



Plantation Petroleum Companies

Plantation Petroleum Holdings III, LLC; Plantation Operating, LLC

2007 JAN 22 AM 10 22

2203 Timberloch Place, Ste. 229
The Woodlands, TX 77380
Tel: (281) 296-7222
Fax: (281) 298-2333

January 19, 2007

VIA DHL

Mark E. Fesmire, P.E., Director
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**RE: Quapaw No. 2 – Burgundy Oil & Gas Proof of Notification
Proposed Drilling to Eumont Gas Pool
1830' FSL and 1980' FEL
Unit J, Sec 19, T-20S, R-37E
Lea County, New Mexico
Administrative Order SD-200633**

Dear Mr. Fesmire,

As per your letter dated January 10, 2007 regarding our application to drill the Quapaw No. 2, attached please find a copy of the letter sent to Burgundy Oil and Gas. Also included is an email stating that we have spoken with Bob Stratton at Burgundy, and he has no objection to Plantation developing the Eumont Zone by drilling the Quapaw No. 2. The DHL tracking results also enclosed show proof of delivery to Burgundy Oil and Gas in Midland on January 18, 2007.

Plantation has complied with the Division Rule 104.E and thus, we hereby ask your approval to drill corresponding to the new drilling application for the **Quapaw No. 2**. Notice of this letter has been sent by DHL to the NMOCD in Hobbs, NM.

We thank you for your thoughtful review of this matter as we are continuing our drilling program.

Very truly yours,

PLANTATION OPERATING, LLC

Kimberly Faldyn
Production Tech

cc: Chris Williams
District Supervisor – District 1
1625 N. French Drive
Hobbs, New Mexico 88240



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Plantation Petroleum Holdings III, LLC; Plantation Operating, LLC

2203 Timberloch Place, Ste. 229
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December 19, 2006

VIA DHL

Mark E. Fesmire, P.E., Director
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**RE: Quapaw No. 2 - Proposed Drilling to Eumont Gas Pool
1830' FSL and 1980' FEL
Unit J, Sec 19, T-20S, R-37E
Lea County, New Mexico
Administrative Application for Simultaneous Dedication
Existing Non-Standard Proration Unit
Administrative Order NSP-368**

Dear Mr. Fesmire,

Please find enclosed a copy of the previously approved **Administrative Approval Order NSP-368** dated June 17, 1957, corresponding to the 160 acre **Quapaw No. 1** (P-19-20S-37E) (Gas) proration unit, consisting of SE/4, Sec 19, T-20S, R-37E Lea County, New Mexico, which grants approval to dedicate one Eumont well to the subject existing 160 acre Eumont (Gas) proration unit. We would like to add an additional well and simultaneously dedicate it to the NSP.

Thus, we hereby ask your approval to drill corresponding to the new drilling application for the **Quapaw No. 2**. Approval of the simultaneous dedication application will prevent waste, by allowing for the optimal recovery of remaining gas reserves while protecting our mineral rights, (including gas reserves from tighter Eumont strata, within the Eumont interval).

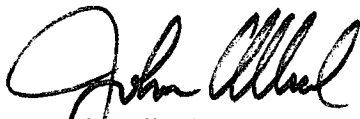
Also, please find enclosed one copy of a new C-101 and C-102 corresponding to the new drilling application for the Quapaw No. 2, along with the C-144 and BOP diagram.

Notice of this administrative application has been sent by DHL to the applicable diagonal and adjacent offset Eumont operators, as well as, the NMOCD in Hobbs, NM.

We thank you for your thoughtful review of this matter as we expect a drilling rig in the next few weeks.

Very truly yours,

PLANTATION OPERATING, LLC



John Allred, P.E.
Engineer

cc:

Chris Williams
District Supervisor – District 1
1625 N. French Drive
Hobbs, New Mexico 88240

Donna Mull
APD Permitting – District 1
1625 N. French Drive
Hobbs, New Mexico 88240

Hudson Oil Company Of Texas
616 Texas Street
Ft. Worth, TX 76102

XTO Energy Incorporated
200 N. Loraine, Ste 800
Midland, TX 79701

Burgundy Oil & Gas
Att: Bob Stratton
401 W Texas, Ste 1003
Midland, TX 79701

← Sent to
Burgundy 1/11/07

Kim Faldyn

From: John Allred [jallred@plantationpetro.com]
Sent: Tuesday, January 16, 2007 6:44 PM
To: 'Kim Faldyn'
Subject: FW: Quapaw # 1 (Dual Completion)



FAX200701101447.
PDF (137 KB)

-----Original Message-----

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Thursday, January 11, 2007 11:25 AM
To: 'Kim Faldyn'
Subject: FW: Quapaw # 1 (Dual Completion)

Kim:

We need to send our standard Offset Operator Letter to Bob Stratton at Burgundy O & G
To comply with NMOCD Rule 104E.

