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

APPLICATION OF RAPTOR RESOURCES, INC. FOR AN UNORTHODOX INFILL GAS WELL LOCATION AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

APPLICATION

CASE NO. /2624

RAPTOR RESOURCES, INC. ("Raptor"), through its undersigned attorneys, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District in Santa Fe County, New Mexico on December 15, 2000, hereby makes application for an order approving an unorthodox infill gas well location for its State "A" A/C-1 Well No. 133 at a point 660 feet from the North and West lines (Unit D) of Section 24, T-23-S, R-36-E, NMPM and for simultaneous dedication of this well and other existing Jalmat wells to a previously approved 480-acre non-standard gas proration unit ("GPU") in the Jalmat Gas Pool, Lea County, New Mexico. In support of this application, Raptor states:

1. Raptor is the operator of a non-standard 480-acre GPU in the Jalmat Gas Pool comprised of the W/2 and SE/4 of Section 24, T-23-S, R-36-E, NMPM, Lea County, New Mexico.

2. This GPU was established by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B, and had dedicated thereon the following wells:

A. 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;

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- B. 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;
- C. 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; and
- D. 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.
- 3. By Division Administrative Orders NSL-2722 and NSL-2722-A, B, C, and D, the following additional wells were also approved for this 480-acre GPU:
 - A. 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;
 - B. State "A" A/C-1 Well No. 107 (API No. 30-025-20975), 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;
 - C. State "A" A/C-1 Well No. 52 (API No. 30-025-9406), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 24;

- D. 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;
- E. State "A" A/C-1 Well No. 54 (API No. 30-025-09409), located at an unorthodox gas well location 1980 feet from the South and 660 feet from the East line (Unit I) of Section 24;
- F. State "A" A/C-1 Well No. 108 (API No. 30-025-20976), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 24; and
- G. State "A" A/C-1 Well No. 17 (API No. 30-025-09401), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 24.

4. Pursuant to the Special Rules and Regulations for the Jalmat Gas Pool, promulgated by Division Order No. R-8170, as amended, wells located on the subject 480-acre spacing unit may be located no closer than 990 feet from the outer boundary of the GPU. Raptor seeks an exception to this well location requirement for its State "A" A/C-1 Well No. 133 to be drilled and completed in the Jalmat Gas Pool at an unorthodox location 660 feet from the North and West lines (Unit D) of Section 24.

5. Raptor also requests simultaneous dedication of this well and the other existing wells to its previously approved 480-acre GPU.

6. Raptor's proposed additional Jalmat well is necessary to efficiently and economically drain this 480-acre GPU.

7. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Raptor Resources, Inc. requests that this application be set for hearing before an examiner of the Oil Conservation Division and that after notice and hearing as required by law and the rules of the Division, this application be granted.

Respectfully submitted,

HOLLAND & HART LLP AND CAMPBELL & CARR Bv: William F. Carr

Michael H. Feldewert

ATTORNEYS FOR RAPTOR RESOURCES, INC.

CASE NO. 12624

Application of Raptor Resources, Inc. for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico. 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 nonstandard 480-acre spacing and proration unit comprised of W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, 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. 30-025-09401), located at an unorthodox 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; and
- 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 gas 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. 30-025-09409), located at an unorthodox gas well location 1980 feet from the South and 660 feet from the East line (Unit I) of Section 24;
- I. State "A" A/C-1 Well No. 107 (API No. 30-025-20975), 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;
- J. State "A" A/C-1 Well No. 108 (API No. 30-025-20976), located at an unorthodox 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.