



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

December 22, 1999

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265

Attorneys for SDX Resources, Inc.

J.E. Gallegos, Esq.
Michael J. Condon, Esq.
Gallegos Law Firm
460 St. Michael's Drive
Santa Fe, NM 87505

Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Cases No. 12301 and 12302 ---Applications of SDX Resources, Inc. for
unorthodox infill gas well locations in the Jalmat Gas Pool
Cases No. 12303 and 12304---Applications of Raptor Resources, Inc. for
unorthodox infill gas well locations in the Jalmat Gas Pool

Gentlemen:

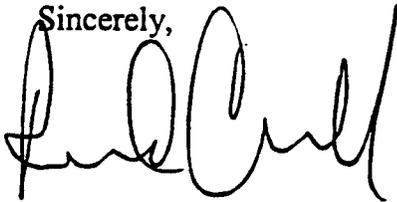
At the prehearing conference held on Tuesday, December 21, the Division took the following actions:

- (i) the APDs and other approvals for the SDX and Raptor wells complained of by Hartman were rescinded with the applications to be stayed pending the March 2, 2000, hearing on the Jalmat Special Pool Rules;
- (ii) a new case will be docketed by the Division for March 2, 2000, to review the Jalmat Special Pool Rules;

- (iii) a Jalmat Pool operators meeting will be held on Tuesday, January 25 at the OCD Hobbs District Office to review the Jalmat Special Pool Rules with SDX, Raptor and Hartman to attend, with the possibility of a second operators meeting to be held prior to the March 2, 2000, hearing;
- (iv) a notice will be issued to all Jalmat Pool operators placing a moratorium on all new Jalmat infill wells on a greater density than 160 acres pending the March 2 hearing; and
- (v) the above-referenced applications as well as the Motions to Quash will be stayed pending the March 2 hearing.

If you have any questions, please feel free to call me at 827-8156. I will be out of the office until January 4, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is stylized with large, flowing loops and a long horizontal stroke at the end.

Rand Carroll

c: Lori Wrotenbery, OCD Director
Michael E. Stogner, OCD Hearing Examiner
David Catanach, OCD Hearing Examiner
Mark Ashley, OCD Hearing Examiner
Chris Williams, OCD Hobbs District Supervisor



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

January 5, 2000

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265

Attorneys for SDX Resources, Inc.

J.E. Gallegos, Esq.
Michael J. Condon, Esq.
Gallegos Law Firm
460 St. Michael's Drive
Santa Fe, NM 87505

Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Clarification of December 22, 1999 letter from Rand Carroll

Gentlemen:

Paragraph (i) of the above-referenced letter refers to Division actions regarding SDX and Raptor wells. This letter clarifies which wells and/or applications are affected by that letter and what actions will be taken by the Division.

Cases No. 12301, 12302, 12303 and 12304 will be continued to the March 16, 2000 docket, the docket after the docket at which the Division's application to review the Jalmat Special Pool Rules will be heard.

Hartman's objections/protests to Orders No. SD 99-14 and SD 99-15 will be set for hearing as an application of Hartman for rescission of those orders. This application will also be set for hearing on March 16, 2000.

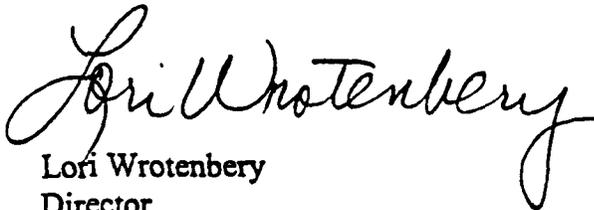
The NSL orders issued to Raptor in which notice should have been given to Hartman as an offset operator but was not are reopened pursuant to Rule 1207.D. and will also be set for hearing on March 16, 2000. Such NSL orders include Orders No. NSL 2872-C(SD), NSL 2723-D(SD), NSL 2723-E and NSL 2816-C(SD). Hartman must notify the Division of any additional NSL applications in this category.

No wells other than the wells that are the subject of the above-referenced cases and orders are affected by the December 22, 1999 letter.

Approvals for all Jalmat infill wells on a density of less than 160 acres per well have been held since December 23, 1999 and will continue to be held pending the March 2, 2000 hearing.

The Division trusts that the parties will actively participate at the Jalmat Pool operators meeting on January 25, 2000 at the OCD District Office in Hobbs and that an agreeable solution can be worked out regarding further development of the Jalmat Pool.

Sincerely,



Lori Wrotenbery
Director

c: Don Kane, Esq., Gorsuch & Kirgis LLP
Rand Carroll, OCD Legal Counsel
Michael E. Stogner, OCD Hearing Examiner
David Catanach, OCD Hearing Examiner
Mark Ashley, OCD Hearing Examiner
Chris Williams, OCD Hobbs District Supervisor



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

NOTICE: Jalmat Operators

TO: All Operators in the Jalmat Pool

FROM: Michael E. Stogner, Chief Hearing Examiner/Engineer (NMOCD) *MS*

SUBJECT: (1) Approvals for Infill Gas Wells and
(2) Operators Meeting to Review the Rules Governing the Jalmat Pool.

DATE: January 11, 2000

The Division believes that recent issues in the Jalmat Pool warrant review of the rules and procedures governing this pool.

Since December 23, 1999, the Division has been holding and not approving applications for additional gas wells on a density of less than 160 acres pending a review of the special rules governing the Jalmat Pool.

An Operators' meeting is therefore scheduled for January 25, 2000 in Hobbs, New Mexico at the Division's District office located at 1625 N. French Drive. This meeting will start at 9:00 a.m. and is expected to conclude by 12:30 p.m. All participants are encouraged to discuss openly any problems, concerns, and issues affecting this pool. Further, proposed rule changes by all operators will be discussed and, if needed, a committee will be formed to entertain such changes and prepare a formal presentation to be considered for adoption.

A Division Examiner's Hearing is scheduled on March 2, 2000 for the Operators group to report and make recommendations of possible rule changes.

