

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 18, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc. c/o Cambell, Carr, Berge & Sheridan, P.A. P. O. Box 2208 Santa Fe, New Mexico 87504-2208 Attention: William F. Carr

Telefax No. (505) 983-6043

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

Dear Mr. Carr:

Reference is made to the following: (i) Raptor Resources, Inc.'s ("Raptor") earlier applications dated October 25, 1999, December 8, 1999, December 12, 1999, March 15, 2000, and March 16, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") response to these earlier applications by letters of withdrawal dated November 19, 1999, February 28, 2000, and March 21, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your re-submittal of these applications to the Division on behalf of Raptor on June 8 and 9, 2000; (iv) the Division's records in Santa Fe, including the files on Division Order No. R-9073, as amended, and Division Administrative Order NSP-1636 (SD) (L); (v) the two Division directives dated December 22, 1999 and January 5, 2000; (vi) the Division's "NOTICE" to all operators in the Jalmat Pool dated January 11, 2000; and (vii) the Division Director's "MEMORANDUM" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor's requests:

- to increase the acreage of the existing 400.50-acre non-standard gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising Lots 3 and 4, the S/2 NW/4, SW/4, and W/2 SE/4 of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which was established by Division Administrative Order NSP-1636 (SD) (L), dated September 19, 1991, by including the 40 acres comprising the SE/4 SE/4 (Unit P) of Section 5 to the GPU; and
- (2) for four additional infill Jalmat gas wells to be included within this new expanded 440.50-acre GPU all of which are at unorthodox infill gas well locations thereon

Currently, under the provisions of Division Administrative Order NSP-1636 (SD) (L) the following four described wells, all located at and approved as unorthodox gas well locations, are simultaneously dedicated to the existing 400.50-acre non-standard GPU:

(1) State "A" A/C-2 Well No. 33 (API No. 30-025-08793), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;

- (2) State "A" A/C-2 Well No. 41 (API No. 30-025-08796), 660 feet from the South and West lines (Unit M) of Section 5 (which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]};
- (3) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), 1980 feet from the North and West lines (Unit F) of Section 5 (which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]}; and
- (4) State "A" A/C-2 Well No. 47 (API No. 30-025-08798), located 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 5 {which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]}.

The Division's records indicate that the aforementioned State "A" A/C-2 Well No. 41 was plugged and abandoned in 1994 and can therefore be omitted from this GPU at this time.

It is our understanding that Raptor's existing State "A" A/C-2 Well No. 27 (API No. 30-025-08789), located at a previously approved unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 5 {see Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]} is currently completed in the Jalmat Gas Pool as an "oil" well, in which the 40 acres comprising the SE/4 SE/4 (Unit P) of Section 5 is currently dedicated to form a standard 40-acre oil spacing and proration unit; however, this completion is to be reclassified a gas well.

By authority granted me under the provisions Rule 2(d) of the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.D (2), the following described 440.50-acre non-standard gas spacing and proration unit is hereby approved:

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

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

Furthermore, by authority granted me under the provisions of Rule 2(d) of the special Jalmat Gas Pool rules and Division Rule 104.F (2) the following three described wells located at unorthodox Jalmat infill gas well locations, all in Section 5, are hereby approved:

Administrative Order NSP-1636-A(L)(SD) Raptor Resources Inc. July 18, 2000 Page 3

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

State "A" A/C-2 Well No. 34 1980' FS & EL (Unit J) (*API No. 30-025-08794*); and

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

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

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

Sincerely.

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: NSP-1636 (SD) (L)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Administrative Order NSL-4615(SD)

Dear Mr. Keathly:

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

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

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

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

This application has been duly filed under the provisions of: (i) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended.

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

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

State "A" A/C-2 Well No. 78 1980' FNL & 660' FWL (Unit E) (API No. 30-025-34910). Administrative Order NSL-4615(SD) Raptor Resources, Inc. July 27, 2001 Page 3

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

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

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

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: NS

NSP-1636(SD)(L)

NSP-1636-A(L)(SD)

William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Supervisor, District 1

5/2/02

Lori Wrotenbery
Director
Oil Conservation Division

Oil Conservation Division 1220 S. Francis Drive Santa Fe, NM 87505					
RE: Proposed: MC DHC NSL					
NSP X SP			1		
SWD	WELL Name	Well No	Status	API No.	Sec/Twp/Rg/UL
WFX	01 1 11411 4 (0.5			22 222 222	7.000 005 0
PMX	State "A" A/C 2 State "A" A/C 2	47	P	30-025-08798 30-025-08797	5 22S 36E C 5 22S 36E F
	State "A" A/C 2	34	P	30-025-08794	5 22S 36E J
Gentlemen:	State "A" A/C 2	2	P	30-025-08791	5 22S 36E L
dentifemen.	State "A" A/C 2	46	P	30-025-08800	5 22S 36E N
T. J	State "A" A/C 2	33	P	30-025-08793	5 22S 36E O
I have examined the application for the:	State "A" A/C 2	27	Р	30-025-08793	5 22S 36E P
Ω , Ω	State "A" A/C 2	81	ND	Not assigned	5 22S 36E K
Raptor Resources					
Operator Lease & Well	No. Unit	S-7	Γ P		
בכמשם מיותרו	110.	J .	1 - 13		
and my recommendations are as follows:					
and my recommendations are as follows:					
					
Yours very truly,					
Chris Williams (1997) Chris Williams					