



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 30, 1999

Raptor Resources, Inc.
P. O. Box 160430
Austin, Texas 78716-0430
Attention: Bill R. Keathly

Administrative Order SD-99-7

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 14, 1999; and (ii) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s ("Raptor") request for authorization to simultaneously dedicate gas production from the Jalmat Gas Pool within an existing standard 640-acre gas spacing and proration unit ("GPU") comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. This 640-acre GPU was the subject of Division Order No. R-9073, issued in Case No. 9775 dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"], which order authorized Hal J. Rasmussen Operating, Inc. to simultaneously dedicate thereon the following three wells:

- (1) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 8;
- (2) State "A" A/C-2 Well No. 49 (API No. 30-025-08838), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 8; and
- (3) State "A" A/C-2 Well No. 56 (API No. 30-025-08843), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 8.

By Division Administrative Order NSL-2816 (SD), dated June 28, 1990, the following three wells, all located at unorthodox gas well locations in Section 8, were also approved for the subject GPU:

- (1) State "A" A/C-2 Well No. 24
(API No. 30-025-08833)
1980' FSL & 660' FEL (Unit I);

- (2) State "A" A/C-2 Well No. 26
(API No. 30-025-08835)
660' FNL & 1980' FEL (Unit B); and
- (3) State "A" A/C-2 Well No. 53
(API No. 30-025-08840)
660' FSL & 1980' FWL (Unit N).

By Division Administrative Order NSL-2816-A(SD), dated September 25, 1990, two additional wells, both of which were located at unorthodox gas well locations in Section 8, were also approved for the subject GPU:

- (1) State "A" A/C-2 Well No. 55
(API No. 30-025-08842)
660' FS & EL (Unit P); and
- (2) State "A" A/C-2 Well No. 58
(API No. 30-025-20978)
2030' FSL & 660' FWL (Unit L).

By Division Administrative Order NSL-2816-B(SD), dated April 21, 1992, an additional well for this GPU, the State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located at an unorthodox gas well location 1295 feet from the South and East lines (Unit P) of Section 8 was approved.

The Division's records indicate that the aforementioned State "A" A/C-2 Wells No. 49, 53, 55, 56, and 58 were subsequently plugged and abandoned in 1993 and 1994. The State "A" A/C-2 Well No. 24 was never recompleted from the South Eunice-Seven Rivers-Queen Pool into the Jalmat Gas Pool, as was indicated on the Division's Sundry Notice (Form C-103) on this well dated July 23, 1990, which form serves to permit the authorization of such recompletions, expired on January 23, 1991. Therefore these six wells can now be omitted from this GPU.

It is our understanding that the subject well to be considered at this time, Raptor's State "A" A/C-2 Well No. 3 (API No. 30-025-08829), located 1980 feet from the North and East lines (Unit G) of Section 8, which is considered to be a standard gas well location for this GPU, is currently completed in the South Eunice-Seven Rivers-Queen Pool, however it is to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well No. 3 with the State "A" A/C-2 Wells No. 26, 43, and 70. Furthermore,

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Raptor is hereby permitted to produce the allowable assigned the subject 640-acre GPU from these four wells in any proportion

All provisions that are applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2816(SD), NSL-28162-A (SD), and NSL-2816-B (SD) and not in conflict thereto shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2816 (SD)
NSL-2816-A (SD)
NSL-2816-B (SD)



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 30, 2000

Raptor Resources, Inc.
901 Rio Grande
Austin, Texas 78701
Attention: Bill R. Keathly

RE: NMOCD Correspondence Reference No. SD-99-07 (1): *Jalmat Gas Pool development within an existing standard 640-acre gas spacing and proration unit ("GPU") comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which was the subject of Division Order No. R-9073, issued in Case No. 9775 dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"].*

Dear Mr. Keathly:

Reference is made to your letter dated March 21, 2000 notifying the New Mexico Oil Conservation Division ("Division") of Raptor Resources, Inc.'s subsequent plans for development of the Jalmat Gas Pool within the existing standard 640-acre gas spacing and proration unit ("GPU") comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which was the subject of Division Order No. R-9073, issued in Case No. 9775 dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"].

It is our understanding that Raptor's plans to recomplete its State "A" A/C-2 Well No. 3 (**API No. 30-025-08829**), located 1980 feet from the North and East lines (Unit G) of Section 8 (being a standard gas well location for this GPU), from the South Eunice-Seven Rivers-Queen Pool to the Jalmat Gas Pool have been cancelled. Therefore, pursuant to our records, which include Division Administrative Orders NSL-2816 (SD), dated June 28, 1990, NSL-28162-A (SD), dated September 25, 1990, and NSL-2816-B (SD), dated April 21, 1992, and previous correspondence from Raptor dated June 14, 1999 and a letter from the Division, referenced as Division Administrative Order SD-99-7 and dated June 30, 1999, that this 640-acre GPU is currently dedicated to the following three wells:

- (1) the State "A" A/C-2 Well No. 26 (**API No. 30-025-08835**), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816 (SD)] 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 8;
- (2) the State "A" A/C-2 Well No. 43 (**API No. 30-025-08837**), located at an unorthodox gas well location (approved by

Division Order No. R-9073) 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 8; and

- (3) the State "A" A/C-2 Well No. 70 (**API No. 30-025-28279**), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816-B (SD)] 1295 feet from the South and East lines (Unit P) of Section 8.

It Is Hereby Ordered, pursuant to Ordering Paragraph No. (7) of Division Order No. R-9073, that all provisions applicable to this GPU contained in Division Order No. R-9073 and Division Administrative Orders NSL-2816 (SD), NSL-28162-A (SD), and NSL-2816-B (SD), not in conflict thereto, shall remain in full force and affect until further notice. **Furthermore**, jurisdiction of this matter is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Mr. William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe
File: NSL-2816 (SD)
NSL-2816-A (SD)
NSL-2816-B (SD)
SD-99-7