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. 12624

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

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PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Raptor Resources, Inc. Attention: John Lawrence Post Office Box 2342 Midland, Texas 79702 (915) 684-6851 William F. Carr, Esq. Holland & Hart LLP and Campbell & Carr Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421

STATEMENT OF CASE

<u>APPLICANT</u>

Applicant seeks an exception to the well location requirements provided within the "Special Pool Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within an existing non-standard 480-acre spacing and proration unit comprised of W/2 and SE/4 of Section 24, Township 23 south, Range 36 East, which is located approximately 9 miles southwest of Eunice, New Mexico. The applicant's State "A" A/C-1 Well No. 133 is to be drilled at an unorthodox infill gas location 660 feet from the North and West lines of Section 24. This unit is currently dedicated to Raptor Resources, Inc.'s:

- A. State "A" A/C-1 Well No. 17 (API No. 30-25-09401), located at an unorthodx gas well location 660 feet from the South and East lines (Unit P) of Section 24;
- B.. State "A" A/C-1 Well No. 24 (API No. 30-025-09402), located at a standard gas well location 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 24, which is currently plugged and abandoned;
- C. State "A" A/C-1 Well No. 25 (API No. 30-025-09403), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 24, which is currently plugged and abandoned;
- D. State "A" A/C-1 Well No. 32 (API No. 30-025-09404), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 24;
- E. State "A" A/C-1 Well No. 50 (API No. 30-025-09405), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24;
- F. State "A" A/C-1 Well No. 52 (API No. 30-025-9406), located at an unorthodox gasl well location 1980 feet from the South and West lines (Unit K) of Section 24;
- G. State "A" A/C-1 Well No. 53 (API No. 30-025-09407), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 24.
- H. State "A" A/C-1 Well No. 54 (API No. 30-25-09409), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 24;

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- J. State "A" A/C-1 Well No. 108 (API No. 30-025-20976), located at an unorthodx gas well location 660 feet from the South and West lines (Unit M) of Section 24; and
- K. State "A" A/C-1 Well No. 126 (API No. 30-025-31045), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 24;

Further, the applicant, pursuant to the rules governing 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, seeks to simultaneously dedicate Jalmat production to this 480-acre unit from all twelve of the above-described State "A" A/C-1 Wells No. 17, 24, 25, 32, 50, 52, 53, 54, 107, 108, 126, and 133.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
William Keathly (Landman)	10 minutes	Approximately 3
Dave Pearcy (Geoscientist)	15 minutes	Approximately 5
John Lawrence (Petroleum Engineer)	15 minutes	Approximately 3

PROCEDURAL MATTERS

None at this time.

William F. Carr

Attorney for Raptor Resources, Inc.