

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

June 28, 1990

Hal J. Rasmussen Operating Inc.  
Six Desta Drive  
Suite 5850  
Midland, TX 79705

Attention: Jay Cherski

*Administrative Order NSL-2816(SD)*

Dear Mr. Cherski:

Reference is made to your application dated January 22, 1990 for three unorthodox Jalmat Gas Well locations in an existing standard 640-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was the subject, in part, of Division Order No. R-9073, dated December 14, 1989, which authorized Hal J. Rasmussen Operating, Inc. to simultaneously dedicate thereon State "A" A/C-2 Well Nos. 43, 49 and 56 located, respectively in Units H, C and J of said Section 8.

It is our understanding that the three subject wells in this application are either producing from or temporarily abandoned in the South Eunice Seven Rivers Queen Pool and that each well will be properly plugged back to the Jalmat Gas Pool.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described wells located at unorthodox gas well locations are hereby approved:

State "A" A/C-2 Well No. 24  
1980' FSL - 660' FEL (Unit I);

State "A" A/C-2 Well No. 26  
660' FNL - 1980' FEL (Unit B); and

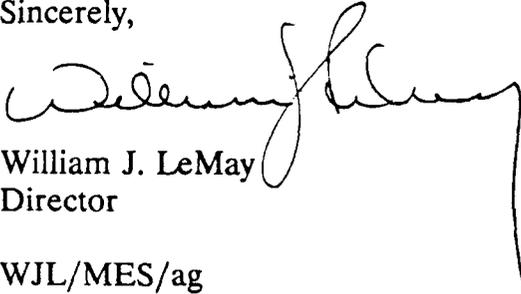
*Administrative Order NSL-2816(SD)*  
*Hal J. Rasmussen Operating, Inc.*  
*June 28, 1990*  
*Page 2*

State "A" A/C-2 Well No. 53  
660' FSL - 1980' FWL (Unit N).

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53 and 56 to said GPU. Furthermore, you are hereby permitted to produce the allowable assigned to the proration unit from all wells in any proportion.

All provisions applicable to the subject GPU in Division Order No. R-9073 shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
File: Case No. 9775



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

September 25, 1990

Hal J. Rasmussen Operating Inc.  
Six Desta Drive  
Suite 5850  
Midland, TX 79705

Attention: Jay Cherski

*Administrative Order NSL-2816(SD)-A*

Dear Mr. Cherski:

Reference is made to your applications dated July 25, 1990 for two unorthodox Jalmat Gas Well locations in an existing standard 640-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was the subject, in part, of Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (3) of Exhibit "A"), which authorized Hal J. Rasmussen Operating, Inc. to simultaneously dedicate thereon State "A" A/C-2 Well Nos. 43, 49 and 56 located, respectively in Units H, C and J of said Section 8 to this proration unit.

By Division Administrative Order NSL-2816(SD), dated June 28, 1990, three additional wells, the State "A" A/C-2 Well Nos. 24, 26 and 53, located at unorthodox gas well locations in Units I, B and N, respectively, were approved for the subject GPU. Authorization was also given in said NSL-2816(SD) to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53 and 56 to the subject GPU.

It is our understanding that the two subject wells in this application are either producing from or temporarily abandoned in the South Eunice Seven Rivers Queen Pool and that each well will be properly plugged back to the Jalmat Gas Pool.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described wells located at unorthodox gas well locations are hereby approved:

*Administrative Order NSL-2816(SD)-A  
Hal J. Rasmussen Operating, Inc.  
September 25, 1990  
Page 2*

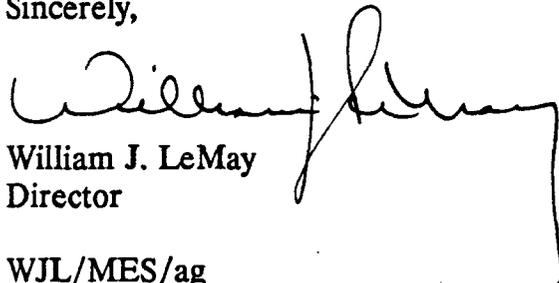
State "A" A/C-2 Well No. 55  
660' FS & EL (Unit P); and

State "A" A/C-2 Well No. 58  
2030' FSL - 680' or 660'FWL (Unit L).

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53, 55, 56 and 58 to said GPU. Furthermore, you are hereby permitted to produce the allowable assigned to the proration unit from all wells in any proportion.

