

January 8, 2003

Raptor Resources, Inc.  
c/o Holland & Hart LLP  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Telefax No. (505) 983-6043

Attention: William F. Carr

*Administrative Order NSP-183-A*

Dear Mr. Carr:

Reference is made to the following: (i) your application (*application reference No. pKRV0-235438202*) on behalf of the operator, Raptor Resources, Inc.'s ("Raptor"), dated December 19, 2002; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the file on Division Administrative Order NSP-183 (SD): all concerning Raptor's requests to decrease the acreage of its existing 160.14-acre non-standard gas spacing unit for the Jalmat Gas Pool (**79240**), comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, by deleting therefrom the 40.12-acre tract comprising Lot 2 (NW/4 NE/4 equivalent) (Unit ~~C~~) of Section 5.

This 160.14-acre non-standard gas spacing unit was established by the reinstatement of Division Administrative Order NSP-183 (SD) on March 3, 2000 and has dedicated to it the: (i) State 157 "G" Well No. 2 (**API No. 30-025-08787**), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 5; and (ii) State 157 "G" Well No. 4 (**API No. 30-025-08790**), located at a standard gas well location 990 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of Section 5.

Your application submitted on behalf of Raptor has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

It our understanding that the above described State 157 "G" Well No. 4 in Unit "~~C~~" of Section 5 has been completed as a Jalmat "oil" well and its corresponding 40.12-acre standard oil spacing and proration unit comprising Lot 2 of Section 5 is to be omitted from the 160.14-acre non-standard gas unit at this time.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, the following described 120.02-acre non-standard gas spacing unit is hereby approved:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 5:      Lot 1 and S/2 NE/4.

The above-described State 157 "G" Well No. 2 in Unit "G" of Section 5 is to be dedicated to this 120.02-acre non-standard gas spacing unit.

The Division's Reinstated Administrative Order No. NSP-183 (SD) dated March 3, 2000 is hereby placed in abeyance 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 Wrotenbery  
Director

LW/MES/kv

cc:    New Mexico Oil Conservation Division - Hobbs  
      New Mexico State Land Office - Santa Fe  
      File:   NSP-183 (SD)