



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 29, 2002

Raptor Resources, Inc.
c/o Holland & Hart LLP
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSP-1636-B (L) (SD)

Dear Mr. Carr:

Reference is made to the following: (i) your application (*pKRV0-213539914*) on behalf of the operator, Raptor Resources, Inc.'s ("Raptor"), dated April 30, 2002; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Order No. R-9073, as amended, and R-11643 and Division Administrative Orders NSP-1636 (SD) (L), NSP-1636-A (L) (SD), and NSL-4615 (SD): all concerning Raptor's requests to decrease the acreage of the existing 440.50-acre non-standard gas spacing unit for the Jalmat Gas Pool (79240), comprising 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, Lea County, New Mexico, which was established by Division Administrative Order NSP-1636-A (L) (SD), dated July 18, 2000, by deleting therefrom the 40-acre tract comprising the SW/4 NW/4 (Unit E) of Section 5.

Your application submitted on behalf of Raptor has been duly filed under the provisions of the "Special Pool Rules for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

It is our understanding from this application and the Division's records that the following nine described wells are shown to be currently dedicated to this 440.50-acre non-standard spacing unit:

- (1) State "A" A/C-2 Well No. 2 (API No. 30-025-08791), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 5, which well was the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (2) State "A" A/C-2 Well No. 27 (API No. 30-025-08789), located 660 feet from the South and East lines (Unit P) of Section 5, which well was also the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (3) State "A" A/C-2 Well No. 33 (API No. 30-025-08793), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5, which well was the subject of Division Administrative Order NSP-1636 (SD) (L), dated September 19, 1991;

- (4) State "A" A/C-2 Well No. 34 (API No. 30-025-08794), located 1980 feet from the South and East lines (Unit J) of Section 5, which well was also the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (5) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), located 1980 feet from the North and West lines (Unit F) of Section 5, which well was also the subject of Division Administrative Order NSP-1636 (SD) (L);
- (6) State "A" A/C-2 Well No. 46 (API No. 30-025-08800), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 5, which well was also the subject of Division Administrative Order NSP-1636-A (L) (SD);
- (7) State "A" A/C-2 Well No. 47 (API No. 30-025-08798), located 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 5, which well was also the subject of Division Administrative Order NSP-1636 (SD) (L);
- (8) State "A" A/C-2 Well No. 78 (API No. 30-025-34910), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5, which well was the subject of Division Administrative Order NSL-4615 (SD), dated July 27, 2001; and
- (9) State "A" A/C-2 Well No. 81 (API No. 30-025-35868), located at an unorthodox gas well location (approved by Division Order No. R-11643, issued in Case No. 12679 on August 27, 2001) 2080 feet from the South line and 1980 feet from the West line (Unit K) of Section 5.

IT SHALL BE NOTED AT THIS TIME THAT the locations of the above described State "A" A/C-2 Wells No. 2, 27, 33, 34, 44, 46, 47, and 78 are now considered to be standard pursuant to Rule 3 (D) (2) of the special rules currently governing the Jalmat Gas Pool.

It our understanding that the above described State "A" A/C-2 Well No. 78 in Unit "E" of Section 5 was recently completed as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 of Section 5 is to be omitted from the 440.50-acre non-standard gas unit at this time.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, the following described 400.50-acre non-standard gas spacing unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 5: Lots 3 and 4, SE/4 NW/4, SW/4, W/2 SE/4, and SE/4 SE/4.

Administrative Order NSP-1636-B (L)(SD)

Raptor Resources, Inc.

May 29, 2002

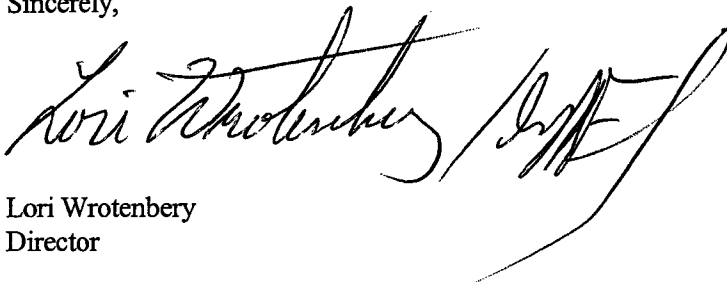
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Also, pursuant to Rule 6 (B) of the Jalmat special pool rules, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 2, 27, 33, 34, 44, 46, 47, and 81.

All provisions applicable to the subject GPU in Division Order No. R-11643 not in conflict with this order shall remain in full force and affect until further notice.