It is important that all operators in the Jalmat Pool participate so that a full and comprehensive discussion is held identifying all pertinent issues affecting further development of this pool.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/24/00 09:31:22
OGOMES -TQDI
PAGE NO: 1

Sec : 05 Twp : 22S Rng : 36E Section Type : NORMAL

4 40.30 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	3 40.20 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	2 40.12 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38 A	1 40.02 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38
E 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	F 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	G 40.00 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38 A	H 40.00 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38

M0002: This is the first page

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

168.14

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/24/00 09:31:18
OGOMES -TQDI
PAGE NO: 2

Sec : 05 Twp : 22S Rng : 36E Section Type : NORMAL

L 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	K 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	J 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	I 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A
M 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	N 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	O 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	P 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12/15/99

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____ 2 SD
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Raptor Resources Inc State A A/c-2 #46-N-5-225-36e
 Operator Lease & Well No. Unit S-T-R 30-025-08800

and my recommendations are as follows:

102. needs better description of 360 acres.

Yours very truly,

Chris Williams
Supervisor, District 1

/ed



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12/15/99

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	<u> X </u> _____ SD
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Raptor Resources Inc State A A/C-2 #34-J-5-225-36e
 Operator Lease & Well No. Unit S-T-R 30-025-08794

and my recommendations are as follows:

Yours very truly,

Chris Williams
Supervisor, District 1

/ed



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

November 19, 1999

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

*Re: Administrative application for acreage rededication within the
Jalmat Gas Pool in Section 5, Township 22 South, Range 36 East,
NMPM, Lea County, New Mexico.*

Dear Mr. Keathley:

Per our telephone conversation today, the subject application filed with the Division in Santa Fe on October 25, 1999 is hereby withdrawn and is being returned to you at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
Kathy Valdes - NMOCD, Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe



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OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
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November 19, 1999

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

*Re: Administrative application for acreage rededication within the
Jalmat Gas Pool in Section 5, Township 22 South, Range 36 East,
NMPM, Lea County, New Mexico.*

Dear Mr. Keathley:

Per our telephone conversation today, the subject application filed with the Division in Santa Fe on October 25, 1999 is hereby withdrawn and is being returned to you at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
Kathy Valdes - NMOCD, Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe

RAPTOR RESOURCES, INC.

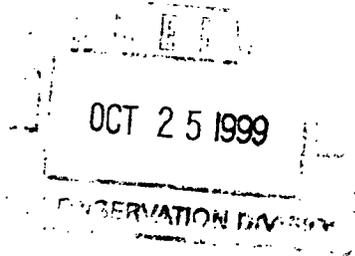
901 Rio Grande

Austin, Texas 78701

(512) 478-4427

October 18, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheo
Santa Fe, New Mexico 87504



RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
1980' FSL and 1980' FEL
Section 5, T 22S, R 36E (J)
Lea County, New Mexico

11-19-99

Keathly called withdrawing this Application.

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

2005

Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 34 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool. We request a decrease in the size of the existing 400-acre GPU by 80 acres to exclude the SE/4 NW/4 Unit F and the SW/4 SE/4 Unit O of Section 5. It is our desire to also simultaneously dedicate the existing 280-acre Proration Unit assigned to our well no .27 to both wells. Previously approved orders are R 9073, NSP 518. Well nos. 33 and 44 are being assigned the 40 acre proration Units (SE/4 NW/4 Unit F and SW/4 SE/4 Unit O) of section 5. Due to being reclassified from gas to oil in the Jalmat Tansil Yates 7-Rivers Oil pool per the NMOCD in Hobbs. Well no 27 located in the SE/4 SE/4 Unit P, is being reclassified from oil to gas.

The offset operator plat shows that Chevron USA, CITGO, Southwest Royalties and Lion Production Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,

Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs

State "A" A/C 2 # 34
Section 5, T-22S, R-36E, (J)
API # 30-025-08794
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251

CITGO
P.O. Box 3758
Tulsa, Okla. 74102

Lion Production Inc
P.O. Box 2086
Midland, TX 79702

Southwest Royalties Inc
P.O. Box 11390
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

Z 444 966 625

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	CITGO
Street & Number	Box 3158
Post Office, State, & ZIP Code	Tulsa OK 74102
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	APR 21 1995 TULSA OK

PS Form 3800, April 1995
W F A X R 2 W F
State A X R 2 W F

Z 444 966 626

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	Lion Production Inc.
Street & Number	Box 2036
Post Office, State, & ZIP Code	Midland TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	APR 21 1995 MIDLAND TX

PS Form 3800, April 1995
W F A X R 2 W F
State A X R 2 W F

Z 444 966 624

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	Chevron USA Inc.
Street & Number	Box 1635
Post Office, State, & ZIP Code	Houston TX 77251
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	APR 21 1995 HOUSTON TX

PS Form 3800, April 1995
W F A X R 2 W F
State A X R 2 W F

Z 444 966 627

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	Southwest Royalties
Street & Number	Box 11370
Post Office, State, & ZIP Code	Midland TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	APR 21 1995 MIDLAND TX

PS Form 3800, April 1995
W F A X R 2 W F
State A X R 2 W F

District I
 PO Box 1980, Hobbs, NM 88241 1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504 2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No_ 162791
		API Number 30 - 025-08794
Property Code 24671	Property Name State 'A' A/C 2	Well No. 34

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
' Proposed Pool 1					" Proposed Pool 2				
Jalmat, Tnsl, Yts, 7-Rivers (Pro Gas) (79240)									

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
Tnsl/Yates/7 Rvrs				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Current Status: Producing in the Eunice 7 Rvrs Queen, South

PROPOSED OPERATIONS

- 1 Set CIBP above the Eunice 7 Rvrs Queen perfs
2. Perf the Tnsl @ 3030-3153, Yates @ 3153-3370, 7 Rvrs @ 3370-3740
3. Acidize
4. Frac
5. POP

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Bill R. Keathly</i>			
Printed name: Bill R. Keathly		Title:	
Title: R regulatory Agent for Raptor		Approval Date:	Expiration Date:
Date: 10-16-99	Phone: (915) 697-1609	Conditions of Approval:	
		Attached	

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08774		2 Pool Code 79240		3 Pool Name Jalmat, TnsI, Yts, 7-Rivers (Pro Gas)	
4 Property Code 24671		5 Property Name State 'A' A/C 2			6 Well Number 34
7 OGRID No. 162791		8 Operator Name Raptor Resources, Inc,			9 Elevation

