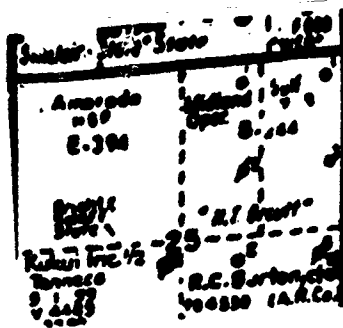
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Sincerely,

Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs



Chevron

Conoco

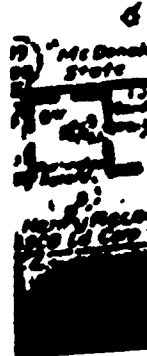
Southwest Royalties

Permian Resources

Campbell + Hedrick

Arco Permian

50x Red
8-11223
Tr. 1



State "A" A/C 2 # 34
Section 5, T-22S, R-36E, (J)
API # 30-025-08794
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

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

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

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

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

Arco Permian
P.O. Box 1610
Midland, TX 79702

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

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

Z 444 966 696

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C N # 4

Sent to	
Area Personnel	
Street & Number	P.O. Box 1610
Post Office, State, & ZIP Code	
Midland, TX 79702	
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320
Postmark or Date	

Z 444 966 697

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C N # 4

Sent to	
Campbell + Hadrick	
Street & Number	P.O. Box 401
Post Office, State, & ZIP Code	
Midland, TX 79701	
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320
Postmark or Date	

Z 444 966 692

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C N # 4

Sent to	
Chevron USA	
Street & Number	P.O. Box 1635
Post Office, State, & ZIP Code	
Houston, TX 77251	
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320
Postmark or Date	

Z 444 1b6 513

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C 2 # 4

Sent to Co-1000 Inc.	Street & Number 10 De Sta Dr Ste 1000	Post Office, State, & ZIP Code Milledale, TX 75705
Postage	\$ 55	
Certified Fee	140	
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		125
Return Receipt Showing to Whom, Date, & Addressee's Address		
TOTAL Postage & Fees	\$ 320	
Postmark or Date		

Z 444 9b6 694

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C 2 # 4

Sent to Karmian Resources Inc.	Street & Number P.O. Box 570	Post Office, State, & ZIP Code Milledale, TX 75702
Postage	\$ 55	
Certified Fee	140	
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		125
Return Receipt Showing to Whom, Date, & Addressee's Address		
TOTAL Postage & Fees	\$ 320	
Postmark or Date		

Z 444 9b6 695

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

PS Form 3800, April 1995 State A A/C 2 # 4

Sent to Southwest Royalties	Street & Number P.O. Box 11370	Post Office, State, & ZIP Code Milledale, TX 75702
Postage	\$ 55	
Certified Fee	140	
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		125
Return Receipt Showing to Whom, Date, & Addressee's Address		
TOTAL Postage & Fees	\$ 320	
Postmark or Date		

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 Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address. Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No. 162791
		API Number 30 - 025-08794
Property Code 24671	Property Name State 'A' A/C 2	Well No. 34

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	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: Tan-Yates-7 rvrs (Pro Gas)									

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
Tnsil/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 necessary.

PROPOSED OPERATIONS

1. Set CIBP above the Eunice: 7 Rvrs-Queen
2. Perf the Tansil @ 3030-3153'; Yates @ 3153-3370; 7 Rvrs @ 3370-3740'.
3. Acidize
4. Frac
5. POP

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Bill R. Keathly</i>		Approved by:	
Printed name: Bill R. Keathly		Title:	
Title: R regulatory Agent for Raptor		Approval Date:	Expiration Date:
Date: 3-16-00	Phone: (915) 697-1609	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

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 30-025-08794		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
4 Property Code 24671		5 Property Name State "A" A/C 2			6 Well Number 34
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

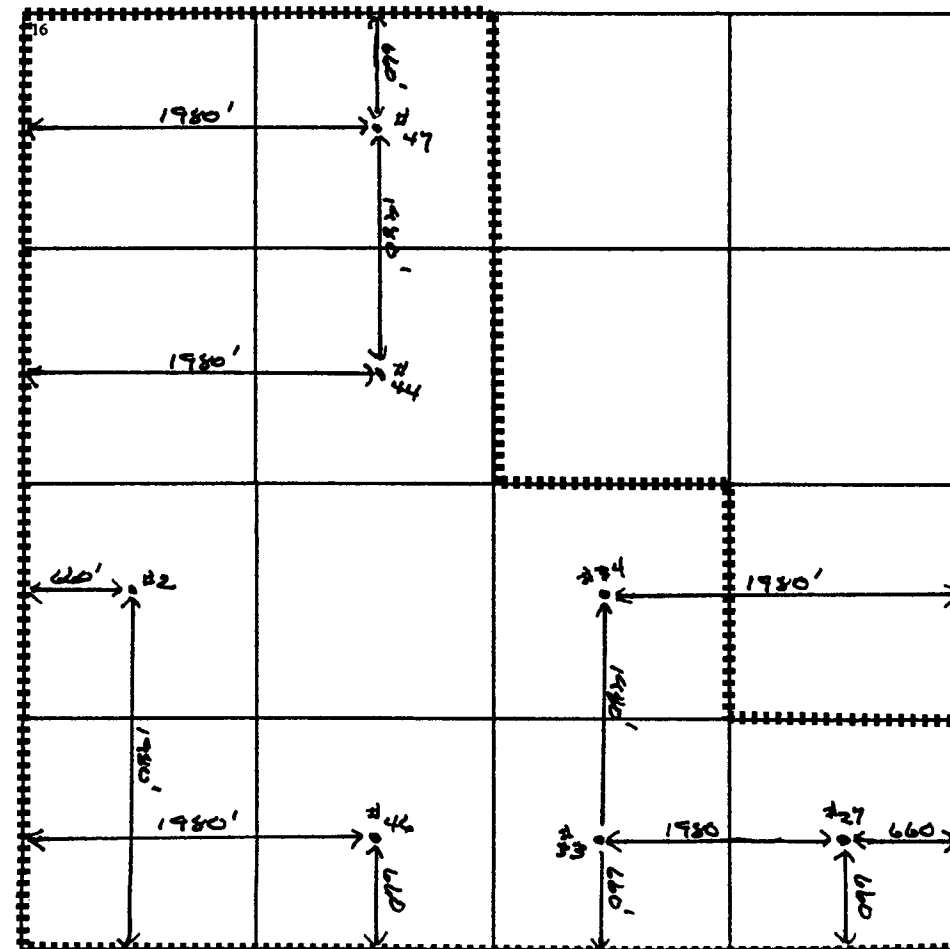
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	Lea

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 440.50	13 Joint or Infill	14 Consolidation Code	15 Order No.
------------------------------	--------------------	-----------------------	--------------

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

3-16-00
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



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

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

March 21, 2000

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

RE: Three administrative applications filed with the Division on March 20, 2000 pertaining to the existing State "A" A/C-2 Wells No. 2, 34, and 46, all located in Section 5, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

Dear Mr. Keathly:

I am again returning the three referenced applications that seek to amend Division Administrative Order NSP-1636 (SD) (L) by changing the current gas spacing/proration unit ("GPU") and adding infill wells at unorthodox gas well locations. In my letter dated February 28, 2000 pertaining to these three wells, I related to you the importance of clear, concise, complete, and correct applications (see attached copy).

What is the status of the State "A" A/C-2 Wells No. 44 and 33 in Units "E" and "P" of Section 5? In your December applications, both of these wells were classified "oil" and were to be omitted from the GPU. These resubmitted applications are showing them to be "gas" with no mention when they were re-classified as such.

All three filings only reference the "unorthodox" locations as its topic and only within the body of the letter do you reference the non-standard gas spacing and proration unit. This misleads the offsetting parties with respect to notice.

Since the Division has all ready vested so much time in these applications and the subject unit (see additional correspondence from the Division dated November 19, 1999), please provide me with a draft order based on recent orders issued by the Division that are similar. This will help the Division process your application in a timelier manner. It will also help the Division maintain a clear and orderly record of this unit and the wells dedicated, as well as ensuring that the order issued is complete and concise.

Again, thank you for your cooperation and support.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Kathy Valdes - OCD, Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe

RAPTOR RESOURCES, INC.

