

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

September 20, 1999

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

> RE: Administrative applications for two unorthodox infill Jalmat gas well locations for the existing: (i) State "A" A/C-1 Well No. 90 (API No. 30-025-10722), located 660 feet from the North line and 990 feet from the East line (Unit A) of Section 15, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico; and (ii) State "A" A/C-1 Well No. 91 (API No. 30-025-10721), located 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 15.

Dear Mr. Keathly:

I am returning both applications as incomplete. The information provided as to the size and configuration of the existing gas spacing and proration unit (320 acres comprising the N/2 of Section 15) does not correspond to our records, which indicates the existence of a 480-acre unit that comprises the NW of Section 14 and the N/2 of Section 15, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Attached are copies of Division Order No. R-9073 and Division Administrative Orders NSL-2730, as amended, NSL-2730-A, and NSL-2730-B.

Sincerely,

Michael E. Stogner Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs New Mexico State Land Office – Santa Fe Kathy Valdes - OCD, Santa Fe