All of Division Administrative Order NSL-2816(SD), dated June 28, 1990 and those provisions applicable to the subject GPU in Division Order No. R-9073 shall remain in full force and effect until further notice.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
File: Case No. 9775

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



April 21, 1992

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Clayton W. Williams, Jr., Inc.  
3000 Claydesta National Bank Building  
Six Desta Drive  
Midland, Texas 79705

Attention: David G. Grafe  
Petroleum Engineer

*Administrative Order NSL-2816(SD)-B*

Dear Mr. Grafe:

Reference is made to your application dated December 20, 1991 (received April 15, 1992) for an unorthodox Jalmat Gas Well location in an existing standard 640-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was the subject, in part, of Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (3) of Exhibit "A"), which authorized Hal J. Rasmussen Operating, Inc. to simultaneously dedicate thereon State "A" A/C-2 Well Nos. 43, 49 and 56 located, respectively in Units H, C and J of said Section 8 to this proration unit.

By Division Administrative Order NSL-2816(SD), dated June 28, 1990, three additional wells, the State "A" A/C-2 Well Nos. 24, 26 and 53, located at unorthodox gas well locations in Units I, B and N, respectively, were approved for the subject GPU. Authorization was also given in said NSL-2816(SD) to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53 and 56 to the subject GPU.

By Division Administrative Order NSL-2816(SD)-A, dated September 25, 1990, two additional wells, the State "A" A/C-2 Well Nos. 55 and 58, located at unorthodox gas well locations in Units P and L, respectively, were approved for the subject GPU. Authorization was also given in said NSL-2816(SD)-A to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53, 55, 56 and 58 to the subject GPU.

It is our understanding that the subject well in this application has recently been plugged back and recompleted from the South Eunice Seven Rivers Queen Pool to the Jalmat Gas Pool.

Clayton W. Williams, Jr., Inc.

Page 2

*Administrative Order NSL-2816(SD-)B*

April 21, 1992

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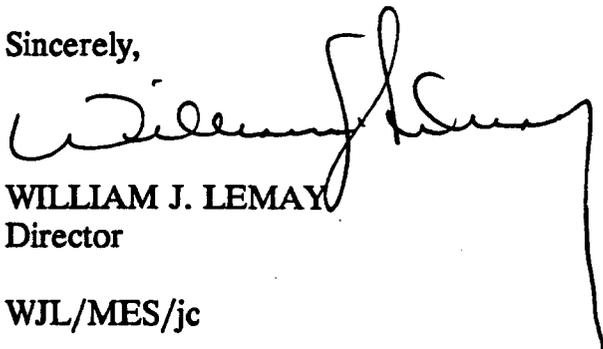
By authority granted me under the provisions of General Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

State "A" A/C-2 Well No. 70  
1295' FS & EL (Unit P)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53, 55, 56, 58 and 70 to said GPU. Furthermore, you are hereby permitted to produce the allowable assigned to the proration unit from all wells in any proportion.

All of Division Administrative Orders NSL-2816(SD), dated June 28, 1990 and NSL-2816(SD)-A, dated September 25, 1990, and those provisions applicable to the subject GPU in Division Order No. R-9073 shall remain in full force and effect until further notice.

Sincerely,



WILLIAM J. LEMAY

Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs  
NMSLO - Santa Fe  
File: Case No. 9775  
NSL-2816(SD) ✓



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

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

October 13, 1999

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

*Administrative Order NSL-2816-C (SD)*

Dear Mr. Keathly:

Reference is made to the following: (i) your applications submitted to the New Mexico Oil Conservation Division ("Division") on September 23, 1999; and (ii) the Division's records in Santa Fe, including the files on Division Case No. 9775 and Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), and SD-99-7: all concerning Raptor Resources, Inc.'s ("Raptor") request for two unorthodox Jalmat infill gas well locations within an existing standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. This 640-acre GPU was the subject of Division Order No. R-9073, issued in Case No. 9775 dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"]. The following four described wells are currently dedicated to this unit:

- (1) State "A" A/C-2 Well No. 3 (API No. 30-025-08829), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8 (see Division Administrative Order SD-99-7 dated June 30, 1999);
- (2) State "A" A/C-2 Well No. 26 (API No. 30-025-08835), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816 (SD), dated June 28, 1990] 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 8;
- (3) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location (approved by Division Order No. R-9073) 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 8; and
- (4) State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816-B (SD), dated April 21, 1992] 1295 feet from the South and East lines (Unit P) of Section 8.

It is our understanding that the two subject wells to be considered at this time are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, both are 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 two described wells located at unorthodox Jalmat gas well locations, both in Section 8, are hereby approved:

**State "A" A/C-2 Well No. 24  
1980' FSL & 660' FEL (Unit I)  
(API No. 30-025-08833)**

**State "A" A/C-2 Well No. 25  
660' FN & EL (Unit A)  
(API No. 30-025-08834)**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 24 and 25 with the State "A" A/C-2 Wells No. 3, 26, 43, and 70. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 640-acre GPU from all six of the above-described wells in any proportion

All provisions that are applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2816 (SD), NSL-28162-A (SD), NSL-2816-B (SD), and SD-99-7 and not in conflict thereto shall remain in full force and affect until further notice.

