

RAPTOR RESOURCES, INC.

901 Rio Grande

Austin, Texas 78701

(512) 478-4421

January 30, 2001

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of Raptor Resources, Inc for Administrative Approval of an unorthodox gas well location for its State "A" A/C-2 Well No. 78 at a point 1980 feet from the North line and 660 feet from the West line of Section 5, Township 22 South, Range 36 East, NMPM, and simultaneous dedication of this well and other existing wells to the previously approved 440.50-acre non-standard GPU in the Jalmat Gas Pool, Lea County, New Mexico.*

Dear Ms. Wrotenbery:

Raptor Resources, Inc hereby seeks administrative approval of a non-standard 440.50-acre Gas Spacing and Proration Unit ("GPU") in the Jalmat Gas Pool, an orthodox gas well location for its State "A" A/C-2 Well No. 78 to be re-completed in the Jalmat Gas Pool at a location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and for simultaneous dedication of this GPU to all producing Jalmat Gas Wells located thereon.

The State "A" A/C-2 Well No 78 was spudded on March 2, 2000 and drilled as a standard oil well location to test the Eunice: Seven Rivers-Queen, South. Raptor now seeks authority to re-enter and recomplete this well up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers) and to simultaneously dedicate this well and the other Jalmat gas wells thereon to a 440.50-acre non-standard GPU comprising Lots 3 and 4, S/2 NW/4, SW/4, W/2 SE/4 and SE/4 SE/4 of Section 5, Township 22 South, Range 36 East, NMPN, Lea County, New Mexico.

A non-standard 320-acre GPU comprised of the S/2 of Section 5, Township 22 South, Range 36 East, MNPN, was established by Division order NSP-518, dated June 10, 1960 and had dedicated thereto the State A/C-2 Well No. 41 (**API No. 30-025-08796**) located 660 feet from the South and West lines (Unit M) which was an orthodox gas well location for a 320-acre GPU.

A non-standard 480.50-acre GPU comprised of Lots 3 and 4, S/2 NW/4 and the S/2 of Section 5, Township 22 South, Range 36 East, MNPM, was established by Division Order No. R-9073, issued in Case No. 9775, dated December 14, 1989 [Paragraph No. 1 of Exhibit "A"] and approved the resulting unorthodox gas well location for the State "A" A/C-2 Well No. 41 and the following two Jalmat gas wells located thereon:

- (1) State "A" A/C-2 Well No. 27 (**API No. 30-025-08789**) located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) Section 5; and