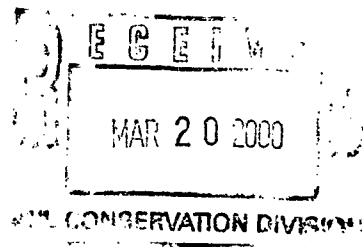
901 Rio Grande

Austin, Texas 78701

(512) 478-4421

March 16, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87504



RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
660' FSL and 1980' FWL
Section 5, T 22S, R 36E (N)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 46 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). We request an increase in the size of the existing 400.50-acre GPU by 40 acres to include the SE/4 SE/4 Unit P of Section 5. It is our desire to also simultaneously dedicate the existing 440.50-acre Proration Unit assigned to our well no. 2, 33, 34, 44, 47 & 27 to all seven wells. Previously approved orders are R 9073, NSP 518 & NSP-1636 (SD) (L). Well no 27 located in the SE/4 SE/4 Unit P, of Section 5 is being reclassified from oil to gas in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). Well No. 41 located in the SW/4 SW/4 Unit M of Section 5 has been plugged and abandoned.

The offset operator plat shows that Chevron USA, Conoco Inc, Southwest Royalties and Permian Resources Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

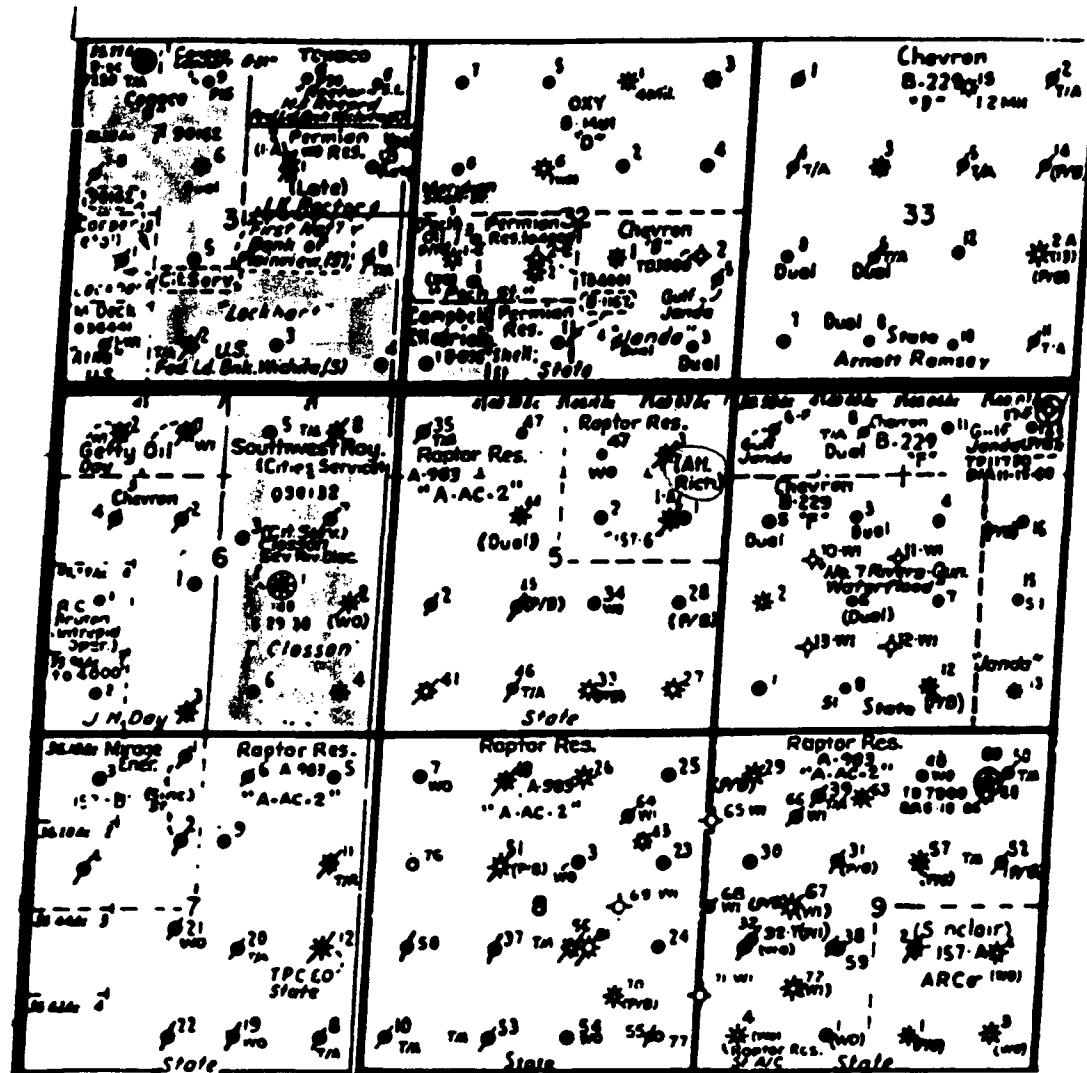
In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

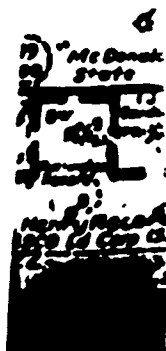
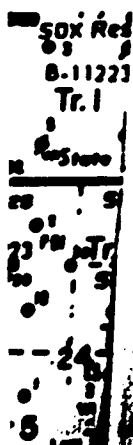
Sincerely,

Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs



Arco Permian



State "A" A/C 2 # 46

**Section 5, T-22S, R-36E, (N)
API # 30-025-08800
Lea County, New Mexico**

RE: Application for Unorthodox Location

Notification of Offset Operators:

**Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251**

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

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

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

**Arco Permian
P.O. Box 1610
Midland, TX 79702**

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

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

Z 444 966 709

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to		Atco Permian	
Street & Number		P.O. Box 1610	
Post Office, State, & ZIP Code		Midland, TX 79702	
Postage		\$	
Certified Fee		\$4.50	
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom, Date, & Address			
TOTAL Postage & Fees		\$ 3.20	
Postmark or Date			

PS Form 3800, April 1995 State A AKZ #46

Z 444 966 705

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to		Conoco Inc.	
Street & Number		10 Dasha Dr. Ste 1000	
Post Office, State, & ZIP Code		Midland, TX 79705	
Postage		\$	
Certified Fee		\$4.50	
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom, Date, & Address			
TOTAL Postage & Fees		\$ 3.20	
Postmark or Date			

PS Form 3800, April 1995 State A AKZ #46

Z 444 966 704

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to		Chevron USA	
Street & Number		P.O. Box 1635	
Post Office, State, & ZIP Code		Houston, TX 77251	
Postage		\$	
Certified Fee		\$4.50	
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom, Date, & Address			
TOTAL Postage & Fees		\$ 3.20	
Postmark or Date			

PS Form 3800, April 1995 State A AKZ #46

Z 444 966 706

Z 444 966 707

Z 444 966 708

PS Form 3800, April 1995 State A AK2 # 46

US Postal Service	
Receipt for Certified Mail	
No Insurance Coverage Provided.	
Do not use for International Mail (See reverse)	
Sent to	Permian Resources
Street & Number	P.O. Box 590
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320
Postmark or Date	

PS Form 3800, April 1995 State A A/CN # 46

US Postal Service	
Receipt for Certified Mail	
No Insurance Coverage Provided.	
Do not use for International Mail (See reverse)	
Sent to	Southwest Royalties
Street & Number	P.O. Box 11390
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320
Postmark or Date	

PS Form 3800, April 1995 State A AK2 # 46

US Postal Service	
Receipt for Certified Mail	
No Insurance Coverage Provided.	
Do not use for International Mail (See reverse)	
Sent to	Campbell + Hedrick
Street & Number	P.O. Box 401
Post Office, State, & ZIP Code	Midland, TX 79701
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320
Postmark or Date	

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 Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address: Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No. 162791
		API Number 30 - 025-08800
Property Code 24671	Property Name State 'A' A/C 2	Well No. 46

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	22S	36E		660	South	1980	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: Tan-Yates-7 rvrs (Pro Gas)									

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
Tnsi/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 necessary.

