



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 22, 1999

Raptor Resources, Inc.
901 Rio Grande
Austin, Texas 78701
Attention: Bill R. Keathly, Regulatory Agent

Administrative Order NSP-1811(L)(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your three applications dated October 26, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the files on Division Order No. R-9073, issued in Case No. 9775 dated December 14, 1989: all concerning Raptor Resources, Inc.'s request for a 440-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 20: SE/4
Section 21: NE/4 SW/4, S/2 SW/4, and SE/4.

It is our understanding that this unit is to be simultaneously dedicated to the following described wells:

- (1) existing State "A" A/C-1 Well No. 112 (API No. 30-025-24170), located at an unorthodox gas well location for the subject 440-acre GPU 2210 feet from the South line and 1650 feet from the East line (Unit J) of Section 21;
- (2) existing State "A" A/C-1 Well No. 113 (API No. 30-025-25446), located at a standard gas well location for this 440-acre GPU 990 feet from the South and East lines (Unit P) of Section 21; and
- (3) existing State "A" A/C-1 Well No. 114 (API No. 30-025-25538), located at a standard gas well location for this 440-acre GPU 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 21.

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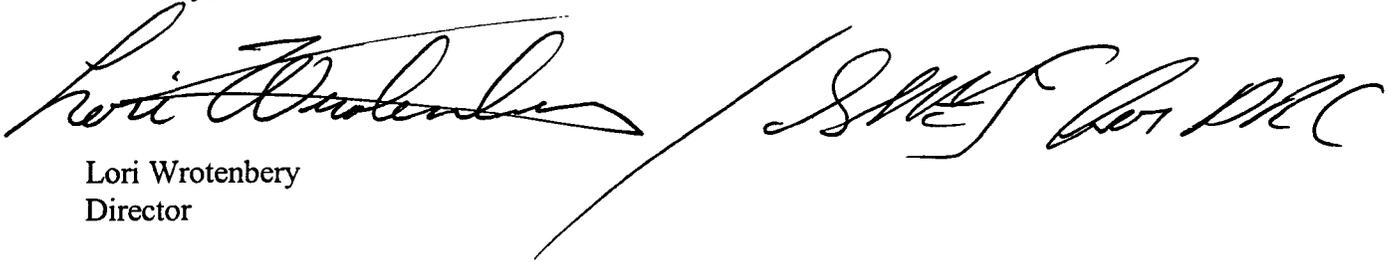
By authority granted me under the provisions Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rules 104.D and 104.F(2), the above-described 440-acre non-standard GPU and unorthodox Jalmat gas well location for the above-described State "A" A/C-1 Well No. 112 are hereby approved.

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from all three of the above described wells and is also permitted to produce the allowable assigned the subject 440-acre GPU from all three wells in any proportion.

FURTHERMORE, the Division's records indicate that the previously existing 320-acre GPU, comprising the SE/4 of Section 20 and the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 21, approved by Division Order No. R-9073, issued in Case No. 9775 dated October 28, 1988 [Paragraph No. (14) of Exhibit "A"], ceased to exist when its only dedicated well, the State "A" A/C-1 Well No. 8 (API No. 30-025-09370), located at an unorthodox gas well location for this 320-acre GPU (also approved by Division Order No. R-9073) 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 21, was plugged and abandoned in June, 1993. Therefore, that portion of Division Order No. R-9073 as described above shall be placed in abeyance until further notice.

IT IS FURTHER ORDERED THAT, as a contingency of approval, Raptor Resources, Inc. shall submit corrected OCD Forms C-102 for each well showing the proper acreage now dedicated to these wells to the Hobbs District Office of the Division. Failure to file these forms within 20 days from the date of this order will result in the cancellation of allowable for this GPU.

Sincerely,

The image shows two handwritten signatures. The signature on the left is for Lori Wrotenbery, and the signature on the right is for William F. Carr. Both signatures are in cursive and appear to be in black ink.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr, Legal Counsel for Raptor Resources, Inc. - Santa Fe