

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

**APPLICATION OF RAPTOR RESOURCES, INC.
FOR TWO UNORTHODOX INFILL GAS WELL
LOCATIONS AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12678

OIL CONSERVATION DIV.
MAY 22 PM 2:53

APPLICATION

RAPTOR RESOURCES, INC. ("Raptor"), through its undersigned attorneys, (i) seeks an exception to the well location requirements of the "Special Pool Rules and Regulations for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170, as amended, for two unorthodox infill Jalmat Gas well locations, and (ii) pursuant to the Stipulated Declaratory Judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, makes application for an order approving the simultaneous dedication of all Jalmat Gas Pool production to an existing non-standard 480-acre gas spacing and proration unit (authorized by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B) comprising the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and in support of its application Raptor states:

1. Raptor is the operator of the non-standard gas spacing and proration unit in the Jalmat Gas Pool comprised of the N/2 and SW/4 of Section 9, Township 22 South, Range 36

East, NMPM, Lea County, New Mexico, to which are currently dedicated the following wells:

- (A) State "A" A/C-2 Well No. 1 (**API No. 30-025-08849**), located at an unorthodox location 660 feet from the South and 1980 feet from the West line (Unit N) of Section 9;
- (B) State "A" A/C-2 Well No. 4 (**API No. 30-025-08853**), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 9;
- (C) State "A" A/C-2 Well No. 29 (**API No. 30-025-08854**), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 9;
- (D) State "A" A/C-2 Well No. 38 (**API No. 30-025-08847**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 9;
- (E) State "A" A/C-2 Well No. 40 (**API No. 30-025-08848**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 9;
- (F) State "A" A/C-2 Well No. 63 (**API No. 30-025-25543**), located at a standard gas well location 990 feet from the North line and 2310 feet from the West line (Unit C) of Section 9;

(G) State "A" A/C-2 Well No. 67 (**API No. 30-025-28276**), located at a standard gas well location 2615 feet from the South line and 1345 feet from the West line (Unit K) of Section 9; and

(H) State "A" A/C-2 Well No. 72 (**API No. 30-025-28281**), located at a standard gas well location 1410 feet from the South line and 1440 feet from the West line (Unit K) of Section 9.

2. Raptor proposes to re-enter and re-complete the following two infill Jalmat gas wells on this spacing and proration unit:

(A) The State "A" A/C Well No. 31(**API No. 30-025-08856**), which is currently plugged and abandoned, to be re-entered and re-completed at an unorthodox infill gas well location 1980 feet from the North and West lines (Unit F) of said Section 9; and

(B) The State "A" A/C-2 Well No. 52 (**API No. 30-025008859**), which is currently plugged and abandoned, to be re-entered and re-completed at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 9.

3. The proposed locations for the State "A" A/C-2 Well Nos. 31, and 52 are unorthodox for the "Special Rules and Regulations for the Jalmat Gas Pool," promulgated by Division Order No. R-8170, as amended, provide that wells located on a 480-acre spacing unit must be located no closer than 990 feet from the outer boundary of the unit.

4. Raptor seeks to simultaneously dedicate the Jalmat production from each of its proposed new infill gas wells and the existing Jalmat gas wells to this standard 480-acre Jalmat gas spacing and proration unit.

5. Raptor's proposed infill gas wells are necessary to efficiently and economically drain the subject 480-acre spacing and proration unit.

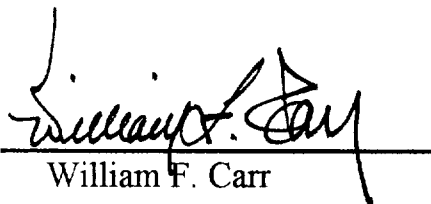
6. Attached hereto as Exhibit A is a list of the names and addresses of persons to whom notice has been sent.

7. Approval of this application will be in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Raptor Resources, Inc. requests that this application be set for hearing before an examiner of the Oil Conservation Division on June 14, 2001, and that, after notice and hearing as required by law and the rules of the Division, this application be granted.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 
William F. Carr

ATTORNEY FOR RAPTOR
RESOURCES, INC.

CASE ____: Application of Raptor Resources, Inc. for two unorthodox infill gas well locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Pool Rules and Regulations for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170, as amended, for the following two unorthodox Jalmat infill gas well locations within an existing standard 480-acre spacing and proration unit comprised of N/2 and SW/4 Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

- (A) The State "A" A/C-2 Well No. 31 (**API No. 30-025-08856**) is to be re-entered and re-completed at an unorthodox infill gas location 1980 feet from the North and West lines (Unit F) of Section 9; and
- (B) The State "A" A/C-2 Well No. 52 (**API No. 30-025-08859**) which is to be re-entered and re-completed at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 9.