PROPOSED OPERATIONS

1. Set CIBP above the Eunice: 7 Rvrs-Queen
2. Perf the Yates @ 3100-3370.
3. Acidize
4. Frac
5. POP

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bill R. Keathly</i>		OIL CONSERVATION DIVISION	
Printed name: Bill R. Keathly		Approved by:	
Title: R regulatory Agent for Raptor		Title:	
Date: 3-16-00		Approval Date:	Expiration Date:
Phone: (915) 697-1609		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 30-025-08800	2 Pool Code 79240	3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)
4 Property Code 24671	5 Property Name State "A" A/C 2	6 Well Number 46
7 OGRID No. 162791	8 Operator Name Raptor Resources	9 Elevation

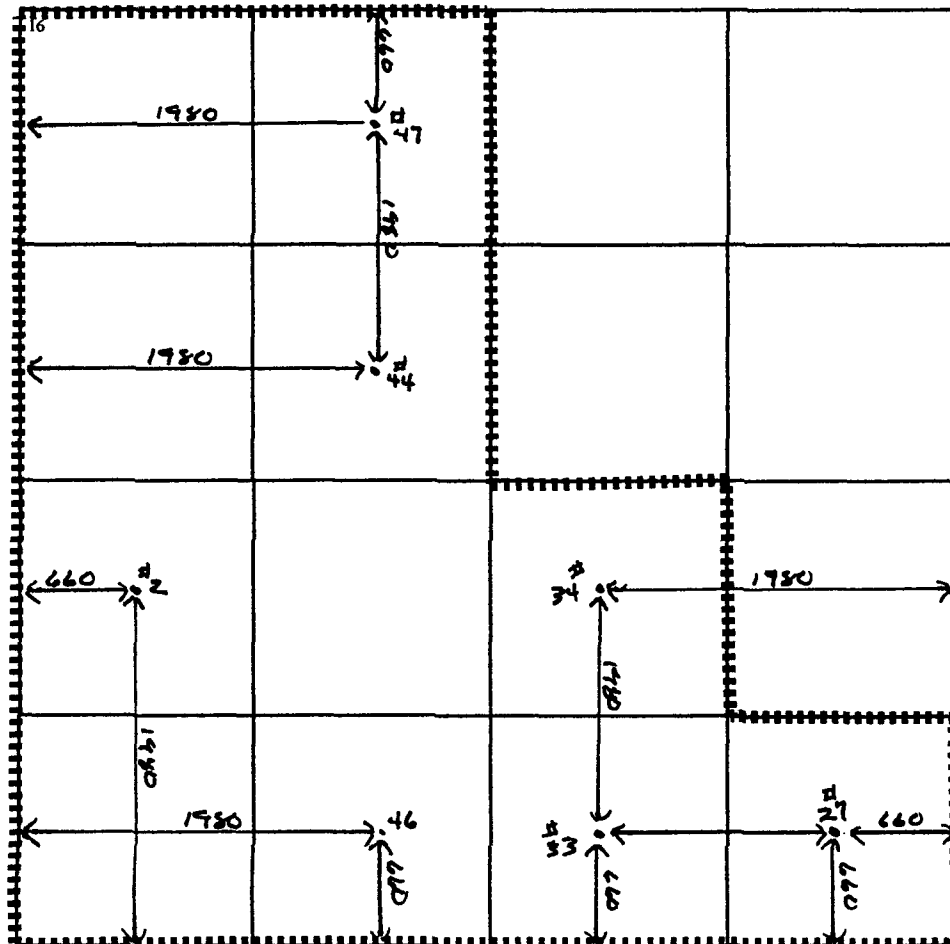
10 Surface Location

UL or lot no. N	Section 5	Township 22S	Range 36E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	East/West line West	County 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 440.50	13 Joint or Infill	14 Consolidation Code	15 Order No.						

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

3-16-00
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



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

NSP-1636A(L)(SD)

GOVERNOR

3 / 27 / 00

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

RE: Proposed:

MC	_____	
DHC	_____	
NSL	<u> X </u>	
NSP	<u> X </u>	SD
SWD	_____	
WFX	_____	
PMX	_____	

Gentlemen:

I have examined the application for the:

Raptor Resources Inc State A A/c-2 #2-1-5-225-36e
Operator Lease & Well No. Unit S-T-R API #30-025-08791

and my recommendations are as follows:

I don't know which GPU

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

DATE 6/8/00	SUSPENSE 6/28/00	ENGINEER MS	LOGGED MV	TYPE NSL(SP)
----------------	---------------------	----------------	--------------	-----------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☒ SD

Check One Only for [B] and [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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

6/8/00
Date

OIL CONSERVATION DIV.
00 JUN -8 PM 1:21

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
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

June 8, 2000

HAND-DELIVERED

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

01 CONSERVATION DIV.
00 JUN - 8 PM 1:24

Re: *Application of Raptor Resources, Inc for Administrative Approval of a non-standard Gas Proration Unit, an unorthodox gas well location for its State "A" A/C-2 Well No. 2 at a point 1980 feet from the South 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 440.5-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 440.5-acre Gas Spacing and Proration Unit ("GPU") in the Jalmat Gas Pool, an unorthodox gas well location for its State "A" A/C-2 Well No. 2 to be re-entered and completed in the Jalmat Gas Pool at location 1980 feet from the South line and 660 feet from the West line (Unit L) 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. 2 was drilled at a standard oil well location to test the Langlie Mattix Pool (Seven Rivers-Queen-Grayburg). Raptor now seeks authority to plug back and recompleat this well up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers)

Raptor Resources, Inc.

Application for Administrative Approval of
Unorthodox Well Locations and Simultaneous Dedication

June 8, 2000

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and to simultaneously dedicated this well and the other Jalmat gas wells thereon to a 440.50-acre GPU comprised of the Lot 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.

A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, NMPM, 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) of Section 5 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, NMPM, 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 locations 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) of Section 5; and
- (2) State "A" A/C-2 Well No. 44 (**API No. 30-025-08797**), located at an unorthodox gas well 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, this 400.50-acre non-standard gas proration unit 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 dedicating thereto the State "A" A/C-2 Well Nos. 41, 44 whose unorthodox well locations had been approved By Order No. R-9073 and the following wells at the unorthodox locations:

- (1) State "A" A/C-3 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; and

Raptor Resources, Inc.

Application for Administrative Approval of
Unorthodox Well Locations and Simultaneous Dedication

June 8, 2000

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- (2) State "A" A/C-2 Well No. 47 (API No. 30-025-08798), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 5.

Raptor seeks authorization to add the SE/4 SE/4 of Section 5 to this GPU in the Jalmat Gas Pool thereby increasing its size to 440.50-acres and to simultaneously dedicate this non-standard GPU to the gas wells which will produce therefrom which includes the following seven wells:

- (1) State "A" A/C-2 Well Nos. 27 and 44 approved by Order No. R-9073
- (2) State "A" A/C-2 Well Nos. 33 and 47 approved by Order NSP-1636(SD)(L)
- (3) State "A" A/C-2 Well Nos. 34 and 46 for which applications are being filed simultaneously with this application.
- (4) State "A" A/C-2 Well No. 2 which is the subject of this application.

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 440.50-acre spacing units to be located no closer than 660 feet and 990 feet from the outer boundary of GPU.

Attached hereto as Exhibits 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 the SE/4 SE/4 of Section 5 and the operators of offsetting tracts which are not operated by Raptor. 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 and proration unit.

Exhibit C is a list of these wells which shows that the State "A" A/C-2 Well No. 41 has been plugged and abandoned. A recent well test (Division Form C-116) was mailed to the Hobbs office of the Oil Conservation Division on March 14, 2000 which reclassifies the State "A" A/C-2 Well Nos. 33 and 44 located in units F and O respectively as gas wells. The State "A" A/C-2 Well No. 27 which is located 660 feet from the South and East lines (Unit

Raptor Resources, Inc.
Application for Administrative Approval of
Unorthodox Well Locations and Simultaneous Dedication
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Page 4

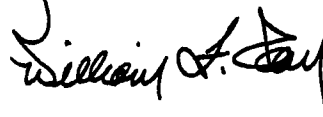
P) of Section 5 and is also being reclassified from an oil well to a gas well in the Jalmat Gas Pool.

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.

A draft order approving this application is enclosed for your consideration.

Your attention to this application is appreciated.