10 Surface Location

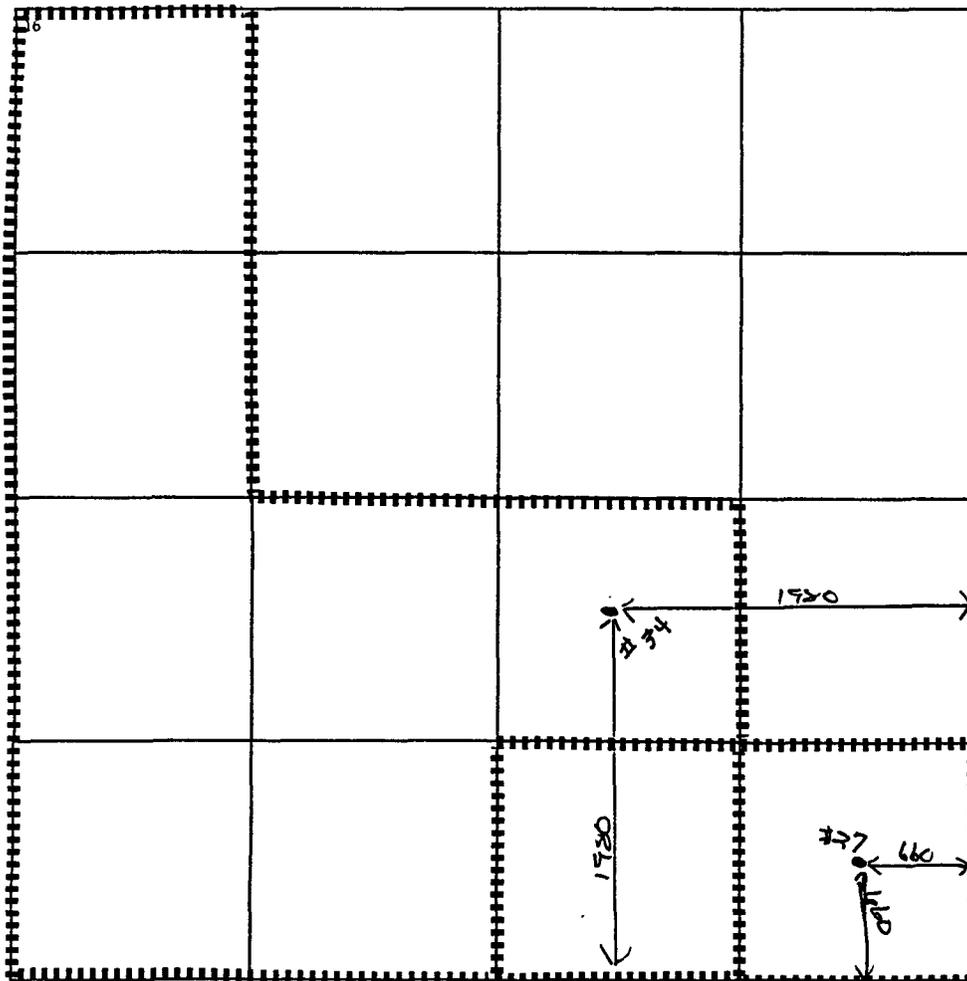
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No. NSP-518
----------------------------------	--------------------	-----------------------	--------------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent - Raptor
Title

10-16-99
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

NSL (SD) 1/3/00

RAPTOR RESOURCES, INC.

901 Rio Grande

Austin, Texas 78701

(512) 478-4427

December 8, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheo
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
1980' FSL and 1980' FEL
Section 5, T 22S, R 36E (J)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

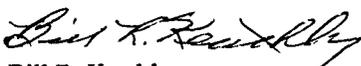
Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 34 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). We request a decrease in the size of the existing 440-acre GPU by 80 acres to exclude the SE/4 NW/4 Unit F and the SW/4 SE/4 Unit O of Section 5. It is our desire to also simultaneously dedicate the existing 360-acre Proration Unit assigned to our well no.47, 27 & 46 to all four wells. Previously approved orders are R 9073, NSP 518. Well nos. 33 and 44 are being assigned the 40 acre proration Units (SE/4 NW/4 Unit F and SW/4 SE/4 Unit O) of section 5. Due to being reclassified from gas to oil in the Jalmat Tansil Yates 7-Rivers Oil pool per the NMOCD in Hobbs. Well no 27 located in the SE/4 SE/4 Unit P, is being reclassified from oil to gas in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool).

The offset operator plat shows that Chevron USA, Conoco Inc, Southwest Royalties and Permian Resources Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,



Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs

State "A" A/C 2 # 34
Section 5, T-22S, R-36E, (J)
API # 30-025-08794
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251

Conoco Inc
10 Desta Dr., Suite 100W
Midland, TX 79705

Permian Resources Inc
P.O. Box 590
Midland, TX 79702

Southwest Royalties Inc
P.O. Box 11390
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

997 996 444 7

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A R 2 H 34

Sent to	Chevron USA
Street & Number	Box 1435
Post Office, State, & ZIP Code	Houston, TX 77251
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	12-5
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320

Postmark or Date

PS Form 3800, April 1995

699 996 444 2

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A R 12 H 34

Sent to	Southwest Royalties Inc
Street & Number	Box 11570
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320

Postmark or Date

PS Form 3800, April 1995

7444 966 666

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A R 12 H 34

Sent to	Premium Resources Inc
Street & Number	Box 570
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	
Certified Fee	
Special Delivery Fee	8
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320

