



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

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7100

FOR RECORD ONLY

October 5, 1999

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

Administrative Order NSP-1808(L)(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your initial applications submitted to the New Mexico Oil Conservation Division ("Division") on August 9, 1999; (ii) the Division's response by letter from Mr. Michael E. Stogner, Engineer in Santa Fe, dated August 24, 1999 withdrawing both applications; (iii) your re-submittal of these applications to the Division on September 15, 1999; and (iv) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s ("Raptor") requests to increase the acreage of an existing 393.06-acre non-standard gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising Lots 3 and 4, the N/2 NE/4, SE/4 NE/4, E/2 SW/4, N/2 SE/4, and the SE/4 SE/4 of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"], by including the 40 acres comprising the SW/4 SE/4 (Unit O) of Section 7 to the GPU and for two additional infill Jalmat gas wells within this expanded GPU located at unorthodox gas well locations thereon.

The current 393.06-acre GPU was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (2) of Exhibit "A"] and had dedicated thereon the following three wells:

- (1) State "A" A/C-2 Well No. 5 (API No. 30-025-08817), located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 7;
- (2) State "A" A/C-2 Well No. 8 (API No. 30-025-08821), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 7; and
- (3) State "A" A/C-2 Well No. 12 (API No. 30-025-08824), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 7.

At about the same time that Division Order No. R-9073 was issued, an additional well was completed in this GPU, the State "A" A/C-2 Well No. 20 (API No. 30-025-08826), located 1980 feet from the South and East lines (Unit J) of Section 7.

The Division's records indicate that the aforementioned State "A" A/C-2 Well No. 12 was plugged and abandoned in 1994; therefore, this well can be omitted from the provisions of Division Order No. R-9073.