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

Sincerely,



Lori Wrottenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSL-2816 (SD)  
NSL-2816-A (SD)  
NSL-2816-B (SD)  
SD-99-7



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

December 27, 2001

Lori Wrotenbery  
Director  
Oil Conservation Division

Raptor Resources, Inc.  
c/o William F. Carr  
Holland & Hart L.L.P. and Campbell & Carr  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Telefax No. (505) 983-6043

## *Administrative Order NSL-2816-D (SD)*

Dear Mr. Carr:

Reference is made to the following: (i) your three applications on behalf of the operator, Raptor Resources, Inc. ("Raptor") dated December 5, 2001 (*application reference No. pKRV0-134435858*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), NSL-2816-C (SD), SD-99-07 and SD-99-07 (1) and the records of Division Cases No. 9775 (which resulted in the issuance of Division Order No. R-9073) and 12304: all concerning Raptor's requests for three additional infill Jalmat gas wells, two of which are at unorthodox gas well locations, to be included within a standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool (79240) comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

The rules and procedures governing the Jalmat Gas Pool at the time this application was submitted include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B;
- (iii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Rule 1207.A (2); and
- (v) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgement").

This GPU was initially established by Division Order No. R-9073, issued in Case No. 9775

and dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"] and had dedicated thereon the following three wells:

- (1) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit H) of Section 8;
- (2) State "A" A/C-2 Well No. 49 (API No. 30-025-08838), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 8; and
- (3) State "A" A/C-2 Well No. 56 (API No. 30-025-08843), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 8.

By Division Administrative Order NSL-2816 (SD), dated June 28, 1990, the following three described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-2 Well No. 24 (API No. 30-025-08833), located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 8;
- (2) State "A" A/C-2 Well No. 26 (API No. 30-025-08835), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 8; and
- (3) State "A" A/C-2 Well No. 53 (API No. 30-025-08840), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 8.

By Division Administrative Order NSL-2816-A (SD), dated September 25, 1990, the following two described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-2 Well No. 55 (API No. 30-025-08842), located 660 feet from the South and East lines (Unit P) of Section 8; and
- (2) State "A" A/C-2 Well No. 58 (API No. 30-025-20978),

located 2030 feet from the South line and 660 feet from the West line (Unit L) of Section 8.

By Division Administrative Order NSL-2816-B (SD), dated April 21, 1992, another well for this GPU, the State "A" A/C-2 Well No. 70 (**API No. 30-025-28279**), located at an unorthodox gas well location 1295 feet from the South and East lines (Unit P) of Section 8 was approved.

By Division Administrative Order SD-99-7, dated June 30, 1999, the State "A" A/C-2 Well No. 3 (**API No. 30-025-08829**), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8 was approved for this GPU. Furthermore, Division Administrative Order SD-99-7 omitted the above-described State "A" A/C-2 Wells No. 24, 49, 53, 55, 56, and 58 from this GPU for various reasons.

Division Administrative Order NSL-2816-C (SD), dated October 13, 1999, authorized the following two described wells located at unorthodox gas well locations to be included to this GPU:

- (1) State "A" A/C-2 Well No. 24 (**API No. 30-025-08833**), located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 8, which well was also the subject of Division Administrative Orders NSL-2816 (SD) (approval) and SD-99-7 (omission); and
- (2) State "A" A/C-2 Well No. 25 (**API No. 30-025-08834**), located 660 feet from the North and East lines (Unit A) of Section 8.

The most recent action by the Division concerning this GPU occurred on March 30, 2000, in which the Division, at the request of Raptor, cancelled authorization to include the State "A" A/C-2 Well No. 3 from this 640-acre GPU and Division Administrative Order SD-99-7 was negated.

It is our understanding that the three subject wells to be considered at this time are in some manner completed in the South Eunice-Seven Rivers Queen Pool and that each well will be properly plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order. By the authority granted me under the provisions of the rules, regulations, and directives governing the Jalmat Gas Pool, the following wells to be included within this 640-acre GPU are hereby approved:

- (1) the State "A" A/C-2 Well No. 3 (**API No. 30-025-08829**), located at a standard gas well location 1980 feet from the

North and East lines (Unit G) of Section 8, which well was the subject of Administrative Order SD-99-7;

- (2) State "A" A/C-2 Well No. 7 (API No. 30-025-08830), located at an unorthodox infill gas well location 660 feet from the North and West lines (Unit D) of Section 8; and
- (3) State "A" A/C-2 Well No. 76 (API No. 30-025-34672), located at an unorthodox infill gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 8.

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 3, 7, and 76 with the existing State "A" A/C-2 Wells No. 24, 25, 26, 43, and 70. Furthermore, Raptor is permitted to produce the allowable assigned the subject 640-acre GPU from all eight wells in any proportion

It is further ordered that all provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), and NSL-2816-C (SD), not in conflict with this order, shall remain in full force and affect until further notice.

