

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
ROBERT J. SUTPHIN, JR.

JACK M. CAMPBELL
1916-1999

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

December 18, 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 Spacing Unit for its State "A" A/C Well No. 1, comprised of 40 acres in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, N.M.P.M., Lea, New Mexico.***

Dear Ms. Wrotenbery:

Raptor Resources, Inc. pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, hereby seeks administrative approval of a non-standard gas spacing and proration unit in the Tansil, Yates and Seven Rivers, formations, Jalmat Gas Pool, comprised of 40 acres in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico to be dedicated to its State "A" A/C Well No. 1.

This well was drilled and produced as an oil well until it was reclassified as a gas well effective January 1, 2000 well following the 1999 annual Gas-Oil Ratio Test. The well produces at low rates (less than 20 mcf/d). Accordingly, the State "A" A/C-1 Well No. 6 should drain the proposed non-standard 40-acre spacing and proration unit, but should not impair the correlative rights of any other interest owner in the Jalmat Gas Pool.

RECEIVED
OCT 19 11:47
OIL CONSERVATION DIV.

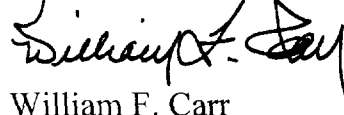
Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
December 18, 2000
Page 2

Attached as Exhibit A is a plat which shows the subject spacing unit for this well and all adjoining spacing units or leases.

On or before the date on which this application was filed with the Division, a copy of this application with all attachments was mailed to each of the affected parties, identified on Exhibit B, by Certified Mail--Return Receipt Requested. Each of the affected parties was advised that if they have an objection to the proposed non-standard spacing or proration unit it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objections were received by the Division within twenty days, the Division Director could approve the application.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

William F. Carr
Attorney for Raptor Resources, Inc.

Enclosures

cc: OCD - Hobbs, New Mexico
Mr. Russell Douglass

1) 200
2) 100
3) 50

EXHIBIT B

AFFECTED PARTIES

Application of Raptor Resources, Inc.
administrative approval of a non-standard spacing or proration unit
State "A" A/C-1 Well No. 6
40 acres (SE/4 NW/4)
Section 21 Township 23 South, Range 36 East, NMPM
Lea County, New Mexico.

Hal J. Rasmussen Operating, Inc.
310 West Wall
Midland, Texas 79701

Arch Petroleum, Inc.
Post Office Box 10340
Midland, Texas 79702

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December 18, 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Arch Petroleum, Inc.
Post Office Box 10340
Midland, Texas 79702

Re: *Application of Raptor Resources, Inc., for administrative approval of a 40 acre non-standard spacing or proration unit for its State "A" A/C-1 Well No. 6 in the Tansil, Yates and Seven Rivers formations, Jalmat Gas Pool, in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico.*

Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Raptor Resources, Inc. for administrative approval of a non-standard gas spacing and proration unit for its State "A" A/C-1 Well No. 6 in the Tansil, Yates and Seven Rivers formations, Jalmat Gas Pool comprised of 40 acres (SE/4 NW/4) of Section 21, Township 23 South, Range 23 East, N.M.P.M., Lea County, New Mexico.

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

Very truly yours,

William F. Carr

Enclosure

cc: Mr. Russell Douglass
Mr. John Lawrence
Mr. Bill Keathly

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Hal J. Rasmussen Operating, Inc.
310 West Wall
Midland, Texas 79701

Re: *Application of Raptor Resources, Inc., for administrative approval of a 40 acre non-standard spacing or proration unit for its State "A" A/C-1 Well No. 6 in the Tansil, Yates and Seven Rivers formations, Jalmat Gas Pool, in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico.*

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Very truly yours,

William F. Carr

Enclosure

cc: Mr. Russell Douglass
Mr. John Lawrence
Mr. Bill Keathly

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HAND DELIVERED

Mr. Michael E. Stogner, Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, NM 87505

Re: Case12561: The Application of Raptor Resources, Inc. to amend Division Order No. R-9073 and for approval of a non-standard 480-acre gas proration unit and an unorthodox infill gas well location, Lea County, New Mexico.

Dear Mr. Stogner,

Raptor Resources, Inc. hereby requests that the Examiner Hearing in the above-referenced case which is currently scheduled for December 21, 2000 be continued to the January 25, 2001 Examiner Hearing Docket.

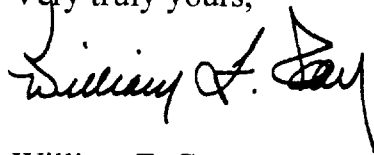
The application in this case seeks approval of a 480-acre spacing unit for the Raptor Resources, Inc. State "A" A/C-1 Well No. 6. This well is capable of only marginal gas production and, on this date, Raptor has filed an application with the Division seeking the creation of a 40-acre spacing and proration unit for this well in the Jalmat Gas Pool. Notice had been provided to all affected persons in accordance with Division rules.

Mr. Michael E. Stogner, Examiner
Oil Conservation Division
December 18, 2000
Page Two

The continuance of this case to the January 25, 2001 Examiner Hearing Docket will enable the notice period to run on the administrative application. If the administrative application is approved, Raptor will then request that this case be dismissed.

Your attention to this request is appreciated.

Very truly yours,

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

William F. Carr

WFC/md
cc: John Lawrence