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SANTA FE, NEW MEXICO 87501-6525  
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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. 78 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 West line (Unit E) and its proposed State "A" A/C-2 Well No. 81 to be drilled and completed in the Jalmat Gas Pool at an unorthodox infill gas well location 2080 feet from the South line and 1980 feet from the West line (Unit K) of Section 5, 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 gas wells identified in the enclosed application to a previously approved non-

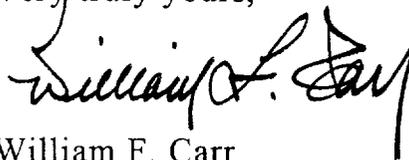
Notice Letter  
May 24, 2001  
Page Two

standard 440.5-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprised of 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.

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,



William F. Carr

ATTORNEY FOR RAPTOR RESOURCES,

INC.

Enclosure

cc: John Lawrence,  
Raptor Resources, Inc.

**EXHIBIT A**

**State "A" A/C-2 Well No. 78  
1980' FNL & 660' FWL (Unit E)  
Section 5, Township 22 South, Range 36 East, N.M.P.M.**

**State "A" A/C-2 Well No. 81  
2080' FSL & 1980' FWL (Unit K)  
Section 5, Township 22 South, Range 36 East, N.M.P.M.**

**440.5-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

Campbell & Hedrick  
Post Office Box 401  
Midland, Texas 79702

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

OXY USA  
Post Office Box 50250  
Midland, Texas 79710

Permian Resources Inc.  
Post Office Box 590  
Midland, Texas 79702

Pecos River Operating Inc.  
500 West Texas, Suite 720  
Midland, Texas 79701

Southwest Royalties Inc.  
Post Office Box 11390  
Midland, Texas 79702

McCasland Disposal Systems  
Post Office Box 98  
Eunice, New Mexico 88231

Mirage Energy Inc.  
7915 North Llewelyn  
Hobbs, New Mexico 88242

Ralph C. Burton  
3500 Acoma  
Hobbs, New Mexico 88240

Arco Permian  
Post Office Box 1610  
Midland, Texas 79701

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580/W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Arco Permian  
Street, Apt. No., or: Post Office Box 161C  
City, State, ZIP+4: Midland, Texas 79700

PS Form 3800, Feb 1999

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Arco Permian  
Post Office Box 1610  
Midland, Texas 79701

2. Article Number (Copy from service label): 7000 0600 0024 3127 6439

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly):  
B. Date of Delivery: MAY 25 2001

C. Signature: X *Locky Kaye*

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type:  
 Certified Mail  
 Registered  
 Insured Mail  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
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WFC 580/W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Ralph C. Burton  
Street, Apt. No., or: 3500 Acoma  
City, State, ZIP+4: Hobbs, New Mexico

PS Form 3800, Feb 1999

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Ralph C. Burton  
3500 Acoma  
Hobbs, New Mexico 88240

2. Article Number (Copy from service label): 7000 0600 0024 3127 6422

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly): Delene Burton  
B. Date of Delivery: MAY 22 2001

C. Signature: X *Delene Burton*

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type:  
 Certified Mail  
 Registered  
 Insured Mail  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580/W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Campbell & Hedrick  
Street, Apt. No., or: Post Office Box 401  
City, State, ZIP+4: Midland, Texas 79702

PS Form 3800, Feb 1999

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Campbell & Hedrick  
Post Office Box 401  
Midland, Texas 79702

2. Article Number (Copy from service label): 7000 0600 0024 3127 6446

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly):  
B. Date of Delivery: MAY 25 2001

C. Signature: X *Marcella Stone*

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type:  
 Certified Mail  
 Registered  
 Insured Mail  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580/W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Chevron USA Inc.  
Street, Apt. No., or: Attn: WOJV-Business  
City, State, ZIP+4: Post Office Box 1635 Houston, Texas 7725

PS Form 3800, Feb 1999

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

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

2. Article Number (Copy from service label): 7000 0600 0024 3127 6378

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly):  
B. Date of Delivery:

C. Signature: X *Jessie Chappell*

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type:  
 Certified Mail  
 Registered  
 Insured Mail  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580 / W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.16</b>

Postmark: VARGAS CTR STA, MIDLAND TX, MAY 23 2001, USPS - 87901

Recipient's Name: Conoco, Inc.  
Street, Apt. No.: 10 Desta Drive, Suite 1  
City, State, ZIP+4: Midland, Texas 79705

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Conoco, Inc.  
10 Desta Drive, Suite 100W  
Midland, Texas 79705

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6361

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
C. Signature: X Dora Cadena (Agent)  
D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580 / W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.16</b>

Postmark: VARGAS CTR STA, MIDLAND TX, MAY 23 2001, USPS - 87901

Recipient's Name: McCasland Disposal S  
Street, Apt. No.: Post Office Box 98  
City, State, ZIP+4: Eunice, New Mexico

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
McCasland Disposal Systems  
Post Office Box 98  
Eunice, New Mexico 88231

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6354

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
C. Signature: X (Agent)  
D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580 / W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.16</b>

Postmark: VARGAS CTR STA, MIDLAND TX, MAY 23 2001, USPS - 87901

Recipient's Name: Mirage Energy Inc.  
Street, Apt. No.: 7915 North Llewelyn  
City, State, ZIP+4: Hobbs, New Mexico 88242

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Mirage Energy Inc.  
7915 North Llewelyn  
Hobbs, New Mexico 88242

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6415

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
C. Signature: X Louise (Agent)  
D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580 / W 78-81

Postage	\$ .76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.16</b>

Postmark: VARGAS CTR STA, MIDLAND TX, MAY 23 2001, USPS - 87901

Recipient's Name: OXY USA  
Street, Apt. No.: Post Office Box 50250  
City, State, ZIP+4: Midland, Texas 79710

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
OXY USA  
Post Office Box 50250  
Midland, Texas 79710

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6453

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
C. Signature: X Annie Herrera (Agent)  
D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580/W78-81

Postage	\$ 1.76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Pecos River Operating  
Street, Apt. No.: 500 West Texas, Suite  
City, State, ZIP+4: Midland, Texas 79701

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Pecos River Operating Inc.  
500 West Texas, Suite 720  
Midland, Texas 79701

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6460

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) \_\_\_\_\_ B. Date of Delivery: 5-25-

C. Signature: X *Mona Hopkins*  Agent  Addressee

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580/W78-81

Postage	\$ 1.76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Permian Resources Inc.  
Street, Apt. No.: Post Office Box 590  
City, State, ZIP+4: Midland, Texas 79702

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Permian Resources Inc.  
Post Office Box 590  
Midland, Texas 79702

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6385

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) \_\_\_\_\_ B. Date of Delivery: \_\_\_\_\_

C. Signature: X *B. Malowski*  Agent  Addressee

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

WFC 580/W78-81

Postage	\$ 1.76
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>4.16</b>

Recipient's Name: Southwest Royalties Inc.  
Street, Apt. No.: Post Office Box 11390  
City, State, ZIP+4: Midland, Texas 79702

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Southwest Royalties Inc.  
Post Office Box 11390  
Midland, Texas 79702

2. Article Number (Copy from service label)  
7000 0600 0024 3127 6408

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) \_\_\_\_\_ B. Date of Delivery: MAY 25 2001

C. Signature: X *[Signature]*  Agent  Addressee

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes