

Page 2

It is our understanding that Raptor's existing State "A" A/C-2 Well No. 19 (API No. 30-025-08825), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 7 is a shutin Jalmat oil well and the existing State "A" A/C-2 Well No. 21 (API No. 30-025-08827), located 1980 feet from the South line and 2316 feet from the West line (Unit K) of Section 7 is currently completed in the South Eunice-Seven Rivers-Queen Pool; however, both wells are to be plugged back and recompleted uphole into the Jalmat Gas Pool upon issuance of this order.

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 Rule 104.D, the following described 433.06-acre non-standard gas spacing and proration unit is hereby approved:

## LEA COUNTY, NEW MEXICO TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

Section 7: Lots 3 and 4, N/2 NE/4, SE/4 NE/4, E/2 SW/4, and SE/4.

Further, 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 Rules 104.D and 104.F(2) the above-described State "A" A/C-2 Wells No. 19 and 21, located at unorthodox Jalmat gas well locations within this GPU, are hereby approved:

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 19 and 21 with the State "A" A/C-2 Wells No. 5, 8, and Jo. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 433.06-acre GPU from all five of these wells in any proportion.

All provisions applicable to the subject GPU in Division Order No. R-9073 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 Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

hori Wrotenbery by Dec

New Mexico State Land Office - Santa Fe