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. 12625

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

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

Raptor Resources, Inc. Attention: John Lawrence Post Office Box 2342 Midland, Texas 79702 (915) 684-6851 **ATTORNEY**

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

APPLICANT

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 unorthodx Jalmat infill gas well location within an existing standard 640-acre spacing and proration unit comprised of Section 11, Township 22 South, Range 36 East, NMPM, which is located approximately 3.5 miles southwest of Eunice, New Mexico. The applicant's State "A" A/C-2 Well No. 79 is to be drilled at an unorthodox infill gas location 660 feet from the North and East lines of Section 11. This unit is currently dedicated to Raptor Resources, Inc.'s:

- (A) State "A" A/C-2 Well No. 14 (API No. 30-025-08873), located at an unorthodox location 660 feet from the North and 1980 feet from the East line (Unit B) of Section 11;
- (B) State "A" A/C-2 Well No. 15 (API No. 30-025-08874), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11;
- (C) State "A" A/C-2 Well No. 18, located at a standard location 1650 feet from the North and East lines (Unit G) of Section 11 which is currently plugged and abandoned;
- (D) State "A" A/C-2 Well No. 36 (API No. 30-025-08878), located at an unorthodox location 660 feet from the South and West lines (Unit M) of Section 11;
- (E) State "A" A/C-2 Well No. 42 (API No. 30-025-08879), located at an unorthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 11;
- (F) State "A" A/C-2 Well No. 62 (API No. 30-025-25542), located at a standard gas well location 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 11;
- (G) State "A" A/C-2 Well No. 73 (API No. 30-025-30035), located at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11; and
- (H) State "A" A/C-2 Well No. 75 (API No. 30-025-34791), located at an unorthodox gas well location 2040 feet from the South line and 660 feet from the West line (Unit L) of Section 11.

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PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|---------------------------------------|------------|-----------------|
| William Keathly (Landman) | 10 minutes | Approximately 4 |
| Dave Pearcy (Geoscientist) | 15 minutes | Approximately 5 |
| John Lawrence (Petroleum Engineer) | 20 minutes | Approximately 3 |

PROCEDURAL MATTERS

Raptor Resources, Inc. will request that cases 12623, 12624 and 12625 be consolidated for the purpose of presenting testimony.

William F. Carr

Attorney for Raptor Resources, Inc.