

September 22, 1999

Raptor Resources, Inc.
P. O. Box 160430
Austin, Texas 78716-0430

Attention: Bill R. Keathly

Administrative Order NSL-2722-D (SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on September 2, 1999; and (ii) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s ("Raptor") request for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the ~~N~~^W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (17) of Exhibit "A"] and had dedicated thereon the following four wells:

- (1) 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;
- (2) 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;
- (3) 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
- (4) 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.

By Division Administrative Order NSL-2722, dated December 6, 1989, the following two described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-1 Well No. 50 (**API No. 30-025-09405**), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24; and