

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr
 Print or Type Name

William F. Carr
 Signature

ATTORNEY
 Title

11-28-01
 Date

wcarr@westofpecos.com
 e-mail Address

HOLLAND & HART ^{LLP}
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

November 28, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Raptor Resources, Inc for administrative approval of an unorthodox gas well location for its State "A" A/C-1 Well No. 56 at a point 1980 feet from the North and West lines of Section 10 Township 23 South, Range 36 East, NMPM, and the simultaneous dedication of this well and other existing producing Jalmat gas wells to a previously approved non-standard 520-acre spacing unit in the Jalmat Gas Pool, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Pursuant to the provisions of the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended, and the Amended Stipulated Declaratory Judgment issued by the First Judicial District Court of Santa Fe County, New Mexico on July 11, 2001, in Hartman v. Oil Conservation Commission (Cause No. D-0101-CV-9902927), Raptor Resources, Inc. hereby files its application for approval of its State "A" A/C-1 Well No. 56 to be re-entered in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers) at a non-standard gas well location 1980 feet from the North and West lines of Section 10, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. The approval of this application and the re-completion of this well in the Jalmat Gas Pool will result in

spacing of less than 160 acres per well. Raptor also seeks the simultaneous dedication of all producing Jalmat gas wells on a non-standard 520-acre gas spacing unit comprised of the W/2 of Section 10 and the S/2 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 9, both in Township 23 South, Range 36 East, NMPM.

This GPU was established by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B [Paragraph No. (8) of Exhibit "A"] and had dedicated thereon the two following wells:

- (1) State "A" A/C-1 Well No. 37 (API No. 30-025-09290), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10; and
- (2) State "A" A/C-1 Well No. 38 (API No. 30-025-09291), located as a standard gas well location 990 feet from the South and West lines (Unit M) of section 10.

By Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this spacing unit, the State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 10 was approved.

By Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this spacing unit, the State "A" A/C-1 Well No 49 (API No. 30-025-09292), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 10 was approved.

By Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this spacing unit, the State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10 was approved.

In August, 1990 an additional well was completed in this spacing unit, the State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10.

By Division Administrative Order NSL-4371 (SD), dated October 25, 1999, another well for this spacing unit, the State "A" A/C-1 Well No. 81 (API

No. 30-025-09295), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10 was approved.

By Division Order No. R-11591, Case No. 12823, dated May 31, 2001, the following two described wells located at unorthodox gas well location were approved for this spacing unit:

- (1) State "A" A/C-1 Well No. 130 (API No. 30-025-35552), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 9; and
- (2) State "A" A/C-1 Well No. 131 (API No. 30-025-35556), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 9.

The Jalmat Gas Pool is governed by Special Pool Rules and Regulations, promulgated by Division order No. R-8170. Rule 2(b) of these rules provides for wells located on 640-acre spacing units to be located no closer than 1650 feet from the outer boundary of spacing unit.

Attached hereto as Exhibit A is a plat which shows the subject 520-acre spacing unit comprising the S/2 NE/4, N2 SE/4, and SE/4 SE/4 of Section 9 and the W/2 of Section 10, both in Township 23 South, Range 36 East NMPM and the operators of offsetting tracts. Exhibit B is a copy of the Oil Conservation Division Form C-102 which shows the location of the proposed unorthodox well location and all other wells currently dedicated to this non-standard spacing unit.

Exhibit C is a list of wells that shows the State "A" A/C-1 Well No. 100, located in Section 9 (Unit letter H) been plugged and abandoned and that Well No. 88 in Section 10 (Unit letter K) is Temporary Abandoned. Exhibit D lists the parties affected by this application. A copy of this Application including a copy of the plat described above has been sent to these affected parties by certified mail-return receipt requested in accordance with Rule 1207 (A)(2) advising them that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

A draft order for your consideration approving this application has been E-mailed to the Division and is enclosed on hard copy and computer disk.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is stylized with a large, looped initial "W" and a trailing flourish.

William F. Carr
Attorney for Raptor Resources, Inc.

Enclosures

cc: Bill R. Keathly
Regulatory Agent for Raptor Resources, Inc

Oil Conservation Division-Hobbs

OFFSET OPERATORS	
SECTION 10, T 23S R 36E	
	Operator Name
	Arch Petroleum Inc
	Arco Permian
	Conoco Inc
	Lewis B. Burleson
	Gruy Petroleum Management Co.
	Lanexco Inc
	McCasland Management Co.
	Mirage Energy Inc
	Yarbrough Oil LP
	Hal J. Rasmussen Oper Inc
	James N. Evans
	Doyle Hartman
	Raptor Resources Inc

