



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

May 11, 2006

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Plantation Operating, L.L.C.
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380

Attention: **John Allred, P.E.**

Division Administrative Order SD-89-2-A

Dear Mr. Allred:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 20, 2006 (*administrative application reference No. pMES0-611856090*); and (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Order SD-89-2 and in Division Case No. 673: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 160-acre gas spacing unit comprising the SE/4 of Section 16, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

The subject 160-acre unit was established by Division Order No. R-520, issued in Case No. 673 on August 12, 1954, and currently has dedicated thereon the two following described wells:

- (1) State "E" Com. Well No. 2 (*API No. 30-025-04668*), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 16; and
- (2) State "E" Com. Well No. 4 (*API No. 30-025-30619*), located at a standard infill gas well location (*approved by Division Administrative Order SD-89-2, dated June 5, 1989*) 990 feet from the South line and 1960 feet from the East line (Unit O) of Section 16.

It is the Division's understanding that Plantation, as the current operator of these two wells and 160-acre unit, now intends to drill its proposed State "E" Com. Well No. 5 at a standard infill gas well location 1780 feet from the South line and 660 feet from the East line (Unit I) of Section 16.

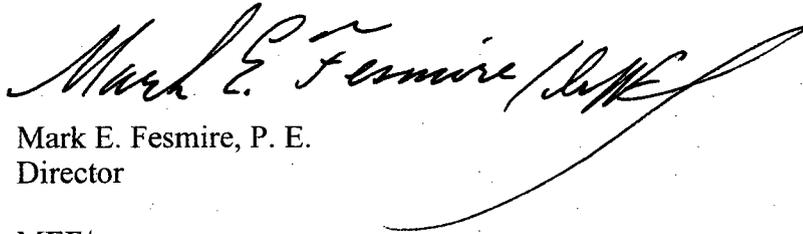
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By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Eumont Gas Pool, Plantation is hereby authorized to simultaneously dedicate Eumont gas production to this 160-acre non-standard gas spacing unit from the three above-described State "E" Com. Wells No. 2, 4, and 5. Furthermore, all provisions applicable to the subject unit in Division Order No. R-520 and Division Administrative Order SD-89-2 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,

A handwritten signature in cursive script, reading "Mark E. Fesmire" followed by a stylized flourish.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: Division Administrative Order SD-89-2
