

HOLLAND & HART LLP
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

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

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

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

September 5, 2001

VIA FACSIMILE

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, NM 87505
Facsimile No. 476-3462

**RE: Comments on Proposed Rules and Regulations for the Jalmat Gas Pool,
Lea County, New Mexico (Revised July 18, 2001)**

Dear Ms. Wrotenbery:

On behalf of Raptor Resources, Inc. and BP Amoco Production Company, I offer the following editorial comments on the July 18th version of the proposed rules for the Jalmat Gas Pool:

Draft Rule 3(A) -- Both Raptor and BP Amoco support the version of the Rule which requires 660 feet setbacks.

Draft Rule 3(B) -- It is unclear whether a 40-acre oil spacing and proration unit committed to a secondary recovery project will be permitted more than one well as a matter of course, administratively, or by hearing.

Draft Rule 4 -- Presently, subparts (B) and (C) do not contain a statement similar to that found in subpart (A) indicating the Director may grant the referenced exception administratively. I therefore suggest an introductory clause at the beginning of Rule 4 applicable to all subparts along the following lines: "The Director may grant the following exceptions administratively, without hearing, when they are necessary to prevent waste or protect correlative rights, and when the following additional requirements are met." I also suggest headings for subparts (A) and (B) to conform to subpart (C).

Lori Wrotenbery, Director
September 5, 2001
Page 2

Draft Rule 4(A)(2) -- This subpart only requires notice to "operators." I suggest the Division consider referencing "affected person," as that term is defined in Rule 1207.A(2) to cover the situation where an operator does not exist for adjacent properties. This appears to be what the Division has done with respect to the notice requirements set forth in Rule 4(B)(4) and Rule 4(C)(2) of the present draft. This comment may apply equally to the notice requirement in Rule 4(C)(1).

Draft Rule 4(B)(1) -- The "and/or" language preceding subpart (d) makes it unclear whether the applicant must meet all the requirements in (a), (b), (c), and (d), or whether only one of those requirements must be met in addition to the requirement in subpart (B)(2).

Draft Rule 4(B)(3) and (B)(4) -- Because of the period at the end of subpart (B)(2), I do not believe that the paragraph numbering should continue with (3) and (4). I suggest that the requirements set forth in subparts (3) and (4) be introduced with "In addition to" language and set forth without any indentation or paragraph numbering.

Draft Rule 4(C)(2)(c) -- This requirement appears to repeat the requirement set forth in subpart (C)(3)(f) and is therefore unnecessary.

Draft Rule 4(C)(3)(c) -- The draft is missing a "to" in the last line between "exception" and "any."

For the most part, the above comments apply equally to the revised draft of the Special Rules and Regulations for the Eumont Gas Pool.

In conjunction with Raptor Resources and BP Amoco, I wish to thank you and your staff for the effort involved in developing these drafts and for providing the industry with the opportunity to provide comments.

Sincerely,



Michael H. Feldewert

MHF/keh

cc: David Brooks, Esq.
Michael Stogner