Postmark or Date

PS Form 3800, April 1995

7444 966 667

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A R 2 H 34

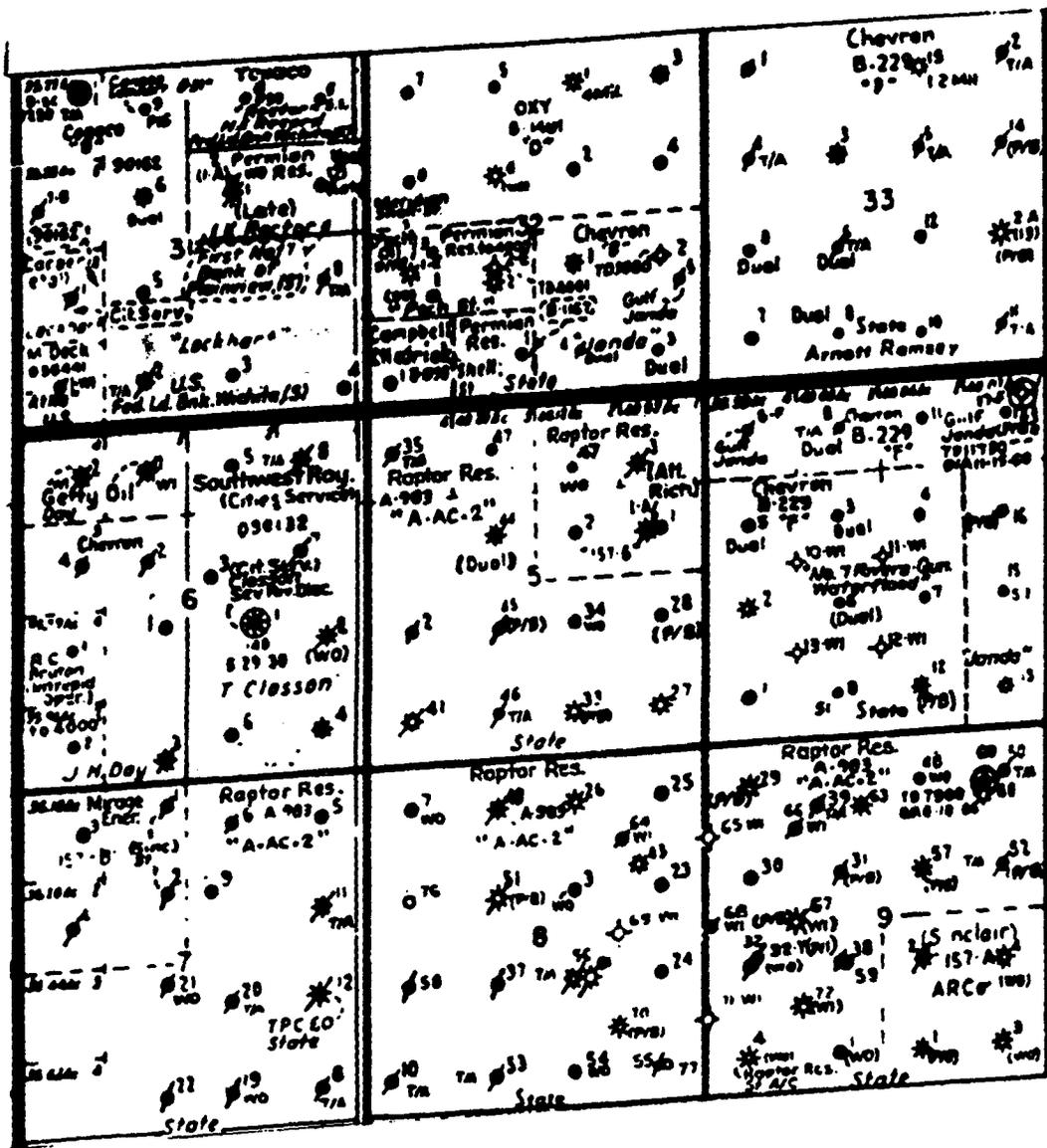
Sent to	Conco Inc
Street & Number	10 Desha Dr, Ste 200
Post Office, State, & ZIP Code	Midland, TX 79707
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 320

Postmark or Date

PS Form 3800, April 1995

PS Form 3800, April 1995

1980
 E-394
 R.C. Barton, etc.
 704880 I.A.R. Co.



Chevron
 Coreco
 Southwest Royalties
 Permian Resources

Ox Red
 1-11223
 Tr. 1
 State

Mc Donnell
 State

District I
PO Box 1980, Hobbs, NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
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AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No. 162791
		API Number 30-025-08794
Property Code 24671	Property Name State 'A' A/C 2	Well No. 34

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Jalmat, Tnsl, Yts, 7-Rivers (Pro Gas) (79240)					Proposed Pool 2				

Work Type Code P 16 Multiple	Well Type Code G 17 Proposed Depth	Cable/Rotary R 18 Formation Tnsl/Yates/7 Rvrs	Lease type Code S 19 Contractor	Ground Level Elevation 20 Spud Date
------------------------------------	--	--	---------------------------------------	--

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Current Status: Producing in the Eunice 7 Rvrs Queen, South

PROPOSED OPERATIONS

- 1 Set CIBP above the Eunice: 7 Rvrs-Queen
2. Perf the Tansl @ 3030-3153; Yates @ 3153-3370; 7 Rvrs @ 3370-3740'.
3. Acidize
4. Frac
5. POP

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bill R. Keathly</i>		OIL CONSERVATION DIVISION	
Printed name: Bill R. Keathly		Approved by:	
Title: R egulatory Agent for Raptor		Title:	
Date: 12-8-99	Phone: (915) 697-1609	Approval Date:	Expiration Date:
		Conditions of Approval: Attached	

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08794		2 Pool Code 79240		3 Pool Name Jalmat, Tnsl, Yts, 7-Rivers (Pro Gas)	
4 Property Code 24671		5 Property Name State 'A' A/C 2			6 Well Number 34
7 OGRID No. 162791		8 Operator Name Raptor Resources, Inc.			9 Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	22S	36E		1980	South	1980	East	Lea

