



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 18, 2000

FOR RECORD ONLY
Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc.
c/o Cambell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

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

Dear Mr. Carr:

Reference is made to the following: (i) Raptor Resources, Inc.'s ("Raptor") earlier applications dated October 25, 1999, December 8, 1999, December 12, 1999, March 15, 2000, and March 16, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") response to these earlier applications by letters of withdrawal dated November 19, 1999, February 28, 2000, and March 21, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your re-submittal of these applications to the Division on behalf of Raptor on June 8 and 9, 2000; (iv) the Division's records in Santa Fe, including the files on Division Order No. R-9073, as amended, and Division Administrative Order NSP-1636 (SD) (L); (v) the two Division directives dated December 22, 1999 and January 5, 2000; (vi) the Division's "NOTICE" to all operators in the Jalmat Pool dated January 11, 2000; and (vii) the Division Director's "MEMORANDUM" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor's requests:

- (1) to increase the acreage of the existing 400.50-acre non-standard gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising Lots 3 and 4, the S/2 NW/4, SW/4, and W/2 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 (SD) (L), dated September 19, 1991, by including the 40 acres comprising the SE/4 SE/4 (Unit P) of Section 5 to the GPU; and
- (2) for four additional infill Jalmat gas wells to be included within this new expanded 440.50-acre GPU all of which are at unorthodox infill gas well locations thereon.

Currently, under the provisions of Division Administrative Order NSP-1636 (SD) (L) the following four described wells, all located at and approved as unorthodox gas well locations, are simultaneously dedicated to the existing 400.50-acre non-standard GPU:

- (1) 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;

- (2) State "A" A/C-2 Well No. 41 (API No. 30-025-08796), 660 feet from the South and West lines (Unit M) of Section 5 {which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]};
- (3) State "A" A/C-2 Well No. 44 (API No. 30-025-08797), 1980 feet from the North and West lines (Unit F) of Section 5 {which well was also included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]}; and
- (4) 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 included within the provisions of Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]}

The Division's records indicate that the aforementioned State "A" A/C-2 Well No. 41 was plugged and abandoned in 1994 and can therefore be omitted from this GPU at this time.

It is our understanding that Raptor's existing State "A" A/C-2 Well No. 27 (API No. 30-025-08789), located at a previously approved unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 5 {see Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"]} is currently completed in the Jalmat Gas Pool as an "oil" well, in which the 40 acres comprising the SE/4 SE/4 (Unit P) of Section 5 is currently dedicated to form a standard 40-acre oil spacing and proration unit; however, this completion is to be reclassified a gas well.

By authority granted me under the provisions Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.D (2), the following described 440.50-acre non-standard gas spacing and proration unit is hereby approved:

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

It is further understood that the three other subject wells to be considered at this time are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, all three are to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

Furthermore, by authority granted me under the provisions of Rule 2(d) of the special Jalmat Gas Pool rules and Division Rule 104.F (2) the following three described wells located at unorthodox Jalmat infill gas well locations, all in Section 5, are hereby approved:

State "A" A/C-2 Well No. 2
1980' FSL & 660' FWL (Unit L)
(API No. 30-025-08791);

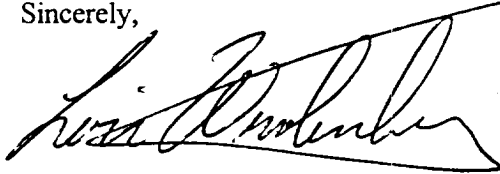
State "A" A/C-2 Well No. 34
1980' FS & EL (Unit J)
(API No. 30-025-08794); and

State "A" A/C-2 Well No. 46
660' FSL & 1980' FWL (Unit N)
(API No. 30-025-08800)

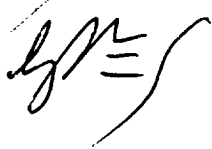
Also, Raptor is hereby authorized to simultaneously dedicate Jalrnat gas production from the State "A" A/C-2 Wells No. 2, 27, 34, and 46 with the State "A" A/C-2 Wells No. 33, 44, and 47. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 440.50-acre GPU from all seven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

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

Sincerely,



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)