

August 9, 2000

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

**Telefax No. (505) 983-6043**

**Attention: William F. Carr**

***Administrative Order NSL-2874-E (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 requests for an unorthodox Jalmat infill gas well location within an existing

non-standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the N/2 and SW/4 of Section 13 and the NE/4 of Section 14, all in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was initially established by Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989 [Paragraph No. (11) of Exhibit "A"] and had dedicated thereon the following five wells:

- (1) State "A" A/C-1 Well No. 13 (**API No. 30-025-09355**), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 14;
- (2) State "A" A/C-1 Well No. 20 (**API No. 30-025-09341**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 13;
- (3) State "A" A/C-1 Well No. 21 (**API No. 30-025-09342**), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 13;
- (4) State "A" A/C-1 Well No. 22 (**API No. 30-025-09343**), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of