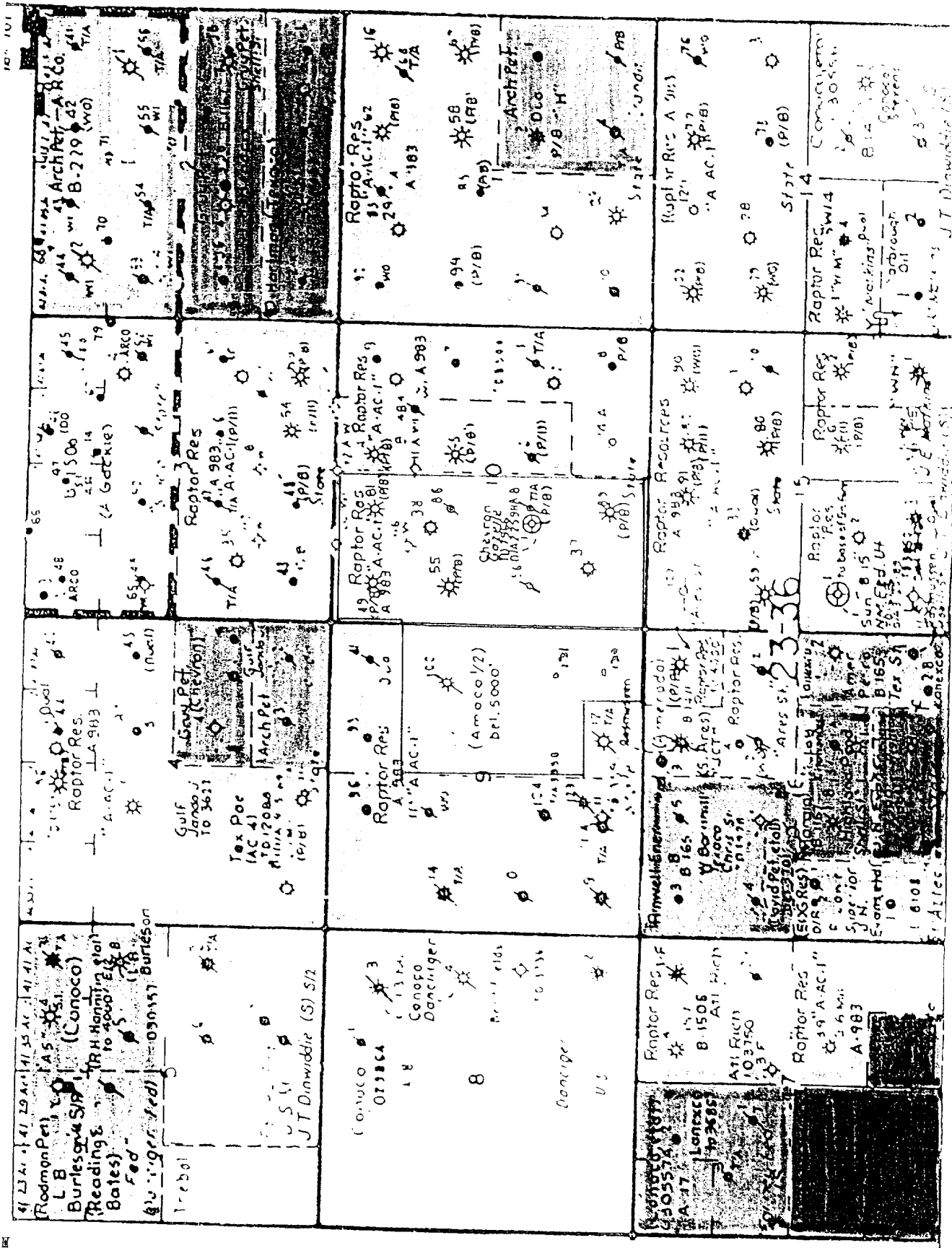


EXHIBIT A

District I
1625 N. French Dr., Hobbs. NM 88240

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 09294		2 Pool Code 79240		3 Pool Name Jalmat Tansill Yates 7 Rvrs (Pro Gas)	
4 Property Code 24669		5 Property Name State A A/C 1			6 Well Number 36
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