Very truly yours,



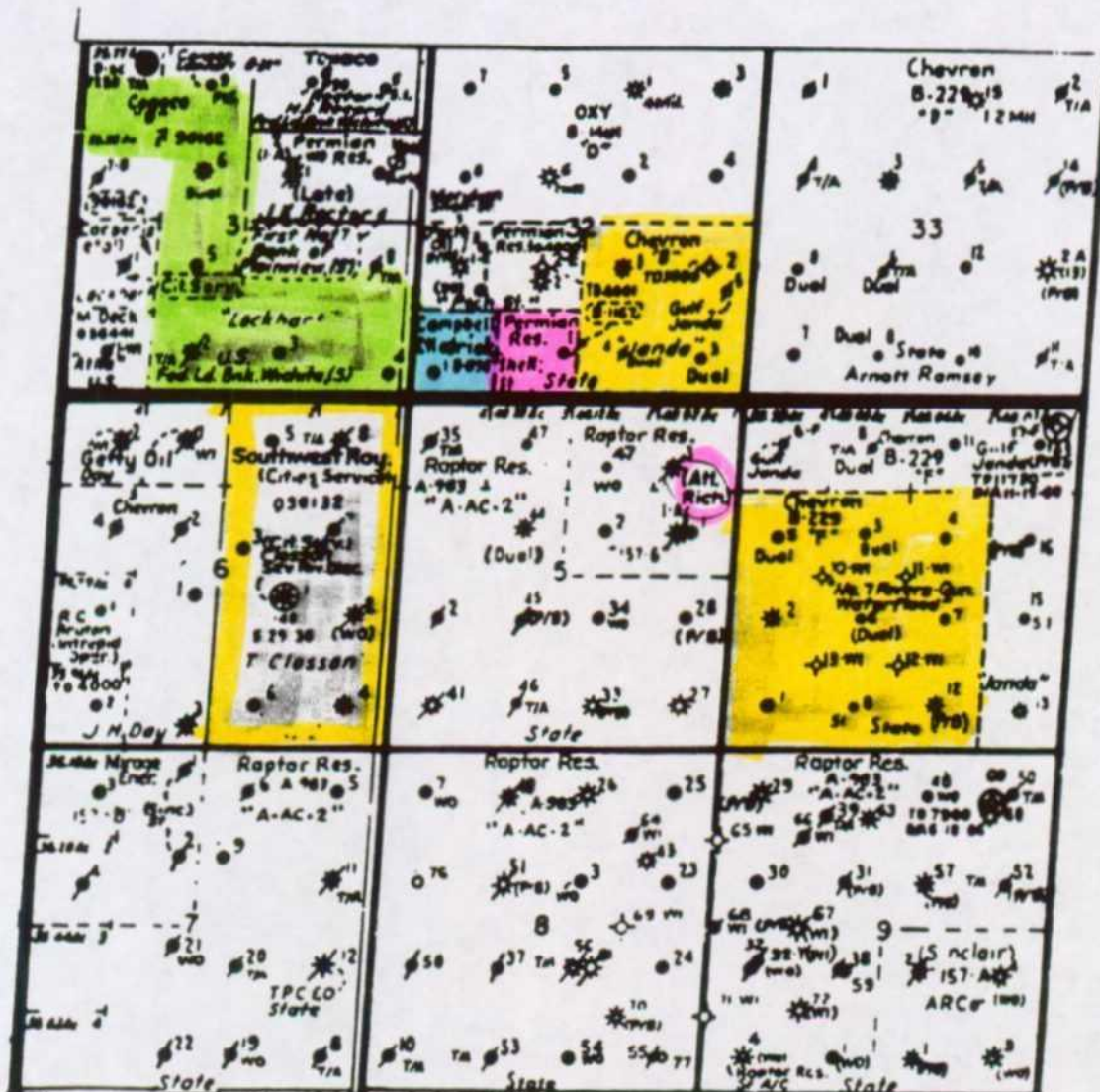
William F. Carr
Attorney for Raptor Resources, Inc.

WFC/md

Enclosures

cc: Bill Keathly
Regulatory Agent for Raptor Resources, Inc.
105 South Fourth Street

Oil Conservation Division-Hobbs



Chevron USA

Conoco Inc

Permian Resources

Southwest Royalties

Campbell + Hedrick

Arce Permian

EXHIBIT A

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 30-025-08791		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
4 Property Code 24671		5 Property Name State "A" A/C 2			6 Well Number 2
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

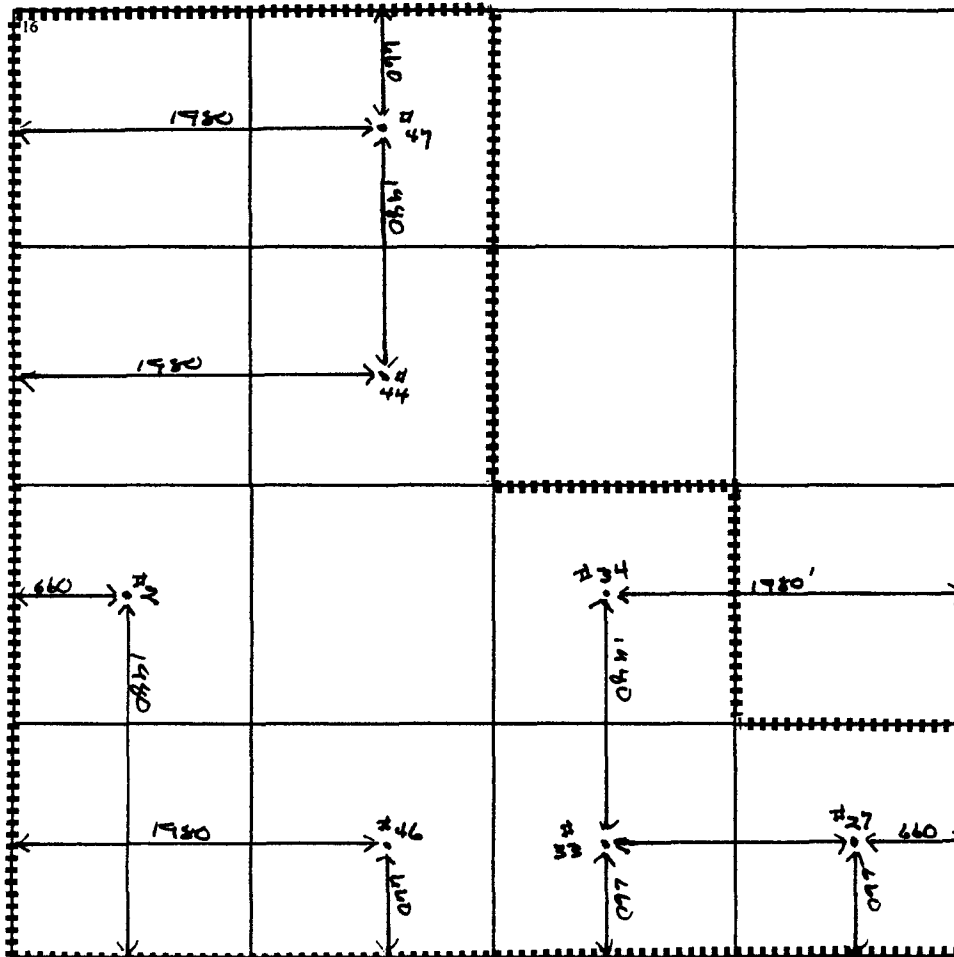
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22S	36E		1980	South	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 440.50		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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
3-16-00
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

EXHIBIT C

State "A" A/C-2 Well Nos. 2, 34, and 46

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

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

Section 5: Lots 3 and 4, S/2 NW/4, SW/4, W/2 SE/4, SE/4 SE/4

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 36 E C	660' FNL & 1980' FWL
State "A" A/C 2	34	P	30-025-08794	5 22S 36 E J	1980' FSL & 1980' FEL
State "A" A/C 2	2	P	30-025-08791	5 22S 36 E L	1980' FSL & 660' FWL
State "A" A/C 2	46	P	30-025-08800	5 22S 36 E N	660' FSL & 1980' FWL
State "A" A/C 2	27	P	30-025-08789	5 22S 36 E P	660' FSL & 660' FEL
State "A" A/C 2	41	P	30-025-08796	5 22S 36 E M	660' FSL & 660' FWL
State "A" A/C 2	44	P	30-025-08797	5 22S 36 E F	1980' FNL & 1980' FEL
State "A" A/C 2	33	P	30-025-08793	5 22S 36 E O	660' FSL & 1980' FEL

State "A" A/C 2 # 2
Section 5, T-22S, R-36E, (L)
API # 30-025-08791
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

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

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

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

Arco Permian
P.O. Box 1610
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

00 JUN - 8 PM 1:21
OIL CONSERVATION DIV.

June____, 2000

Raptor Resources, Inc.
c/o Campbell, Carr, Berge and Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr

DRAFT

Administrative Order NSL-____ (SD),
Administrative Order NSP-____

Dear Mr. Carr:

Reference is made to the following: (i) your initial applications submitted to the New Mexico Oil Conservation Division ("Division") on December 8, 2000; (ii) the Division's response by letter from Michael E. Stogner, Engineer in Santa Fe, dated February 28, 2000 returning all applications; (iii) your re-submittal of these applications to the Division on March 20, 2000; (iv) the Division's response by letter from Mr. Stogner dated March 21, 2000 returning all three applications; and (v.) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s (Raptor") request for three unorthodox Jalmat infill gas well locations and approval of a 440.50-acre non-standard gas spacing and proration unit ("GPU") for the Jalmat Gas pool 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.

