



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 24, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc.
c/o Campbell, 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 NSL-2873-B (SD)

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Raptor Resources, Inc. ("Raptor") submitted to the New Mexico Oil Conservation Division ("Division") on June 8, 2000; (ii) the Division's records in Santa Fe; (iii) the two Division directives dated December 22, 1999 and January 5, 2000; (iv) the Division's "NOTICE" to all operators in the Jalmat Pool dated January 11, 2000; and (v) the Division Director's "MEMORANDUM" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor's request for an unorthodox Jalmat infill gas well location within an existing non-standard 320-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the E/2 of Section 10, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (9) of Exhibit "A"] and had dedicated thereon the following two wells:

- (1) State "A" A/C-3 Com. "A" Well No. 1 (API No. 30-025-09299), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 10; and
- (2) State "A" A/C-3 Com. "A" Well No. 2 (API No. 30-025-09289), located at a standard gas well location 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 10.

By Division Administrative Order NSL-2873, dated September 25, 1990, another well for this GPU, the State "A" A/C-3 Com. "A" Well No. 8 (API No. 30-025-20245), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 10 was also approved.

The Division's most recent action within this 320-acre GPU was Division Administrative Order NSL-2873-A, dated January 18, 1991, which authorized the following three described wells located at unorthodox gas well locations within this GPU:

- (1) State "A" A/C-3 Com. "A" Well No. 4 (**API No. 30-025-09300**), located 660 feet from the North line and 2310 feet from the East line (Unit B) of Section 10;
- (2) State "A" A/C-3 Com. "A" Well No. 5 (**API No. 30-025-09303**), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 10, which is currently shut-in; and
- (3) State "A" A/C-3 Well No. 6 (**API No. 30-025-09302**), located 1980 feet from the South line and 2310 feet from the West line (Unit J) of Section 10.

The Division's records indicate that the aforementioned State "A" A/C-3 Well No. 6 was plugged and abandoned in 1994; therefore, this well can now be omitted from this GPU.

It is our understanding that the subject well to be considered at this time was initially drilled to a total depth of 3,865 feet in December, 1999 in order to test the Langlie-Mattix-Seven Rivers-Queen-Grayburg Pool at standard oil well location within a 40-acre standard oil spacing and proration unit comprising the SW/4 SE/4 (Unit O) of Section 10. Found to be non-productive, Raptor now seeks to recomplete this well up-hole into the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of 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.F (2) the following described well located at an unorthodox Jalmat gas well location is hereby approved:

**State "A" A/C-3 Well No. 14
660' FSL & 1980' FEL (Unit O) of Section 10
(API No. 30-025-34682).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-3 Well No. 14 with the State "A" A/C-3 Com. "A" Wells No. 1, 2, 4, 5, and 8. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 320-acre GPU from all six of the above-described wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2873 and NSL-2873-A shall remain in full force and affect until further notice.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery / MES". The signature is fluid and cursive, with the initials "MES" written in a larger, more stylized font at the end.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2873
NSL-2873-A