



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

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

September 22, 1999

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

Administrative Order NSL-3023-A (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 infill gas well location in an existing non-standard 320-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the N/2 of Section 23, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, which was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (16) of Exhibit "A"]. The following described eight wells are currently dedicated to this unit:

- (1) State "A" A/C-1 Well No. 26 (API No. 30-025-09392), located at a standard gas well location 1650 feet from the North and East lines (Unit G) of Section 23;
- (2) State "A" A/C-1 Well No. 27 (API No. 30-025-09393), located at a standard gas well location 1650 feet from the North and West line (Unit F) of Section 23;
- (3) State "A" A/C-1 Well No. 65 (API No. 30-025-09394), located at an unorthodox gas well location [approved by Division Administrative Order NSL-3023 (SD), dated June 28, 1991] 660 feet from the North line and 760 feet from the West line (Unit D) of Section 23;
- (4) State "A" A/C-1 Well No. 73 (API No. 30-025-09396), located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 23;
- (5) State "A" A/C-1 Well No. 84 (API No. 30-025-09397),

located at a standard gas well location 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 23;

- (6) State "A" A/C-1 Well No. 98 (**API No. 30-025-09398**), located at a standard gas well location 660 feet from the North line and 2310 feet from the East line (Unit B) of Section 23;
- (7) State "A" A/C-1 Well No. 105 (**API No. 30-025-20973**), located at an unorthodox gas well location (also approved by Division Order No. R-9073) 2080 feet from the North line and 660 feet from the East line (Unit H) of Section 23; and
- (8) State "A" A/C-1 Well No. 109 (**API No. 30-025-20977**), located at an unorthodox gas well location [approved by Division Administrative Order NSL-3023 (SD)] 560 feet from the North line and 660 feet from the East line (Unit A) of Section 23.

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 23 is hereby approved:

**State "A" A/C-1 Well No. 72
1980' FNL & 660' FWL (Unit E)
(API No. 30-025-09395).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Well No. 72 with the State "A" A/C-1 Wells No. 26, 27, 65, 73, 84, 98, 105, and 109. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 320-acre GPU from all nine of these wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Order NSL-3023 (SD) shall remain in full force and affect until further notice.

Administrative Order NSL-3023-A(SD)

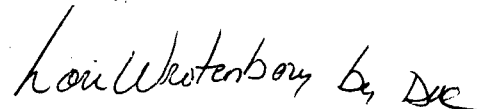
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Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a small mark that looks like "LW".

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-3023 (SD)