UL or lot no. L	Section 10	Township 23S	Range 36E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line West	County Lea
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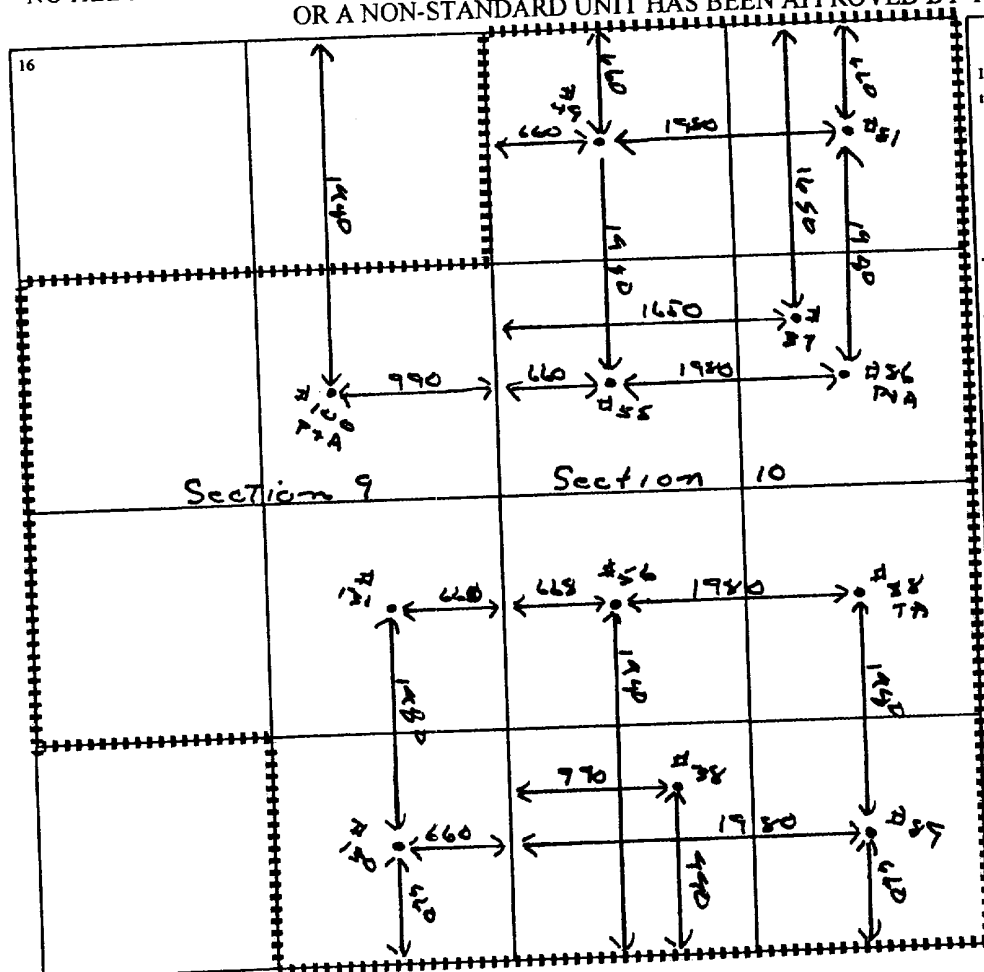
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 520	13 Joint or Infill	14 Consolidation Code	15 Order No.
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Applied For

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent
Title

10-29-01
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

EXHIBIT B

EXHIBIT C					
State "A" A/C 1 Well No. 56					
520 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit					
Township 23 South, Range 36E, N.M.P.M.					
Section 10, 1980' FSL & 660' FWL (Unit L)					
WELL Name	Well No	Status	API No.	Sec/Twp/Rg/UL	Footage from Lease
State "A" A/C 1	100	P&A	30-025-09279	9 23S 36E H	1980' FNL & 990' FEL
State "A" A/C 1	81	P	30-025-09295	10 23S 36E C	660' FNL & 1980' FWL
State "A" A/C 1	49	P	30-025-09292	10 23S 36E D	660' FNL & 660' FWL
State "A" A/C 1	55	P	30-025-09293	10 23S 36E E	1980' FNL & 660' FWL
State "A" A/C 1	37	P	30-025-09290	10 23S 36E F	1650' FNL & 1650' FWL
State "A" A/C 1	88	TA	30-025-09297	10 23S 36E K	1980' FSL & 1980' FWL
State "A" A/C 1	38	P	30-025-09291	10 23S 36E M	990' FSL & 990' FWL
State "A" A/C 1	89	P	30-025-09291	10 23S 36E N	660' FSL & 1980' FWL
State "A" A/C 1	86	TA	30-025-09296	10 23S 36E F	1980' FNL & 1980' FWL
State "A" A/C 1	130	D	30-025-35552	9 23S 36E P	660' FSL & 660' FEL
State "A" A/C 1	131	D	30-025-35556	9 23S 36E I	1980' FSL & 660' FEL

EXHIBIT D
State "A" A/C/ 1 Well No. 56
520 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit
Township 23 South, Range 36 East, N.M.P.M.
Section 10, 1980' FSL & 660' FWL (Unit L)

Notification of Offset Operators

Arch Petroleum Inc.
P.O. Box 10340
Midland, TX 79702-7340

Conoco Inc
10 Desta Dr., Ste 100 W
Midland, TX 79705

Lewis B. Burleson
P.O. Box 2479
Midland, TX 79702

Gruy Petroleum Management Co.
P.O. Box 140907
Irving, TX 75014-0907

Lanexco Inc
P.O. Box 2730
Midland, TX 79702

McCasland Management Co
C/o: Oil Reports & Gas Service Inc
P.O. Box 755
Hobbs, NM 88241

