



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

December 22, 1999

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Attorneys for Raptor Resources, Inc.

RE: Cases No. 12301 and 12302 ---Applications of SDX Resources, Inc. for  
unorthodox infill gas well locations in the Jalmat Gas Pool  
Cases No. 12303 and 12304---Applications of Raptor Resources, Inc. for  
unorthodox infill gas well locations in the Jalmat Gas Pool

Gentlemen:

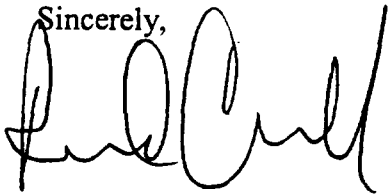
At the prehearing conference held on Tuesday, December 21, the Division took the following actions:

- (i) the APDs and other approvals for the SDX and Raptor wells complained of by Hartman were rescinded with the applications to be stayed pending the March 2, 2000, hearing on the Jalmat Special Pool Rules;
- (ii) a new case will be docketed by the Division for March 2, 2000, to review the Jalmat Special Pool Rules;

- (iii) a Jalmat Pool operators meeting will be held on Tuesday, January 25 at the OCD Hobbs District Office to review the Jalmat Special Pool Rules with SDX, Raptor and Hartman to attend, with the possibility of a second operators meeting to be held prior to the March 2, 2000, hearing;
- (iv) a notice will be issued to all Jalmat Pool operators placing a moratorium on all new Jalmat infill wells on a greater density than 160 acres pending the March 2 hearing; and
- (v) the above-referenced applications as well as the Motions to Quash will be stayed pending the March 2 hearing.

If you have any questions, please feel free to call me at 827-8156. I will be out of the office until January 4, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is fluid and cursive, with a large initial "R" and "C".

Rand Carroll

c: Lori Wrotenbery, OCD Director  
Michael E. Stogner, OCD Hearing Examiner  
David Catanach, OCD Hearing Examiner  
Mark Ashley, OCD Hearing Examiner  
Chris Williams, OCD Hobbs District Supervisor