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 cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or initial.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: Case No. 12679

NSL-4615 (SD)

NSP-1636 (SD) (L)

NSP-1636-A (L) (SD)

NSP-1636A+B



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

5/2/02

Lori Wrotenbery

Director
Oil Conservation Division

Oil Conservation Division
1220 S. Francis Drive
Santa Fe, NM 87505

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP X SD
SWD _____
WFX _____
PMX _____

WELL Name	Well No	Status	API No.	Sec/Twp/Rg/UL
State "A" A/C 2	47	P	30-025-08798	5 22S 36E C
State "A" A/C 2	44	P	30-025-08797	5 22S 36E F
State "A" A/C 2	34	P	30-025-08794	5 22S 36E J
State "A" A/C 2	2	P	30-025-08791	5 22S 36E L
State "A" A/C 2	46	P	30-025-08800	5 22S 36E N
State "A" A/C 2	33	P	30-025-08793	5 22S 36E O
State "A" A/C 2	27	P	30-025-08793	5 22S 36E P
State "A" A/C 2	81	ND	Not assigned	5 22S 36E K

Gentlemen:

I have examined the application for the:

Raptor Resources

Operator _____ Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Chris Williams
Supervisor, District 1



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

July 27, 2001

Lori Wrotenberg

Director

Oil Conservation Division

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

Administrative Order NSL-4615(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on February 13, 2001; (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Order No. R-9073, as amended, (see Paragraph No. 1 in Exhibit "A" of Order No. R-9073) and Division Administrative Orders NSP-1636 (SD) (L) and NSP-1636-A (L) (SD); and (iii) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001: all concerning Raptor's requests for an unorthodox Jalmat infill gas well location within an existing non-standard 440.59-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising Lots 3 and 4, the S/2 NW/4, SW/4, W/2 SE/4, and the SE/4 SE/4 of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Administrative Order NSP-1636-A (L) (SD), dated July 18, 2000 and pursuant to this order currently has dedicated thereon the following seven wells:

- (1) State "A" A/C-2 Well No. 2 (API No. 30-025-08791), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 1980 feet from the South and West lines (Unit L) of Section 5;
- (2) State "A" A/C-2 Well No. 27 (API No. 30-025-08789), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 660 feet from the South and East lines (Unit P) of Section 5;
- (3) State "A" A/C-2 Well No. 33 (API No. 30-025-08793), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636 (SD) (L), dated September 19, 1991] 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- (4) State "A" A/C-2 Well No. 34 (API No. 30-025-08800),

located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 1980 feet from the South and East lines (Unit J) of Section 5;

- (5) State "A" A/C-2 Well No. 44 (**API No. 30-025-08797**), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636 (SD) (L)] 1980 feet from the North and West lines (Unit F) of Section 5;
- (6) State "A" A/C-2 Well No. 46 (**API No. 30-025-08800**), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636-A (L) (SD)] 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 5; and
- (7) State "A" A/C-2 Well No. 47 (**API No. 30-025-08798**), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1636 (SD) (L)] 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 5.

This application has been duly filed under the provisions of: (i) 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; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

It is our understanding that the subject well to be considered at this time was initially drilled to a total depth of 4,000 feet in March, 2000 in order to test the South Eunice-Seven Rivers-Queen Pool at standard oil well location within a 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 5. Assuming this lower zone to be non-productive, Raptor now seeks to recomplete this well up-hole into the Jalmat Gas Pool upon issuance of this order.

By the authority granted me under the provisions of Division Rules 104.F (2) and 605.B (2) (b) and the applicable provisions of the special pool rules, regulations, and procedures governing the Jalmat Gas Pool, the following well located at an unorthodox Jalmat gas well location in Section 5 is hereby approved:

State "A" A/C-2 Well No. 78
1980' FNL & 660' FWL (Unit E)
(API No. 30-025-34910).

Administrative Order NSL-4615(SD)

Raptor Resources, Inc.

July 27, 2001

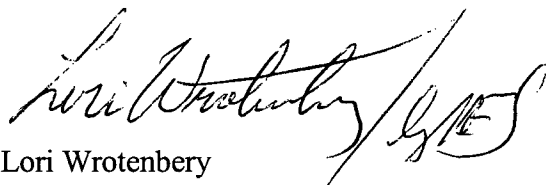
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Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well No. 78 with the State "A" A/C-2 Wells No. 2, 27, 33, 34, 44, 46, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all eight of these wells in any proportion.

All provisions applicable to the subject GPU in Division Administrative Orders NSL-1636 (SD) (L) and NSP-1636-A (L) (SD) not in conflict with this order shall remain in full force and affect until further notice.

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", followed by a stylized flourish or initials.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe

File: NSP-1636(SD)(L)

NSP-1636-A(L)(SD) ✓

William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe