



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

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

October 13, 1999

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

Administrative Order NSL-2816-C (SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your applications submitted to the New Mexico Oil Conservation Division ("Division") on September 23, 1999; and (ii) the Division's records in Santa Fe, including the files on Division Case No. 9775 and Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), and SD-99-7: all concerning Raptor Resources, Inc.'s ("Raptor") request for two unorthodox Jalmat infill gas well locations within an existing standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. This 640-acre GPU was the subject of Division Order No. R-9073, issued in Case No. 9775 dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"]. The following four described wells are currently dedicated to this unit:

- (1) State "A" A/C-2 Well No. 3 (API No. 30-025-08829), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8 (see Division Administrative Order SD-99-7 dated June 30, 1999);
- (2) State "A" A/C-2 Well No. 26 (API No. 30-025-08835), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816 (SD), dated June 28, 1990] 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 8;
- (3) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location (approved by Division Order No. R-9073) 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 8; and
- (4) State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located at an unorthodox gas well location [approved by Division Administrative Order NSL-2816-B (SD), dated April 21, 1992] 1295 feet from the South and East lines (Unit P) of Section 8.

It is our understanding that the two subject wells to be considered at this time are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, both are to