

December \_\_, 2001

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

Attention: William F. Carr

Administrative Order NSL-\_\_\_\_\_ (SD)

Dear Mr. Carr:

Reference is made to your application dated November 30, 2001 for an unorthodox gas well location in an existing standard 640-acre gas spacing and proration unit for the Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. By Order No. R-9073, issued in Case No. 9775, dated December 14, 1989 (Paragraph No. 3 of Exhibit "A") the Division approved the simultaneous dedication of the following three wells in Section 8 to this standard gas spacing unit:

- (1) State "A" A/C-2 Well No. 43 (**API No. 30-025-08837**), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit H);
- (2) State "A" A/C-2 Well No. 49 (**API No. 30-025-08838**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C); and:
- (3) State "A" A/C-2 Well No. 59 (**API No. 30-025-08843**), located at a standard gas well location 11980 feet from the South and East lines (Unit J).

By Division Administrative Order NSL-2816 (SD), dated June 28, 1990, the following three wells located at unorthodox gas well locations in Section 8 were approved for this gas spacing unit:

- (1) State "A" A/C-2 Well No. 24 (**API No. 30-025-08833**), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I);
- (2) State "A" A/C-2 Well No. 26 (**API No. 30-025-08835**) located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B); and