



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 6, 1999

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

Administrative Order NSL-2872-C (SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 14, 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/2 and SW/4 of Section 9, Township 22 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. (4) of Exhibit "A"] and had dedicated thereon the following three wells:

- (1) State "A" A/C-2 Well No. 38 (**API No. 30-025-08847**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 9;
- (2) State "A" A/C-2 Well No. 40 (**API No. 30-025-08848**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 9;
- (3) State "A" A/C-2 Well No. 63 (**API No. 30-025-25543**), located at a standard gas well location 990 feet from the North line and 2310 feet from the West line (Unit C) of Section 9.

By Division Administrative Order NSL-2872, dated September 25, 1990, an additional well for this GPU, the State "A" A/C-2 Well No. 57 (**API No. 30-025-20297**), located at an unorthodox gas well location 1980 feet from the North and East lines (Unit G) of Section 9 was approved.

By Division Administrative Order NSL-2872-A, dated January 14, 1991, the following four wells all located at unorthodox gas well locations in Section 9 were also approved for the subject GPU:

- (1) State "A" A/C-2 Well No. 29
(API No. 30-025-08854)
660' FN & WL (Unit D);
- (2) State "A" A/C-2 Well No. 52
(API No. 30-025-08859)
1980' FNL & 660' FEL (Unit H);
- (3) State "A" A/C-2 Well No. 67
(API No. 30-025-28276)
2615' FSL & 1345' FWL (Unit K);
- (4) State "A" A/C-2 Well No. 72
(API No. 30-025-28281)
1410' FSL & 1440' FWL (Unit K).

By Division Administrative Order NSL-2872-B, dated November 4, 1992, another well for this GPU, the State "A" A/C-2 Well No. 1 (API No. 30-025-08849), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 9 was also approved.

The Division's records indicate that the aforementioned State "A" A/C-2 Well No. 52 was plugged and abandoned on June 20, 1994, therefore this well can now be omitted from this GPU.

It is our understanding that the subject well to be considered at this time is currently completed in the South Eunice-Seven Rivers-Queen 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 9 is hereby approved:

State "A" A/C-2 Well No. 4
660' FS & WL (Unit M)
(API No. 30-025-08853).

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well No. 4 with the State "A" A/C-2 Wells No. 1, 29, 38, 40, 57, 63, 67, and 72. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 480-acre GPU from all nine of these wells in any proportion

Administrative Order NSL-2872-C(SD)

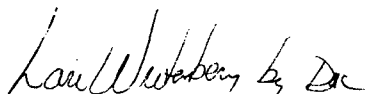
Raptor Resources, Inc.

July 6, 1999

Page 3

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2872, NSL-2872-A, and NSL-2872-B shall remain in full force and affect until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: NSL-2872

NSL-2872-A

NSL-2872-B