A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, NMPM, 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) of Section 5 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, NMPM, 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 locations 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) of Section 5; and
- (2) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), located at an unorthodox gas well 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 locations had been approved By Order No. R-9073 and the following wells at the described unorthodox well locations:

- (1) State "A" A/C-3 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; and
- (2) State "A" A/C-2 Well No. 47 (API No. 30-025-08798), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 5.

It is our understanding that the three subject wells to be considered at this time are currently completed in the Langlie-Mattix-Seven-Rivers-Queen-Grayburg Pool at standard oil Well locations: however, all three wells are to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

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 three described wells located at unorthodox Jalmat gas well locations, all in Section 5, are hereby approved:

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

Raptor Resources, Inc.

Page 3

June _____, 2000

**State "A" A/C-2 Well No. 34
1980' FSL & FEL (Unit J)
(API No. 30-025-08794)**

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

Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well Nos. 2, 34, and 46 with the State "A" A/C-2 Well Nos. 27 33, 44, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all seven of the above-described wells in any proportion.

By authority granted me under the provisions of Rule 4 (b) 2 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 is hereby approved. Further, the provisions of Division Order NSP-1636(SD)(L), which authorize a 400.50-acre non-standard Jalmat Gas Pool gas spacing and proration unit comprising Lots 3 and 4, S/2NW/4, SW/4, and W/2 SE/4 of Section 5, is hereby placed in abeyance until further notice. All other provisions of Division Order NSP-1636 (SD)(L) shall remain in full force and effect until further notice.

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSP-518, shall remain in full force and effect 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 Wrotenbery
Director

SEAL

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-518
NSL-1636(SD)(L)

DATE IN 6/8/00	SUSPENSE 6/28/00	ENGINEER MS	LOGGED KN	TYPE NSL(SD)
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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]

CO JUL-8 PM 1:20
OIL CONSERVATION DIV.

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☒ SD

Check One Only for [B] and [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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

6/8/00
Date

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
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

June 8, 2000

HAND-DELIVERED

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

00 JUN -8 PM 1:24
OIL CONSERVATION DIV.

Re: *Application of Raptor Resources, Inc for Administrative Approval of an non-standard Gas Proration Unit, an unorthodox gas well location for its State "A" A/C-2 Well No. 34 at a point 1980 feet from the South line and East lines of Section 5, Township 22 South, Range 36 East, NMPM, and simultaneous dedication of this well and other existing wells to the 440.5-acre non-standard GPU in the Jalmat Gas Pool, Lea County, New Mexico.*

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Raptor Resources, Inc.
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Raptor Resources, Inc.
Application for Administrative Approval of
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Page 4

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A draft order approving this application is enclosed for your consideration.

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Very truly yours,

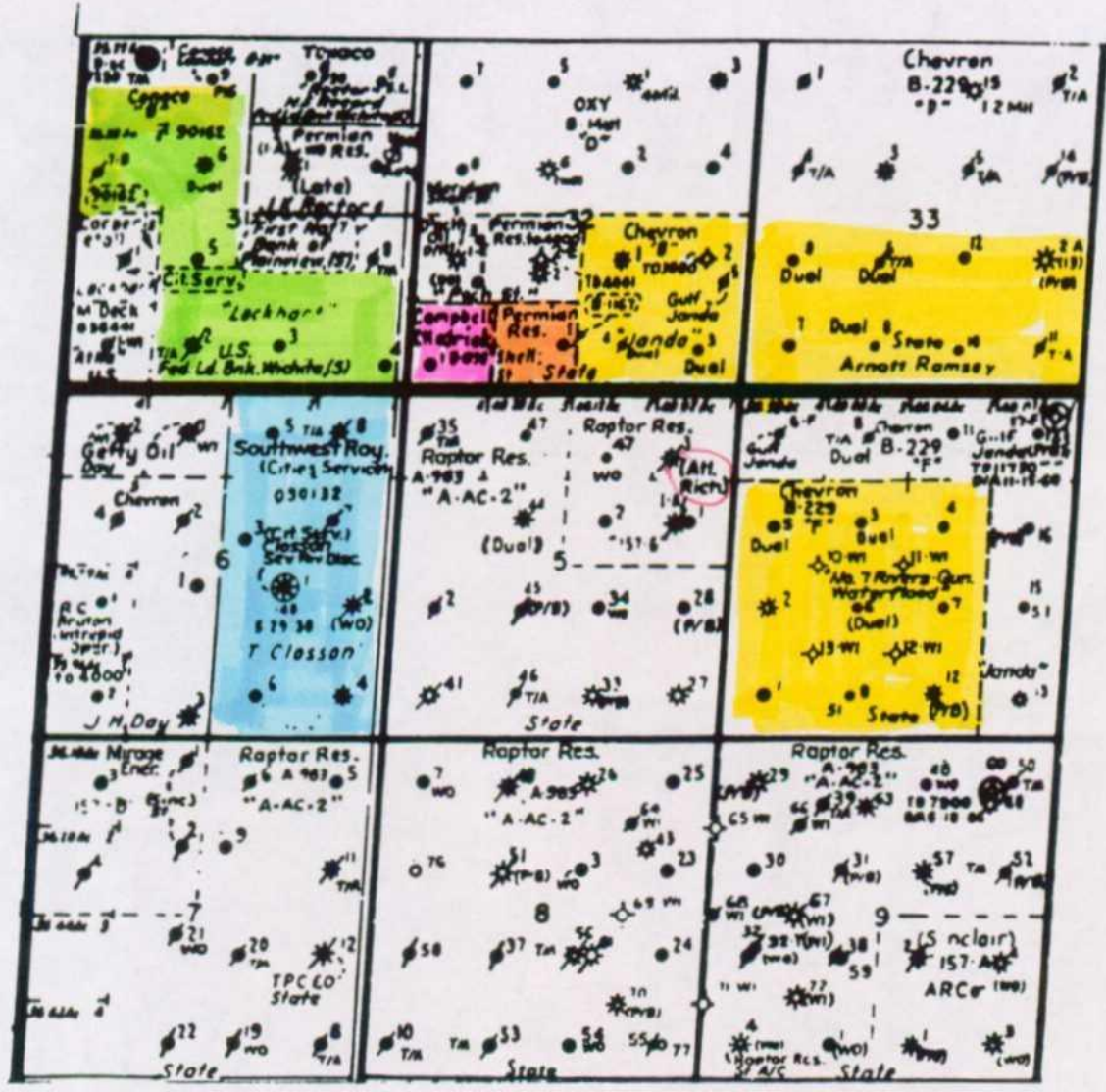
A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

William F. Carr
Attorney for Raptor Resources, Inc.