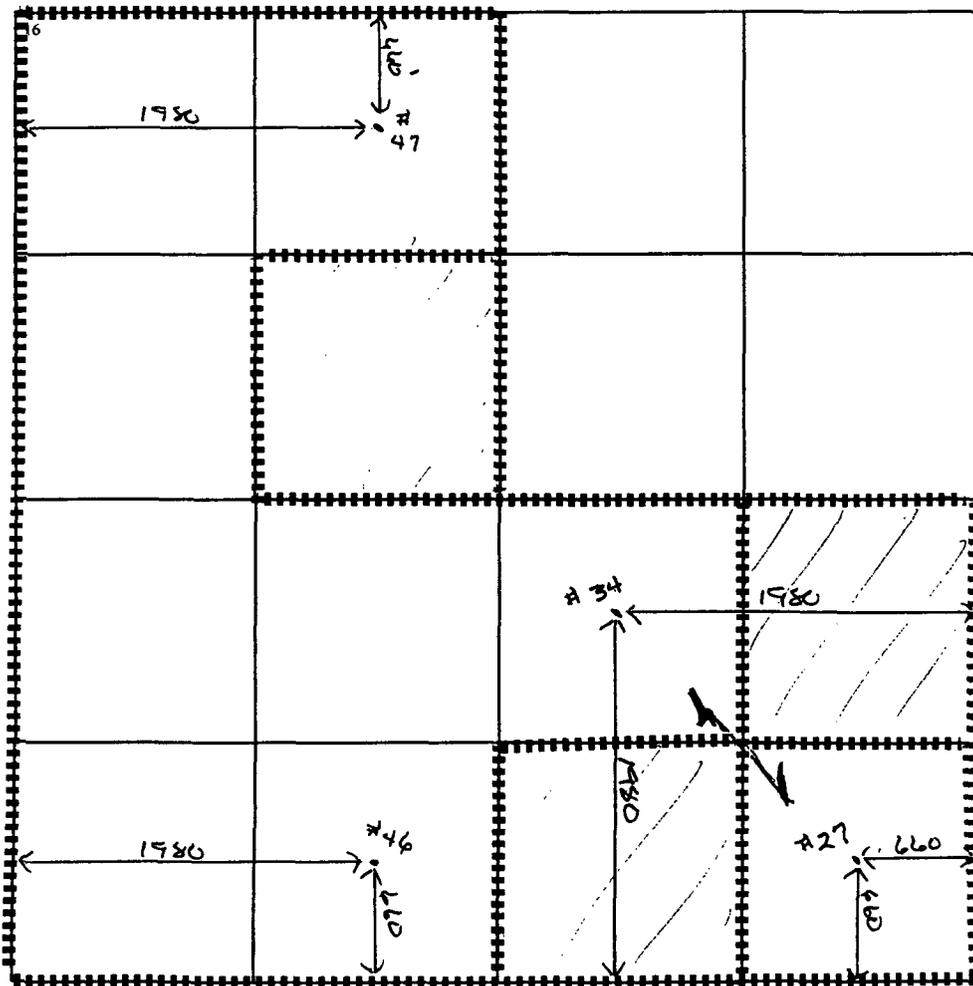
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 360	13 Joint or Infil	14 Consolidation Code	15 Order No.
---------------------------	-------------------	-----------------------	--------------

Applied For

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bill R. Keathly
Signature
Bill R. Keathly
Printed Name
Regulatory Agent - Raptor
Title
12-8-99
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

NSL(LSD) 1/3/00

RAPTOR RESOURCES, INC.

901 Rio Grande

Austin, Texas 78701

(512) 478-4427

December 8, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheo
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
660' FSL and 1980' FWL
Section 5, T 22S, R 36E (N)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

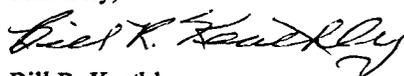
Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 46 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). We request a decrease in the size of the existing 440-acre GPU by 80 acres to exclude the SE/4 NW/4 Unit F and the SW/4 SE/4 Unit O of Section 5. It is our desire to also simultaneously dedicate the existing 360-acre Proration Unit assigned to our well no. 47 & 27 to all three wells. Previously approved orders are R 9073, NSP 518. Well nos. 33 and 44 are being assigned the 40 acre proration Units (SE/4 NW/4 Unit F and SW/4 SE/4 Unit O) of section 5. Due to being reclassified from gas to oil in the Jalmat Tansil Yates 7-Rivers Oil pool per the NMOCD in Hobbs. Well no 27 located in the SE/4 SE/4 Unit P, is being reclassified from oil to gas in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool).

The offset operator plat shows that Chevron USA, Conoco Inc, Southwest Royalties and Permian Resources Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,



Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs

State "A" A/C 2 # 46
Section 5, T-22S, R-36E, (N)
API # 30-025-08800
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