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

Sincerely,



Lori Wrottenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSL-2816 (SD) ✓  
NSL-2816-A (SD)  
NSL-2816-B (SD)  
NSL-2816-C (SD)  
SD-99-7



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

January 24, 2002

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Raptor Resources, Inc.**  
c/o William F. Carr  
**Holland & Hart L.L.P. and Campbell & Carr**  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Telefax No. (505) 983-6043

*Administrative Order NSL-2816-E (SD)*

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Raptor Resources, Inc. ("Raptor") dated December 5, 2001 (*application reference No. pKRV0-134435968*); (ii) a letter of objection dated December 18, 2001 from Doyle Hartman, Oil Operator; (iii) the Division's letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated December 28, 2001; (iv) your response by letter dated January 4, 2002 with a copy of Raptor's agreement with Mr. Hartman dated January 3, 2002; and (v) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), NSL-2816-C (SD), NSL-2816-D (SD), SD-99-07 and SD-99-07 (1) and the records of Division Cases No. 9775 (which resulted in the issuance of Division Order No. R-9073) and 12304: all concerning Raptor's requests for an unorthodox Jalmat infill gas well locations within a standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool (79240) comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

The rules and procedures governing the Jalmat Gas Pool at the time this application was submitted include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B;
- (iii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Rule 1207.A (2); and
- (v) the amended Stipulated Declaratory Judgement of the First

Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgement").

This GPU was initially established by Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"]. The following eight described wells are shown to be currently dedicated to this unit:

(1) State "A" A/C-2 Well No. 3 (API No. 30-025-08829), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8, which well was the subject of Administrative Orders SD-99-7, dated June 30, 1999, SD-99-7 (1), dated March 30, 2000, and NSL-2816-D (SD), dated December 27, 2001;

(2) State "A" A/C-2 Well No. 7 (API No. 30-025-08830), located at an unorthodox infill gas well location [approved by Division Administrative Order NSL-2816-D (SD)] 660 feet from the North and West lines (Unit D) of Section 8;

(3) State "A" A/C-2 Well No. 24 (API No. 30-025-08833), located at an unorthodox infill gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 8, which well was also the subject of Division Administrative Orders NSL-2816 (SD), dated June 28, 1990 (approval), SD-99-7 (omission), and NSL-2816-C (SD), dated October 13, 1999 (approval);

(4) State "A" A/C-2 Well No. 25 (API No. 30-025-08834), located at an unorthodox infill gas well location [approved by Division Administrative Order NSL-2816-C (SD)] 660 feet from the North and East lines (Unit A) of Section 8;

(5) State "A" A/C-2 Well No. 26 (API No. 30-025-08835), located at an unorthodox infill gas well location [approved by Division Administrative Order NSL-2816 (SD)] 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 8;

(6) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location (approved by Division Order No. R-9073) 1650 feet from the North line and 990 feet from

the West line (Unit H) of Section 8;

(7) State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816-B (SD), dated April 21, 1992] 1295 feet from the South and East lines (Unit P) of Section 8; and

(8) State "A" A/C-2 Well No. 76 (API No. 30-025-34672), located at an unorthodox infill gas well location [approved by Division Administrative Order NSL-2816-D (SD)] 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 8.

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 at a standard oil well location; however, this well is to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

By the authority granted me under the provisions of these rules, regulations, and directives, the following described well located at an unorthodox Jalmat infill gas well location in Section 8, is hereby approved:

**State "A" A/C-2 Well No. 54  
660' FSL & 1980' FEL (Unit O)  
(API No. 30-025-08841).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Well No. 54 with the existing State "A" A/C-2 Wells No. 3, 7, 24, 25, 26, 43, 70, and 76. Furthermore, Raptor is permitted to produce the allowable assigned the subject 640-acre GPU from all nine wells in any proportion

It is further ordered that all provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), NSL-2816-C (SD), and NSL-2816-D (SD) not in conflict with this order, shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent

Administrative Order NSL-2816-E(SD)

Raptor Resources, Inc.

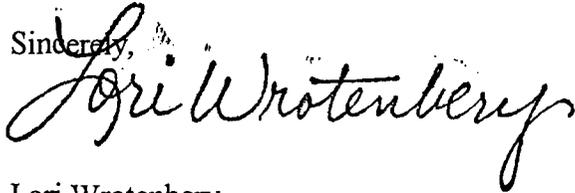
January 24, 2002

Page 4

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orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: NSL-2816 (SD) ✓

NSL-2816-A (SD)

NSL-2816-B (SD)

NSL-2816-C (SD)

NSL-2816-D (SD)

SD-99-7

Case No. 12304