WFC/md
Enclosures

cc: Bill Keathly
Regulatory Agent for Raptor Resources, Inc.
105 South Fourth Street

Oil Conservation Division-Hobbs



- Chevron
- Conoco
- Southwest Royalties
- Permian Resources
- Campbell & Hedrick
- Arco Permian

EXHIBIT A

Sox Red
B-11223
Tr. 1

Mc Donnell
State

District I
1625 N. French Dr., Hobbs. NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

instructions on back

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

State Lease - 4 Copies

District IV
PO Box 2088, Santa Fe. NM 87504-2088

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08794		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
4 Property Code 24671		5 Property Name State "A" A/C 2			6 Well Number 34
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

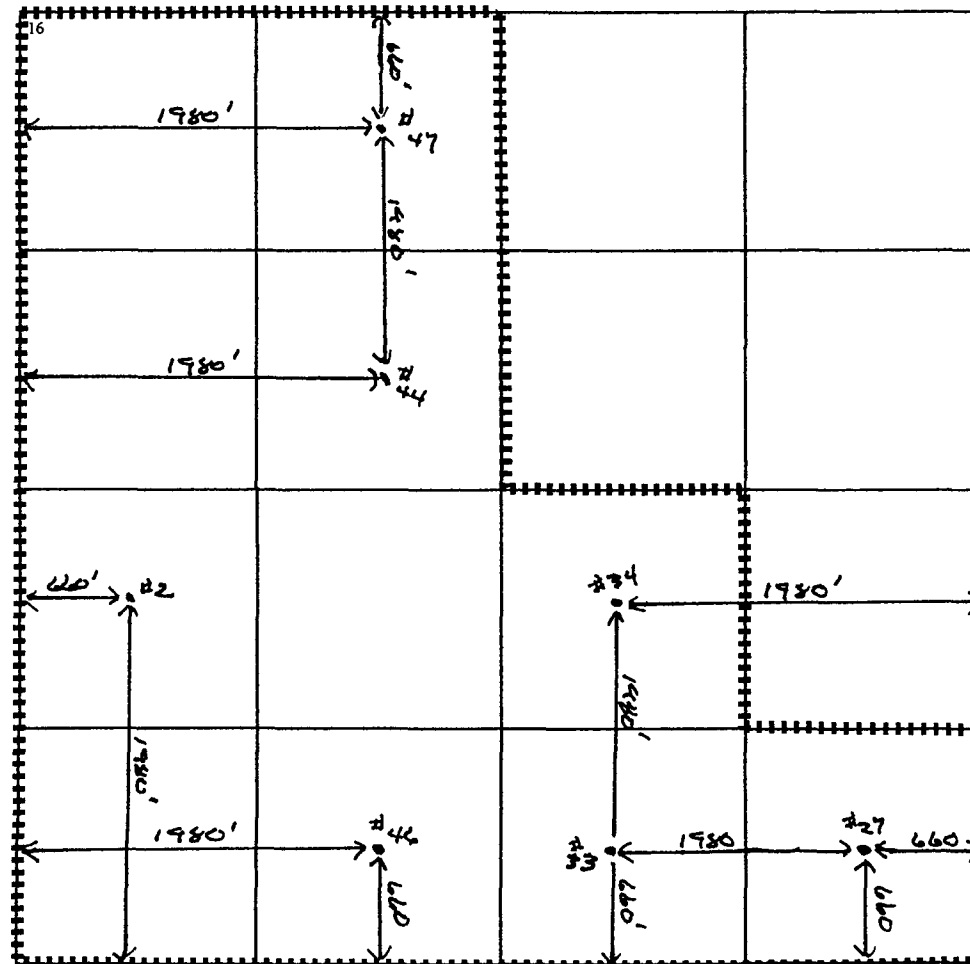
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	Lea

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 440.50	13 Joint or Infill	14 Consolidation Code	15 Order No.
------------------------------	--------------------	-----------------------	--------------

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

3-16-00

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

EXHIBIT C

State "A" A/C-2 Well Nos. 2, 34, and 46

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

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

Section 5: Lots 3 and 4, S/2 NW/4, SW/4, W/2 SE/4, SE/4 SE/4

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 36 E C	660' FNL & 1980' FWL
State "A" A/C 2	34	P	30-025-08794	5 22S 36 E J	1980' FSL & 1980' FEL
State "A" A/C 2	2	P	30-025-08791	5 22S 36 E L	1980' FSL & 660' FWL
State "A" A/C 2	46	P	30-025-08800	5 22S 36 E N	660' FSL & 1980' FWL
State "A" A/C 2	27	P	30-025-08789	5 22S 36 E P	660' FSL & 660' FEL
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State "A" A/C 2	44	P	30-025-08797	5 22S 36 E F	1980' FNL & 1980' FEL
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State "A" A/C 2 # 34
Section 5, T-22S, R-36E, (J)
API # 30-025-08794
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

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

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

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

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

Arco Permian
P.O. Box 1610
Midland, TX 79702

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

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

EXHIBIT D

June____, 2000

Raptor Resources, Inc.
c/o Campbell, Carr, Berge and Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr

DRAFT

RECEIVED
OIL CONSERVATION DIV.
JUN - 8 PM 1:20

Administrative Order NSL-____ (SD),
Administrative Order NSP-____

Dear Mr. Carr:

Reference is made to the following: (i) your initial applications submitted to the New Mexico Oil Conservation Division ("Division") on December 8, 2000; (ii) the Division's response by letter from Michael E. Stogner, Engineer in Santa Fe, dated February 28, 2000 returning all applications; (iii) your re-submittal of these applications to the Division on March 20, 2000; (iv) the Division's response by letter from Mr. Stogner dated March 21, 2000 returning all three applications; and (v.) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s (Raptor") request for three unorthodox Jalmat infill gas well locations and approval of a 440.50-acre non-standard gas spacing and proration unit ("GPU") for the Jalmat Gas pool 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.

A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, NMPM, 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) of Section 5 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, NMPM, 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 locations 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) of Section 5; and
- (2) State "A" A/C-2 Well No. 44 (**API No. 30-025-08797**), located at an unorthodox gas well 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 locations had been approved by Order No. R-9073 and the following wells at the described unorthodox well locations:

- (1) State "A" A/C-3 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; and
- (2) State "A" A/C-2 Well No. 47 (**API No. 30-025-08798**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 5.

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

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 three described wells located at unorthodox Jalmat gas well locations, all in Section 5, are hereby approved:

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

Raptor Resources, Inc.

Page 3

June _____, 2000

**State "A" A/C-2 Well No. 34
1980' FSL & FEL (Unit J)
(API No. 30-025-08794)**

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

Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well Nos. 2, 34, and 46 with the State "A" A/C-2 Well Nos. 27 33, 44, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all seven of the above-described wells in any proportion.

By authority granted me under the provisions of Rule 4 (b) 2 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 is hereby approved. Further, the provisions of Division Order NSP-1636(SD)(L), which authorize a 400.50-acre non-standard Jalmat Gas Pool gas spacing and proration unit comprising Lots 3 and 4, S/2NW/4, SW/4, and W/2 SE/4 of Section 5, is hereby placed in abeyance until further notice. All other provisions of Division Order NSP-1636 (SD)(L) shall remain in full force and effect until further notice.

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSP-518, shall remain in full force and effect 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 Wrotenbery
Director

SEAL

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-518
NSL-1636(SD)(L)

DATE 6/9/00	SUBMITTER 6/29/00	ENGINEER MS	LOCATED NV	TYPE NSL(SD)
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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]

CO JUN -9 PM 12:41

CO CONSERVATION DIV.

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☒ SD

Check One Only for [B] and [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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

6/9/2000
Date

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
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

June 9, 2000

HAND-DELIVERED

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 non-standard Gas Proration Unit, an unorthodox gas well location for its State "A" A/C-2 Well No. 46 at a point 660 feet from the South line and 1980 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 440.5-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 440.5-acre Gas Spacing and Proration Unit ("GPU") in the Jalmat Gas Pool, an unorthodox gas well location for its State "A" A/C-2 Well No. 46 to be re-entered and completed in the Jalmat Gas Pool at location 660 feet from the South line and 1980 feet from the West line (Unit N) 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. 46 was drilled at a standard oil well location to test the Langlie Mattix Pool (Seven Rivers-Queen-Grayburg). Raptor now seeks authority to plug back and recomplete this well up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven

Raptor Resources, Inc.