Mirage Energy Inc
7915 N. Llewelyn
Hobbs, NM 88241

Yarbrough Oil LP
P.O. Box 1769
Eunice, NM 88231

Hal J. Rasmussen Oper Inc
310 W. Wall
Midland, TX 79701

James N. Evans
C/O: Oil Reports & Gas Service Inc
P O Box 755
Hobbs, NM 88241

Doyle Hartman
P O Box 10426
Midland, TX 79702

EXHIBIT D
State "A" A/C/ 1 Well No. 56
520 acre Non-Standard Jalmat Gas Pool Spacing and Proration Unit
Township 23 South, Range 36 East, N.M.P.M.
Section 10, 1980' FSL & 660' FWL (Unit L)

Notification of Offset Operators

Page 2

Arco Permian
P O Box 1610
Midland, TX 79702-7340

HOLLAND & HART LLP
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

November 28, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED PARTIES

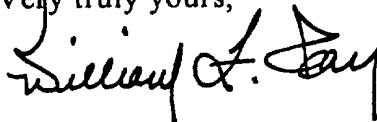
Re: Application of Raptor Resources, Inc for administrative approval of an unorthodox gas well location for its State "A" A/C-1 Well No. 56 at a point 1980 feet from the North and West lines of Section 10 Township 23 South, Range 36 East, NMPM, and the simultaneous dedication of this well and other existing producing Jalmat gas wells to a previously approved non-standard 520-acre spacing unit in the Jalmat Gas Pool, Lea County, New Mexico.

Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Raptor Resources, Inc. for administrative approval of an unorthodox well location for its State "A" A/C-1 Well No. 56 (API No. 30-025-09294), located 1980 feet from the South line and 660 feet from the West line of Section 10, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,



William F. Carr
Attorney for Raptor Resources, Inc.

Enclosure

cc: Mr. Russell Douglass
Mr. John Lawrence

December __, 2001

Raptor Resources, Inc.
c/o Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr

Administrative Order NSL-____(SD)

Dear Mr. Carr:

Reference is made to your application dated November 28, 2001 for an unorthodox gas well location in an existing non-standard 520-acre gas spacing unit for the Jalmat Gas Pool comprising the S/2 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 9 and the W/2 of Section 10, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

This spacing unit was established by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B [Paragraph No. (8) of Exhibit "A"] and had dedicated thereon the two following wells:

- (1) State "A" A/C-1 Well No. 37 (API No. 30-025-09290), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10; and
- (2) State "A" A/C-1 Well No. 38 (API No. 30-025-09291), located as a standard gas well location 990 feet from the South and West lines (Unit M) of section 10.

By Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this spacing unit, the State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 10 was approved.

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In August, 1990 an additional well was completed in this spacing unit, the State "A" A/C-1 Well No. 55 (**API No. 30-025-09293**), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10.

By Division Administrative Order NSL-4371 (SD), dated October 25, 1999, another well for this spacing unit, the State "A" A/C-1 Well No. 81 (**API No. 30-025-09295**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10 was approved.

By Division Order No. R-11591, Case No. 12823, dated May 31, 2001, the following two described wells located at unorthodox gas well location were approved for this spacing unit:

- (1) State "A" A/C-1 Well No. 130 (**API No. 30-025-35552**), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 9; and
- (2) State "A" A/C-1 Well No. 131 (**API No. 30-025-35556**), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 9.

By the authority granted me under the provisions of the Amended Stipulated Declaratory Judgment issued by the First Judicial District Court of Santa Fe County, New Mexico on July 11, 2001, in Hartman v. Oil Conservation Commission (Cause No. D-0101-CV-9902927), and Rule 2 of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. 8170, as amended, the following described well location at an unorthodox gas well location is hereby approved:

State "A" A/C-1 Well No. 56
(API No. 30-025-09294)
1980' FSL & 660' FWL (Unit L)
Section 10, Township 23 South, Range 36 East, NMPM

Also, you are hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Well Nos. 37, 38, 49, 55, 81, 89, 130 and 131. Furthermore you are hereby permitted to produce the allowable assigned the spacing unit from all of said wells in any proportion.

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000

Raptor Resources, Inc.
December __, 2001
Page 3

All provisions applicable to the subject spacing unit in Division Order No. R-9073, Order No. R-9073-B, and Order NSL-2727, Order NSL-2729, Order NSL-2731, Order NSL-4371(SD), and Order R-11591 shall remain in full force and effect until further notice.

Sincerely,

Lori Wrotenbery
Director

SEAL

cc: Oil Conservation Divison - Hobbs
NM State Land Office - Santa Fe