This unit is currently dedicated to Raptor Resources, Inc.'s:

- (A) State "A" A/C-2 Well No. 1 (**API No. 30-025-08849**), located at an unorthodox location 660 feet from the South and 1980 feet from the West line (Unit N) of Section 9;
- (B) State "A" A/C-2 Well No. 4 (**API No. 30-025-08853**), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 9;
- (C) State "A" A/C-2 Well No. 29 (**API No. 30-025-08854**), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 9;
- (D) State "A" A/C-2 Well No. 38 (**API No. 30-025-08847**), located at an unorthodox gas well location 1980 feet from the south and west lines (Unit K) of Section 9;
- (E) State "A" A/C-2 Well No. 40 (**API No. 30-025-08848**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 9;

- (F) State "A" A/C-2 Well No. 63 (**API No. 30-025-25543**), located at a standard gas well location 990 feet from the North line and 2310 feet from the West line (Unit C) of Section 9;
- (G) State "A" A/C-2 Well No. 67 (**API No. 30-025-28276**), located at a standard gas well location 2615 feet from the South line and 1345 feet from the West line (Unit K) of Section 9; and
- (H) State "A" A/C-2 Well No. 72 (**API No. 30-025-28281**), located at a standard gas well location 1410 feet from the South line and 1440 feet from the West line (Unit K) of Section 9.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the Stipulated Declaratory Judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 480-acre unit from all ten of the above-described State "A" A/C-2 Wells No. 1, 4, 29, 31, 38, 40, 52, 63, 67, and 72.

This spacing unit is located approximately 4.5 miles southwest of Eunice, New Mexico.

EXHIBIT A

**State "A" A/C-2 Well No. 31
1980' FN&WL (Unit F)
Section 9, Township 22 South, Range 36 East, N.M.P.M.**

**State "A" A/C-2 Well No. 52
1980' FNL & 660' FEL (Unit H)
Section 9, Township 22 South, Range 36 East, N.M.P.M.**

**480-acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit
Approved by Division Order No. R-9073**

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705

Chevron USA Inc.
Attn: WOJV-Business Unit
Post Office Box 1635
Houston, Texas 77251

Finley Resources
1308 Lake Street, Suite 200
Ft. Worth, Texas 76102

Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

Arco Permian
Post Office Box 1610
Midland, Texas 79702-1610

Marathon Oil Company
Mid-Continent Production Office
Post Office Box 552
Midland, Texas 79702

Gruy Petroleum Management Company
Post Office Box 140907
Irving, Texas 75014-0907

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

May 24, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS:

**Re: Application of Raptor Resources, Inc. for two unorthodox infill
gas well locations and simultaneous dedication, Lea County New
Mexico.**

Ladies and Gentlemen:

This letter is to advise you that Raptor Resources, Inc., has filed the enclosed application with the New Mexico Oil Conservation Division seeking an exception to the well location requirements provided by the "Special Rules and Regulations for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170, as amended, for its proposed State "A" A/C-2 Well No. 31 to be re-entered and re-completed in the Jalmat Gas Pool at an unorthodox infill gas well location 1980 feet from the North and West lines (Unit F) and its proposed State "A" A/C-2 Well No. 52 to be re-entered and re-completed in the Jalmat Gas Pool at an unorthodox infill gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

Raptor Resources, Inc., pursuant to the "Special Rules and Regulations for the Jalmat Gas Pool" and the Stipulated Declaratory Judgment issued by the First Judicial District Court in Santa Fe County, New Mexico, on December 15, 2000, in Cause No. D-0101-CV9902927, seeks authority to simultaneously dedicate the Jalmat production from these proposed new infill wells and the existing Jalmat

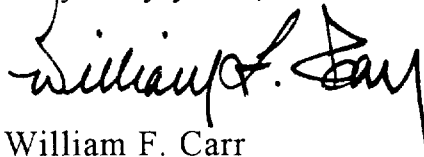
Notice Letter
May 24, 2001
Page Two

gas wells identified in the enclosed application to a previously approved non-standard 480-acre spacing and proration unit in the Jalmat Gas Pool (Order No. R-9073) comprised of the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM.

This application has been set for hearing before a Division Examiner on June 14, 2001. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a stylized flourish at the end.

William F. Carr

ATTORNEY FOR RAPTOR RESOURCES,
INC.

Enclosure

cc: John Lawrence,
Raptor Resources, Inc.