Application for Administrative Approval of
Unorthodox Well Locations and Simultaneous Dedication

June 9, 2000

Page 2

Rivers) and to simultaneously dedicated this well and the other Jalmat gas wells thereon to a 440.50-acre non-standard GPU comprised of the Lots 3 and 4, S/2 NW/4, SW/4 and SE/4 SE/4 of Section 5, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, NMPM, 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) of Section 5 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, NMPM, was established by Division Order No. R-9073, issued in Case No. 9775, dated December 14, 1989 [Paragraph No. 1 of Exhibit "A"] which approved the resulting unorthodox gas well locations 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) of Section 5; and
- (2) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), located at an unorthodox gas well 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 locations had been approved by Order No. R-9073 and the following wells at the described unorthodox locations:

- (1) State "A" A/C-3 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; and
- (2) State "A" A/C-2 Well No. 47 (API No. 30-025-08798), located at an

unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 5.

Raptor seeks authorization to add the SE/4 SE/4 of Section 5 to this GPU in the Jalmat Gas Pool thereby increasing its size to 440.50-acres and to simultaneously dedicate this non-standard GPU to the following seven gas wells which will produce therefrom:

- (1) State "A" A/C-2 Well Nos. 27 and 44 approved by Order No. R-9073
- (2) State "A" A/C-2 Well Nos. 33 and 47 approved by Order NSP-1636(SD)(L)
- (3) State "A" A/C-2 Well Nos. 2 and 34 for which applications are being filed simultaneously with this application.
- (4) State "A" A/C-2 Well No. 46 which is the subject of this application.

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 440.50-acre spacing units to be located no closer than 990 feet from the outer boundary of GPU.

Attached hereto as Exhibits 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 the SE/4 SE/4 of Section 5 and the operators of offsetting tracts which are not operated by Raptor. 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 and proration unit.

Exhibit C is a list of these wells which shows that the State "A" A/C-2 Well No. 41 has been plugged and abandoned. A recent well test (Division Form C-116) was mailed to the Hobbs office of the Oil Conservation Division on March 14, 2000 which reclassifies the State "A" A/C-2 Well Nos. 33 and 44 located in units F and O respectively as gas wells. The State "A" A/C-2 Well No. 27 which is located 660 feet from the South and East lines (Unit P) of Section 5 and is also being reclassified from an oil well to a gas well in the Jalmat Gas Pool.

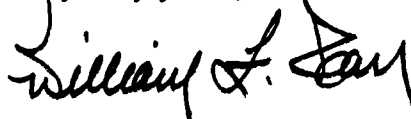
Raptor Resources, Inc.
Application for Administrative Approval of
Unorthodox Well Locations and Simultaneous Dedication
June 9, 2000
Page 4

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.

A draft order approving this application in hard copy and on a computer disc is enclosed for your consideration.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

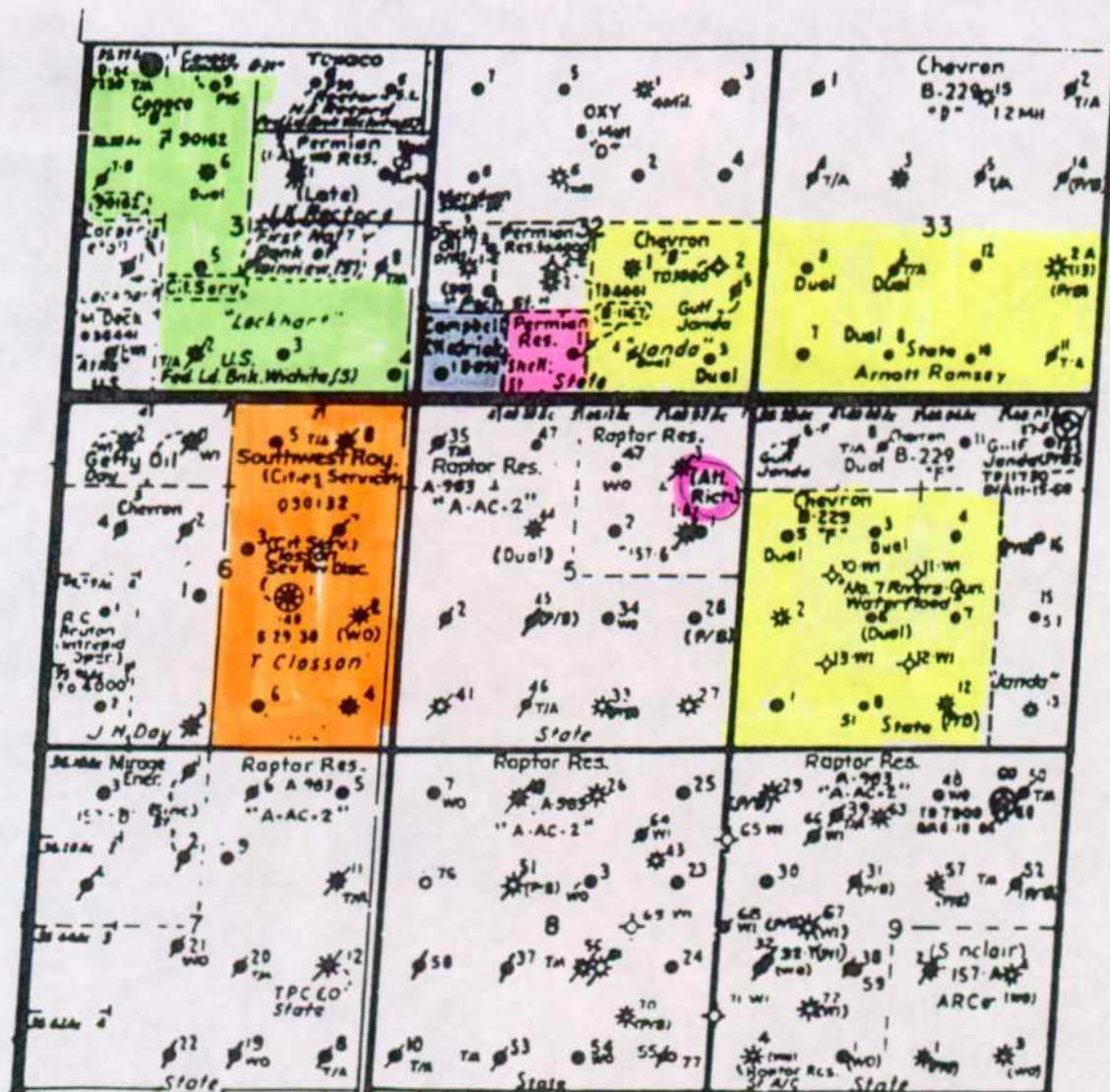
William F. Carr
Attorney for Raptor Resources, Inc.

WFC/md

Enclosures

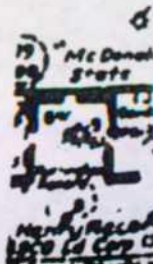
cc: Bill Keathly
Regulatory Agent for Raptor Resources, Inc.
105 South Fourth Street

Oil Conservation Division-Hobbs



Arco Permian

EXHIBIT A



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 30-025-08800		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
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7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

