

**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. 12678

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

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.
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OIL CONSERVATION DIV.
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STATEMENT OF CASE

APPLICANT

Application of Raptor Resources, Inc. for two unorthodox infill gas well locations 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 the following two unorthodox Jalmat infill gas well locations within an existing standard 480-acre spacing and proration unit comprised of N/2 and SW/4 Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

(A) The State "A" A/C-2 Well No. 31 (**API No. 30-025-08856**) is to be re-entered and re-completed at an unorthodox infill gas location 1980 feet from the North and West lines (Unit F) of Section 9; and

(B) The State "A" A/C-2 Well No. 52 (**API No. 30-025-08859**) which is to be re-entered and re-completed at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 9.

This unit is currently dedicated to Raptor Resources, Inc.'s:

(A) State "A" A/C-2 Well No. 1 (**API No. 30-025-08849**), located at an unorthodox location 660 feet from the South and 1980 feet from the West line (Unit N) of Section 9;

(C) State "A" A/C-2 Well No. 4 (**API No. 30-025-08853**), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 9;

(D) State "A" A/C-2 Well No. 29 (**API No. 30-025-08854**), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 9;

(E) State "A" A/C-2 Well No. 38 (**API No. 30-025-08847**), located at an unorthodox gas well location 1980 feet from the south and west lines (Unit K) of Section 9;

(F) State "A" A/C-2 Well No. 40 (**API No. 30-025-08848**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 9;

(G) State "A" A/C-2 Well No. 63 (**API No. 30-025-25543**), located at a standard gas well location 990 feet from the North line and 2310 feet from the West line (Unit C) of Section 9;

(H) State "A" A/C-2 Well No. 67 (**API No. 30-025-28276**), located at a standard gas well location 2615 feet from the South line and 1345 feet from the West line (Unit K) of Section 9; and

(I) State "A" A/C-2 Well No. 72 (**API No. 30-025-28281**), located at a standard gas well location 1410 feet from the South line and 1440 feet from the West line (Unit K) of Section 9.

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 ten of the above-described State "A" A/C-2 Wells No. 1, 4, 29, 31, 38, 40, 52, 63, 67, and 72.

This spacing unit is located approximately 4.5 miles southwest of Eunice, New Mexico.

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--|------------------|-----------------|
| William Keathly (Landman) | 10 minutes | Approximately 3 |
| Dave Percy (Geoscientist) | 15 minutes | Approximately 5 |

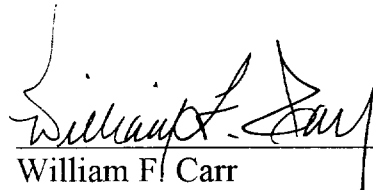
John Lawrence
(Petroleum Engineer)

15 minutes

Approximately 3

PROCEDURAL MATTERS

Raptor Resources, Inc. has none at this time.



William F. Carr
Attorney for Raptor Resources, Inc.