



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

October 25, 1999

**Raptor Resources, Inc.
P. O. Box 160430
Austin, Texas 78716-0430
Attention: Bill R. Keathly**

Administrative Order NSL-4371(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") on August 20, 1999; (ii) the Division's records in Santa Fe; (iii) the Division's initial response from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe, by letter dated September 17, 1999; and (iv) your resubmitted application dated September 24, 1999, which was received by the Division on October 4, 1999: all concerning Raptor Resources, Inc.'s ("Raptor") request for an unorthodox Jalmat infill gas well location within an existing non-standard 520-acre gas spacing and proration unit ("GPU") 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 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 at 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 GPU, 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 also approved.

By Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this GPU, 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 also approved.

By Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this GPU, 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 also approved.

In August, 1990 an additional well was completed in this GPU, 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.

It is our understanding that the subject well to be considered at this time is currently completed in the Langlie-Mattix-Seven Rivers-Queen-Grayburg Pool, however it is to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

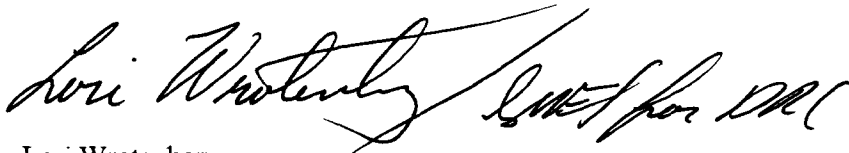
By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well located at an unorthodox Jalmat gas well location in Section 10 is hereby approved:

**State "A" A/C-1 Well No. 81
660' FNL & 1980' FWL (Unit C)
(API No. 30-025-09295).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Well No. 81 with the State "A" A/C-1 Wells No. 37, 38, 49, 55, 88, and 89. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 520-acre GPU from all seven of the above-described wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2727, as amended, NSL-2729, as amended, and NSL-2731, as amended, shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2727
NSL-2729
NSL-2731