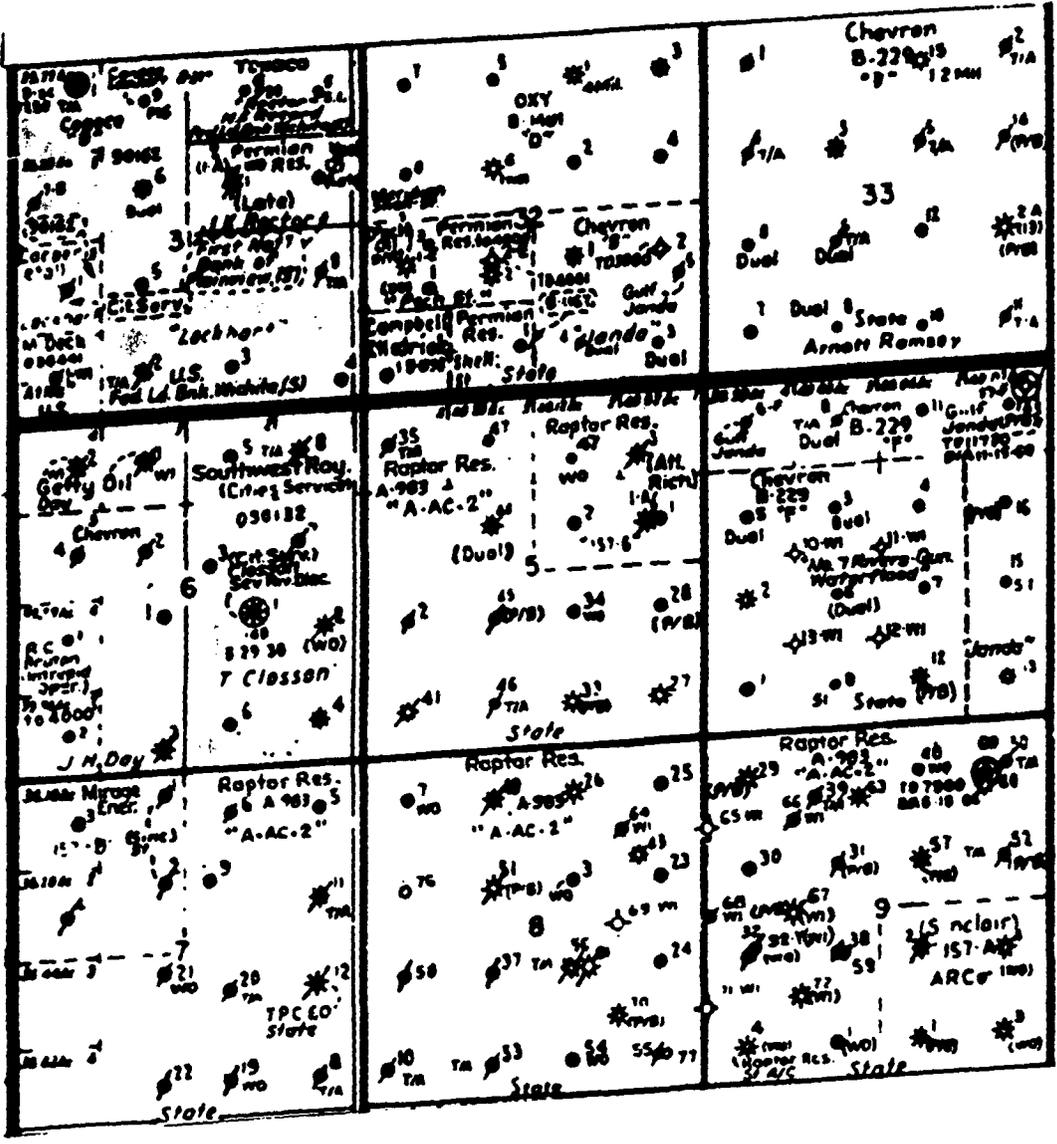
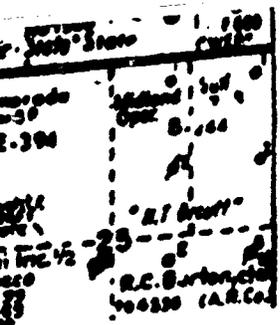
Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251

Conoco Inc
10 Desta Dr., Suite 100W
Midland, TX 79705

Permian Resources Inc
P.O. Box 590
Midland, TX 79702

Southwest Royalties Inc
P.O. Box 11390
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.



District I
PO Box 1980, Hobbs, NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
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Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No. 162791
		API Number 30 - 025-08800
Property Code 24671	Property Name State 'A' A/C 2	Well No. 46

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	22S	36E		660	South	1980	West	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Jalmat, Tnsl, Yts, 7-Rivers (Pro Gas) (79240)					Proposed Pool 2				

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P 16 Multiple	G 17 Proposed Depth	R 18 Formation Tnsl/Yates	S 19 Contractor	20 Spud Date

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Current Status: Producing in the Eunice 7 Rvrs Queen, South

PROPOSED OPERATIONS

- 1 Set CIBP set @ 3500' +/-
2. Perf the Yates @ 3100-3370.
3. Acidize
4. Frac
5. POP

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bill R. Keathly</i>		OIL CONSERVATION DIVISION	
Printed name: Bill R. Keathly		Approved by:	
Title: R regulatory Agent for Raptor		Title:	
Date: 12-8-99	Phone: (915) 697-1609	Approval Date:	Expiration Date:
Conditions of Approval: Attached			

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 21, 1994
instructions on back
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State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08800		2 Pool Code 79240	3 Pool Name Jalmat, Tnsl, Yts, 7-Rivers (Pro Gas)	
4 Property Code 24671	5 Property Name State 'A' A/C 2		6 Well Number 46	
7 OGRID No. 162791	8 Operator Name Raptor Resources, Inc,		9 Elevation	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	22S	36E		660	South	1980	West	Lea

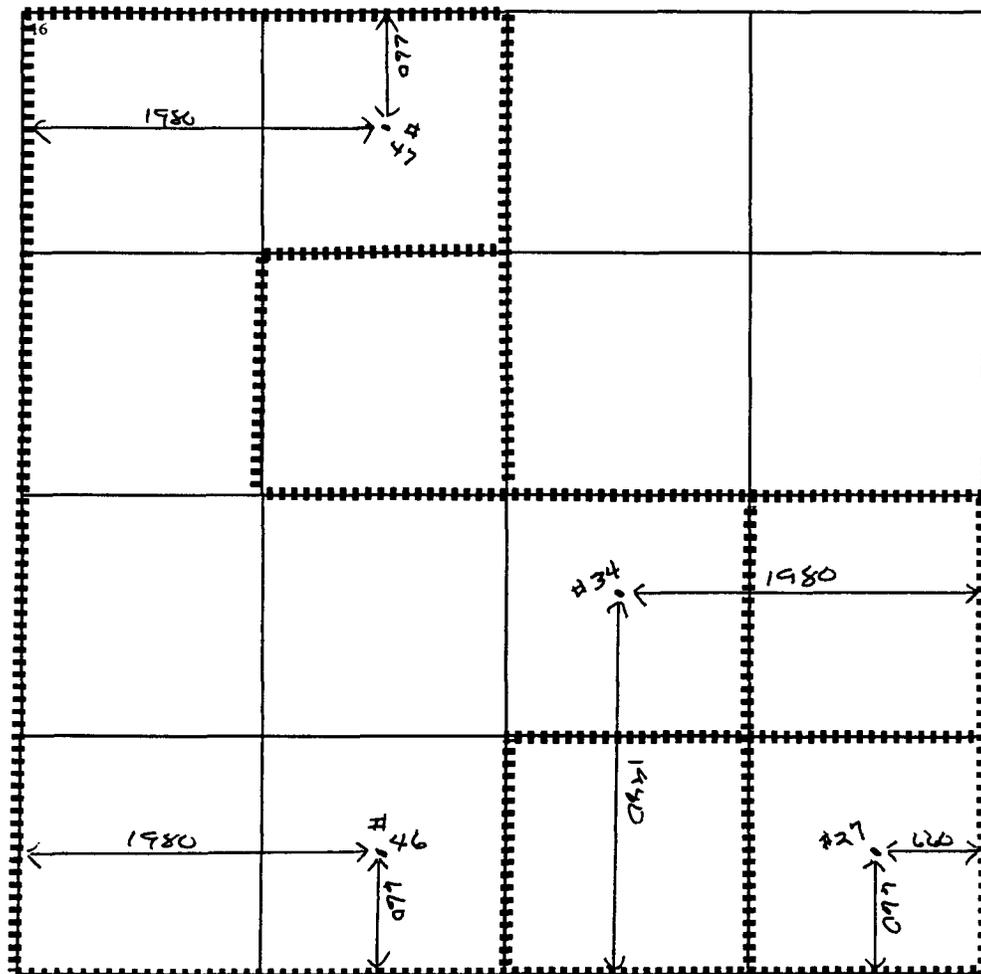
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 360	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

