



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 24, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc.
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSL-2873-B (SD)

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Raptor Resources, Inc. ("Raptor") submitted to the New Mexico Oil Conservation Division ("Division") on June 8, 2000; (ii) the Division's records in Santa Fe; (iii) the two Division directives dated December 22, 1999 and January 5, 2000; (iv) the Division's "NOTICE" to all operators in the Jalmat Pool dated January 11, 2000; and (v) the Division Director's "MEMORANDUM" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor's request for an unorthodox Jalmat infill gas well location within an existing non-standard 320-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the E/2 of Section 10, 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. (9) of Exhibit "A"] and had dedicated thereon the following two wells:

- (1) State "A" A/C-3 Com. "A" Well No. 1 (**API No. 30-025-09299**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 10; and
- (2) State "A" A/C-3 Com. "A" Well No. 2 (**API No. 30-025-09289**), located at a standard gas well location 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 10.

By Division Administrative Order NSL-2873, dated September 25, 1990, another well for this GPU, the State "A" A/C-3 Com. "A" Well No. 8 (**API No. 30-025-20245**), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 10 was also approved.

The Division's most recent action within this 320-acre GPU was Division Administrative Order NSL-2873-A, dated January 18, 1991, which authorized the following three described wells located at unorthodox gas well locations within this GPU: