

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

August 30, 1999

Som P. Ø

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

Administrative Order NSL-4352(SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 9, 1999; and (ii) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s ("Raptor") request for an unorthodox Jalmat infill gas well location in an existing non-standard 320-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the S/2 of Section 3, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, which was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (5) of Exhibit "A"]. The following described five wells are currently dedicated to this unit:

- State "A" A/C-1Well No. 30 (API No. 30-025-09238), located at an unorthodox gas well location (which was also approved by Division Order No. R-9073) 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 3;
- (2) State "A" A/C-1 Well No. 35 (API No. 30-025-09237), located at an unorthodox gas well location (which was also approved by Division Order No. R-9073) 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 3;
- (3) State "A" A/C-1 Well No. 48 (API No. 30-025-09233), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 3;
- (4) State "A" A/C-1 Well No. 61 (API No. 30-025-09232), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 3; and