Applied For

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent - Raptor
Title

12-8-99
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

RAPTOR RESOURCES, INC.

901 Rio Grande

Austin, Texas 78701

(512) 478-4427

December 12, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheo
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
1980' FSL and 660' FWL
Section 5, T 22S, R 36E (L)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

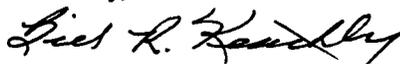
Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 2 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). We request a decrease in the size of the existing 440-acre GPU by 80 acres to exclude the SE/4 NW/4 Unit F and the SW/4 SE/4 Unit O of Section 5. It is our desire to also simultaneously dedicate the existing 360-acre Proration Unit assigned to our well no's 47, 27, 34 & 46 to all five wells. Previously approved orders are R 9073, NSP 518. Well nos. 33 and 44 are being assigned the 40 acre proration Units (SE/4 NW/4 Unit F and SW/4 SE/4 Unit O) of section 5. Due to being reclassified from gas to oil in the Jalmat Tansil Yates 7-Rivers Oil pool per the NMOCD in Hobbs. Well no 27 located in the SE/4 SE/4 Unit P, is being reclassified from oil to gas in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool).

The offset operator plat shows that Chevron USA, Conoco Inc, Southwest Royalties and Permian Resources Inc. as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,



Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs

State "A" A/C 2 # 2
Section 5, T-22S, R-36E, (L)
API # 30-025-08791
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251

Conoco Inc
10 Desta Dr., Suite 100W
Midland, TX 79705

Permian Resources Inc
P.O. Box 590
Midland, TX 79702

Southwest Royalties Inc
P.O. Box 11390
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

Z 444 966 674

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A AKZ # Z

PS Form 3800, April 1995

Sent to	Southwest Reynolds
Street & Number	Box 11370
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

MIDLAND, TX VILLAGE STA. 3 DEC 1999 USPS

Z 444 966 671

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A AKZ # Z

PS Form 3800, April 1995

Sent to	Perman Resources Houston USA
Street & Number	Box 1635
Post Office, State, & ZIP Code	Houston TX 77251
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

MIDLAND, TX VILLAGE STA. 3 DEC 1999 USPS

Z 444 966 673

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A AKZ # Z

PS Form 3800, April 1995

Sent to	Perman Resources Inc.
Street & Number	Box 590
Post Office, State, & ZIP Code	Midland, TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

MIDLAND, TX VILLAGE STA. 3 DEC 1999 USPS

Z 444 966 672

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

State A AKZ # Z

PS Form 3800, April 1995

Sent to	Conoco Inc.
Street & Number	10 Dosta Dr. Ste 100 W
Post Office, State, & ZIP Code	Midland, TX 79705
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

MIDLAND, TX VILLAGE STA. 3 DEC 1999 USPS

District I
PO Box 1980, Hobbs, NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

' Operator Name and Address. Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		' OGRID No_ 162791
		' API Number 30 - 025-08791
' Property Code 24671	' Property Name State 'A' A/C 2	' Well No. 2

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	22S	36E		1980	South	660	West	Lea

s Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
' Proposed Pool 1 Jalmat, Tnsl, Yts, 7-Rivers (Pro Gas) (79240)					" Proposed Pool 2				

" Work Type Code P 16 Multiple	" Well Type Code G 17 Proposed Depth	" Cable/Rotary R 18 Formation Yates/7 Rvrs	" Lease type Code S 19 Contractor	14 Ground Level Elevation 20 Spud Date
--------------------------------------	--	---	---	---

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
Current Status: Shut-in in the Eunice; Seven Rivers-Queen, South

PROPOSED OPERATIONS

- 1 Set CIBP above the Eunice; Seven Rivers-Queen perms
2. Perf the Yates @ 3127 - 3320, & the 7 Rvrs @ 3320 - 3680
3. Acidize
4. Frac
5. POP

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bill R. Keathly</i>		OIL CONSERVATION DIVISION	
Printed name: Bill R. Keathly		Approved by:	
Title: R egulatory Agent for Raptor		Title:	
Date: 12-10-99	Phone: (915) 697-1609	Approval Date:	Expiration Date:
		Conditions of Approval: Attached	

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12679
ORDER NO. R-11643**

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 14, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of August, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) Division Cases No. 12678 and 12679 were consolidated at the hearing for the purpose of testimony.

(3) The applicant, Raptor Resources, Inc. ("Raptor"), seeks an exception to the well location and well density provisions currently governing the Jalmat (Tansill-Yates-Seven Rivers) Gas Pool for the following-described wells in Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" A/C-2 No. 78	30-025-34910	1980' FNL & 660' FWL (Unit E)
State "A" A/C-2 No. 81	N/A	2080' FSL & 1980' FWL (Unit K)

(4) These wells are to be dedicated to an existing non-standard 440.50-acre Jalmat Gas Pool gas proration unit comprising Lots 3 and 4, and the S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5.

