



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

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

October 25, 1999

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

Administrative Order NSL-2730-C (SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your initial applications submitted to the New Mexico Oil Conservation Division ("Division") on August 20 and September 15, 1999; (ii) the Division's response by letter from Mr. Michael E. Stogner, Engineer in Santa Fe, dated September 20, 1999 withdrawing both applications; (iii) your re-submittal of these applications to the Division on October 4, 1999; and (iv) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s ("Raptor") request for two unorthodox Jalmat infill gas well locations within an existing non-standard 480-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the NW/4 of Section 14 and the N/2 of Section 15, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (12) of Exhibit "A"] and had dedicated thereon the following three wells:

- (1) State "A" A/C-1 Well No. 28 (API No. 30-025-09356), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 14;
- (2) State "A" A/C-1 Well No. 31 (API No. 30-025-10730), located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 14; and
- (3) State "A" A/C-1 Well No. 33 (API No. 30-025-10727), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 15.

(4)

By Division Administrative Order NSL-2730, dated December 7, 1989, as amended by order dated September 25, 1990, another well for this GPU, the State "A" A/C-1 Well No. 82 (API No. 30-025-10723), located at an unorthodox gas well location 660 feet from the North line and

1980 feet from the East line (Unit B) of Section 15 was also approved.

By Division Administrative Order NSL-2730-A, dated September 25, 1990, another well for this GPU, the State "A" A/C-1 Well No. 102 (API No. 30-025-20971), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 15 was also approved.

By Division Administrative Order NSL-2730-B, dated June 26, 1991, the following three described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-1 Well No. 59 (API No. 30-025-10725), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 15;
- (2) State "A" A/C-1 Well No. 79 (API No. 30-025-10712), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14; and
- (3) State "A" A/C-1 Well No. 80 (API No. 30-025-10724), located 1980 feet from the North and East lines (Unit G) of Section 15.

It is our understanding that the two subject wells to be considered at this time are currently completed in the Langlie-Mattix-Seven Rivers-Queen-Grayburg Pool at standard oil well locations; however, both are to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

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 Rule 104.F (2) the following two described wells located at unorthodox Jalmat gas well locations, both in Section 15, are hereby approved:

State "A" A/C-1 Well No. 90
660' FNL & 990' FEL (Unit A)
(API No. 30-025-10722)

1 State "A" A/C-1 Well No. 91
660' FNL & 2310' FWL (Unit C)
(API No. 30-025-10721)

14
15-23-36

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from

Administrative Order NSL-2730-C(SD)

Raptor Resources, Inc.

October 25, 1999

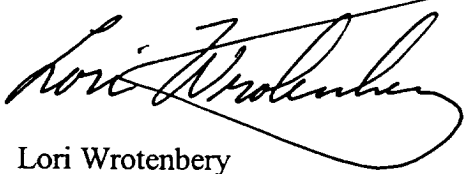
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the State "A" A/C-1 Wells No. 90 and 91 with the State "A" A/C-1 Wells No. 28, 31, 33, 59, 79, 80, 82, and 102. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 480-acre GPU from all ten of the above-described wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2730, as amended, NSL-2730-A, and NSL-2730-B 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 /
New Mexico State Land Office - Santa Fe
File: NSL-2730
NSL-2730-A
NSL-2730-B