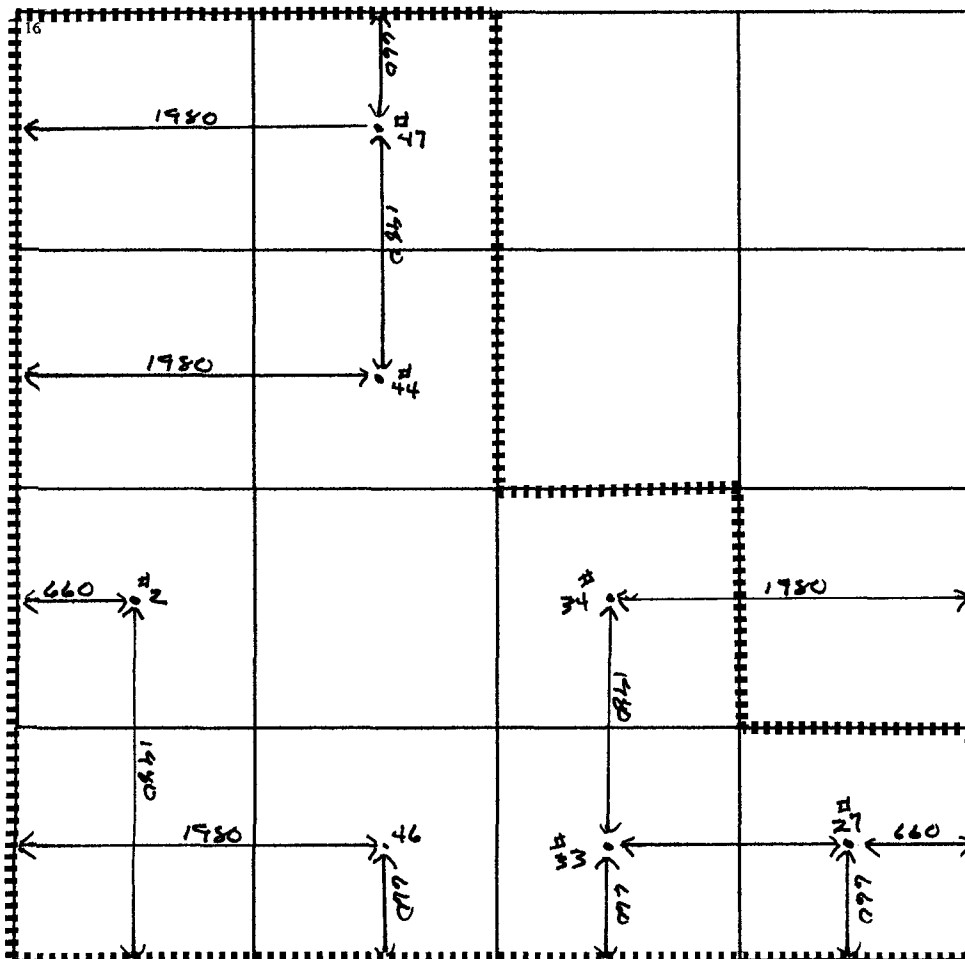
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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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 440.50		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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

3-16-00

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

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State "A" A/C-2 Well Nos. 2, 34, and 46

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

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

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State "A" A/C 2 # 46

**Section 5, T-22S, R-36E, (N)
API # 30-025-08800
Lea County, New Mexico**

RE: Application for Unorthodox Location

Notification of Offset Operators:

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

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

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

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

Arco Permian
P.O. Box 1610
Midland, TX 79702

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

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June____, 2000

Raptor Resources, Inc.
c/o Campbell, Carr, Berge and Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

DRAFT

CL OCEANIC DIV.
00 JUN -9 PM 12:41

Attention: William F. Carr

Administrative Order NSL-____ (SD),
Administrative Order NSP-____

Dear Mr. Carr:

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A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, NMPM, 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) of Section 5 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, NMPM, 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 locations 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) of Section 5; and
- (2) State "A" A/C-2 Well No. 44 (**API No. 30-025-08797**), located at an unorthodox gas well 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 locations had been approved by Order No. R-9073 and the following wells at the described unorthodox well locations:

- (1) State "A" A/C-3 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; and
- (2) State "A" A/C-2 Well No. 47 (**API No. 30-025-08798**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 5.

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

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 three described wells located at unorthodox Jalmat gas well locations, all in Section 5, are hereby approved:

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

Raptor Resources, Inc.

Page 3

June _____, 2000

**State "A" A/C-2 Well No. 34
1980' FSL & FEL (Unit J)
(API No. 30-025-08794)**

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

Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well Nos. 2, 34, and 46 with the State "A" A/C-2 Well Nos. 27 33, 44, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all seven of the above-described wells in any proportion.

By authority granted me under the provisions of Rule 4 (b) 2 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 is hereby approved. Further, the provisions of Division Order NSP-1636(SD)(L), which authorize a 400.50-acre non-standard Jalmat Gas Pool gas spacing and proration unit comprising Lots 3 and 4, S/2NW/4, SW/4, and W/2 SE/4 of Section 5, is hereby placed in abeyance until further notice. All other provisions of Division Order NSP-1636 (SD)(L) shall remain in full force and effect until further notice.

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSP-518, shall remain in full force and effect 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 Wrotenbery
Director

SEAL

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-518
NSL-1636(SD)(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. 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

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

Case No. 9775
Order No. R-9073
Page No. 2

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

Case No. 9775
Order No. R-9073
Page No. 3

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.

Case No. 9775
Order No. R-9073
Page No. 4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

- 1) Section 5: Lots 3 and 4, S/2 NW/4, and S/2 comprising 480.50 acres, more or less, in State "A" A/C-2.

Well No. 44	1980' FN & WL	Unit F	NSL
Well No. 41	660' FS & WL	Unit M	NSL
Well No. 27	660' FS & EL	Unit P	NSL

- 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

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 Order No. R-9073
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- 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

Case No. 9775
Order No. R-9073
Page No. 7

- 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
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(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
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(Section 20)

Well No. 5 (Currently P & A'd)	1320' FNL & 660' FEL	Units A/H	NSL
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(Section 21)

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

Case No. 9775
Order No. R-9073
Page No. 8

- 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
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- 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

R-634
R-1364
R-2504
R-3188
R-3209
R-3264
R-3892
R-3893
R-4116
R-4361, as amended
R-4484

Division Administrative
Orders

NSP-406
NSP-518
NSP-614
NSP-615
NSP-1044
NSP-1108
NSL-1219

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 New Order Nos.

R-9073

R-9073-B

R-9073-C

R-9073-C-1

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.

Case No. 9874
Order No. R-9073-A
Page No. 2

(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 recomplate 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 recomplate 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.

Case No. 9874
Order No. R-9073-A
Page No. 3

(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"

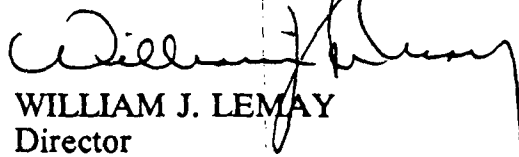
(3) All other provisions of said Order No. R-9073 shall remain in full force and effect until further notice.

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

Case No. 9874
Order No. R-9073-A
Page No. 4

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
No.
R-9073
R-9073-A
R-9073-C
R-9073-C-1*

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"

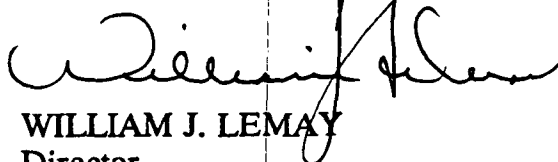
(2) All other provisions of said Order No. R-9073 and Division Order No. R-9073-A, dated February 28, 1990, which amended Paragraph No. (11) of said Exhibit "A", shall remain in full force and effect until further notice.

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

Case No. 9775
Order No. R-9073-B
Page No. 2

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

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

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

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(Section 9)

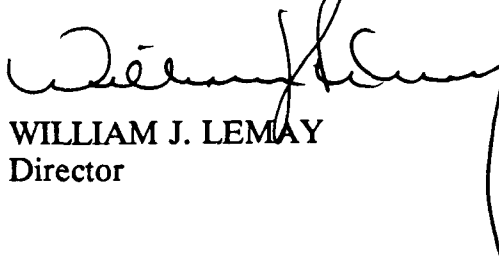
Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL"

(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

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)

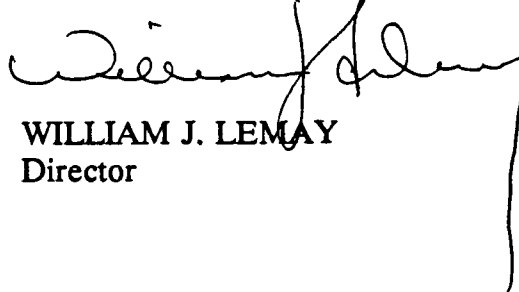
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Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL"

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Order No. R-9073-C-1
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(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

SEAL

MEMORANDUM

To: Operators and Interested Parties in the Jalmat Pool

From: Lori Wrotenbery
Director

Date: February 18, 2000

Re: Jalmat Special Pool Rules

On January 25, 2000, the Oil Conservation Division (Division) convened a meeting in Hobbs, New Mexico to discuss the Jalmat Special Pool Rules. On February 8, 2000, another meeting was held by the Division in Midland, Texas among interested parties to discuss these rules.

While there are pending before the Division specific cases that implicate these rules, no one has filed an application regarding changes to the rules. At this time there does not appear to be a need for the Division to conduct additional review of the rules for the continued development of this pool.

Consequently, the Division will not docket a case on the Jalmat Special Pool Rules in March 2000, as had been considered prior to the two recent meetings. However, any person who believes an amendment to the special pool rules is needed may file his application with the Division.

c: Chris Williams