(5) The applicant also seeks authority to simultaneously dedicate the subject non-standard gas proration unit to its proposed State "A" A/C-2 Wells No. 78 and 81, and to the following-described existing wells:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" A/C-2 No. 2	30-025-08791	1980' FSL & 660' FWL (Unit L)
State "A" A/C-2 No. 27	30-025-08789	660' FSL & 660' FEL (Unit P)
State "A" A/C-2 No. 33	30-025-08793	660' FSL & 1980' FEL (Unit O)
State "A" A/C-2 No. 34	30-025-08794	1980' FSL & 1980' FEL (Unit J)
State "A" A/C-2 No. 44	30-025-08797	1980' FNL & 1980' FWL (Unit F)
State "A" A/C-2 No. 46	30-025-08800	660' FSL & 1980' FWL (Unit N)
State "A" A/C-2 No. 47	30-025-08798	660' FNL & 1980' FWL (Unit C)

(6) The subject non-standard gas proration unit was initially established by Division Order No. R-9073 dated December 14, 1989. This order further authorized the simultaneous dedication to this unit of the State "A" A/C-2 Wells No. 27, 41 and 44, all located at unorthodox gas well locations.

(7) By Division Order No. NSP-1636(SD)(L) dated September 19, 1991, a 400.50-acre non-standard gas proration unit in the Jalmat Gas Pool was established comprising Lots 3 and 4, and the S/2 NW/4, SW/4 and W/2 SE/4 of Section 5. This order further authorized the simultaneous dedication to this unit of the State "A" A/C-2 Wells No. 33, 41, 44 and 47, all located at unorthodox gas well locations.

(8) By Division Order No. NSP-1636-A(L)(SD) dated July 18, 2000, a 440.50-acre non-standard gas proration unit in the Jalmat Gas Pool was established comprising Lots 3 and 4, and the S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5. This order further authorized the simultaneous dedication to this unit of the State "A" A/C-2 Wells No. 2, 33, 34, 41, 44, 46 and 47, all located at unorthodox gas well locations.

(9) Division records demonstrate that the State "A" A/C-2 Well No. 41 was plugged and abandoned on December 28, 1994.

(10) The rules and procedures currently governing the Jalmat Gas Pool include, but are not necessarily limited to:

- (a) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (b) Division Rule 605.B.;
- (c) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (d) Rule 1207.A.(2); and
- (e) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe, New Mexico issued on July 11, 2001 in Hartman vs Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Amended Stipulated Declaratory Judgement").

(11) Division records demonstrate that Raptor originally filed an administrative application dated January 30, 2001, to recomplete its State "A" A/C-2 Well No. 78 to the Jalmat Gas Pool at an unorthodox gas well location, and to simultaneously dedicate this well to the subject 440.50-acre non-standard gas proration unit.

(12) No action was taken by the Division on this administrative application pursuant to certain provisions contained within the original Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe, New Mexico issued on January 4, 2001 in Hartman vs Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgement").

(13) The Amended Stipulated Declaratory Judgement provided greater flexibility to the Division to approve these types of applications, and as a result, Raptor's original administrative application was approved by Division Order No. NSL-4615(SD) dated July 27, 2001.

(14) That portion of Raptor's application to recomplete its State "A" A/C-2 Well No. 78 to the Jalmat Gas Pool at an unorthodox gas well location, and to simultaneously dedicate this well to the subject 440.50-acre non-standard gas proration unit should be dismissed.

(15) The evidence presented in this case demonstrates that:

(a) there is substantial geologic discontinuity in the Yates and Seven Rivers formations within the Jalmat Gas Pool underlying Section 5 in which Raptor proposes to drill its State "A" A/C-2 Well No. 81;

(b) modern well logs and well completion techniques provide Raptor the opportunity to identify, perforate, stimulate and produce sands in the Yates and Seven Rivers formations that may not have been produced in older offset wells;

(c) with the exception of certain well recompletions Raptor has accomplished recently, most of the wells offsetting the proposed State "A" A/C-2 Well No. 81 are producing at marginal rates from the Jalmat Gas Pool;

(d) by drilling the State "A" A/C-2 Well No. 81, Raptor expects to recover at least 0.5 BCF of gas from the subject proration unit that may otherwise not be recovered by the existing wells, thereby preventing waste;

(e) the State "A" A/C-2 Well No. 81 can be economically drilled to recover the incremental gas reserves underlying the subject gas proration unit; and

(f) the proposed unorthodox gas well location for the State "A" A/C-2 Well No. 81 is necessary due to geologic and engineering considerations, and will provide Raptor the best opportunity to recover incremental gas reserves from the Jalmat Gas Pool underlying the subject gas proration unit.

(16) All Jalmat Gas Pool operators within the eight-section area surrounding Section 5 were notified of Raptor's application. No offset operator or interest owner appeared at the hearing in opposition to the application.

(17) Approval of the proposed unorthodox gas well location and simultaneous dedication will result in the recovery of hydrocarbons that will otherwise not be

recovered, thereby preventing waste, and will otherwise be in the best interest of conservation and protection of correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Raptor Resources, Inc., is hereby authorized to drill its State "A" A/C-2 Well No. 81 at an unorthodox gas well location for the Jalmat Gas Pool 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.

(2) A 440.50-acre non-standard gas proration unit comprising Lots 3 and 4, and the S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5, shall be simultaneously dedicated to the State "A" A/C-2 Well No. 81 and to the following-described existing Jalmat Gas Pool wells:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" A/C-2 No. 2	30-025-08791	1980' FSL & 660' FWL (Unit L)
State "A" A/C-2 No. 27	30-025-08789	660' FSL & 660' FEL (Unit P)
State "A" A/C-2 No. 33	30-025-08793	660' FSL & 1980' FEL (Unit O)
State "A" A/C-2 No. 34	30-025-08794	1980' FSL & 1980' FEL (Unit J)
State "A" A/C-2 No. 44	30-025-08797	1980' FNL & 1980' FWL (Unit F)
State "A" A/C-2 No. 46	30-025-08800	660' FSL & 1980' FWL (Unit N)
State "A" A/C-2 No. 47	30-025-08798	660' FNL & 1980' FWL (Unit C)
State "A" A/C-2 No. 78	30-025-34910	1980' FNL & 660' FWL (Unit E)

(As approved by Division Order No. NSL-4615(SD) dated July 27, 2001)

(3) That portion of Raptor's application to recomplete its State "A" A/C-2 Well No. 78, located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5, to the Jalmat Gas Pool, and to simultaneously dedicate this well to the subject 440.50-acre non-standard gas proration unit is hereby dismissed.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director