



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

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

October 12, 1999

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

Administrative Order NSP-1809(L)(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your applications dated September 14, 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, and Division Administrative Order NSL-4352 (SD), dated August 30, 1999: all concerning Raptor Resources, Inc.'s request for a 280-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 3: N/2 SW/4, SW SW/4, and SE/4.

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

- (1) State "A" A/C-1 Well No. 30 (**API No. 30-025-09238**), located at an unorthodox gas well location for the subject 280-acre GPU 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 3;
- (2) State "A" A/C-1 Well No. 35 (**API No. 30-025-09237**), located at a standard gas well location for this 280-acre GPU 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 3;
- (3) State "A" A/C-1 Well No. 43 (**API No. 30-025-09236**), located at a standard gas well location for this 280-acre GPU 660 feet from the South and West lines (Unit M) of Section 3;
- (4) State "A" A/C-1 Well No. 61 (**API No. 30-025-09232**),

located at a standard gas well location for this 280-acre GPU
1980 feet from the South and East lines (Unit J) of Section 3;

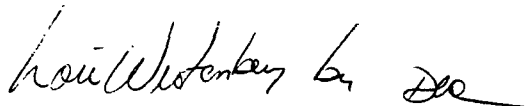
- (5) State "A" A/C-1 Well No. 64 (**API No. 30-025-09230**),
located at a standard gas well location for this 280-acre GPU
710 feet from the South line and 1980 feet from the East line
(Unit O) of Section 3; and
- (6) State "A" A/C-1 Well No. 69 (**API No. 30-025-09229**),
located at a standard gas well location for this 280-acre GPU
660 feet from the South line and 990 feet from the East line
(Unit P) of Section 3.

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 280-acre non-standard GPU and resulting unorthodox Jalmat gas well location for the above-described State "A" A/C-1 Well No. 30 is hereby approved.

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from all six of the above described wells and is also permitted to produce the allowable assigned the subject 280-acre GPU from all six wells in any proportion.

IT IS FURTHER ORDERED THAT: (i) the portion of Division Order No. R-9073, issued in Case No. 9775 dated October 28, 1988, which established a 320-acre non-standard gas spacing and proration unit within the Jalmat Gas Pool comprising the S/2 of Section 3 [Paragraph No. (5) of Exhibit "A"]; and (ii) Division Administrative Order NSL-4352 (SD), in its entirety, shall both be placed in abeyance until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-4352 (SD)