JA

-----Original Message-----

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Wednesday, January 10, 2007 4:03 PM
To: 'Brooks, David K., EMNRD'
Cc: 'Don Dotson'
Subject: RE: Quapaw # 1 (Dual Completion)

David Brooks:

RE: Quapaw # 1 (Dual Completion)

The Quapaw # 1 wellbore a dual completion (see attachments) by previous operator Phillips Petroleum Company, 1957.

Today, Burgundy O & G operates the lower zone Grayburg San Andres and Plantation Operating operates the Eumont upper zone. Each company sends their own pumper to the well each day. Plantation Operating owns its rights to the Eumont Zone within the 160 ac unit.

I talked to Bob Stratton at Burgundy O & G today 1/10/07, he did not object to Plantation Operating developing the Eumont Zone by drilling a new well. We will send a letter to this effect as an official notice to them under Rule 104E.

Its not a perfect situation but, I hope this info will help you in writing your order for the Quapaw # 2.

Regards,

John Allred, P.E.

-----Original Message-----

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, January 10, 2007 12:08 PM
To: John Allred
Subject: RE: Quapaw # 2 (Data)

Dear Mr. Allred

In researching this application, I have encountered another issue.

The Division has no file on a well called the Quapaw No. 1. Your application does not give either an API No. or footages for this well, but the 1957 NSP order does give footages. These footages correspond to the Eunice Monument Well No. 31, operated, according to OCD records, by Burgundy Oil & Gas of NM, Inc., which is reporting gas production from the Eumont.

If Plantation does not operate this well, then it would be necessary for it to comply with the notice provisions of Rule 104.E for drilling a well in a spacing unit where there is an existing well operated by a different operator. Compliance with this rule would not be a prerequisite to issuance of an order approving simultaneous dedication, but it would be a prerequisite for approval of an APD for the Quapaw No. 2. If Plantation operates this well, then it will have to change the operator designation on OCD records before the APD for the second well can be approved.

Although neither of these actions is a prerequisite to simultaneous dedication approval, I will await your response in the hopes that you can clarify this matter, and I can then write an order that correctly reflects the situation.

Thanks for your attention.

David K. Brooks
Assistant General Counsel
505-476-3450

-----Original Message-----

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Thursday, January 04, 2007 4:28 PM
To: Brooks, David K., EMNRD
Subject: Re: Quapaw # 2 (Data)

David:

Re: Quapaw # 2 (Data)

As per our conversation today, attached is our supporting geological/engineering data for drilling the Quapaw # 2 for your approval & processing.

Regards,

John Allred, P.E.
Plantation Petroleum Companies
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380
(281) 296-7222 w
(281) 389-8832 m
(281) 298-2333 Fax

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Kim Faldyn

From: Worldwide_Express_Email_Notifier [support@wwexship.com]
Sent: Friday, January 19, 2007 4:59 AM
To: kfaldyn@plantationpetro.com; logs@wwexship.com
Subject: Delivered_Shipments

Our records indicate that the following shipment was delivered to:

BURGUNDY OIL & GAS
MIDLAND , TX 79701

Tracking Number: 19603466256
Delivery Date/Time: 01/18/07 13:59
Account Number: 795470750
Signed/Released by: E PETERSON RC
Click here for more tracking info: <http://track.dhl-usa.com/atrknv.asp?ShipmentNumber=19603466256>



DHL USA Home DHL Global

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Track results detail

Tracking results detail for 19603466256

► [Help](#)

Tracking summary

Current Status	✓ Shipment delivered.	View Signature
Delivered on	1/18/2007 1:59 pm	
Delivered to	Receptionist	
Signed for by	E PETERSON What is this?	

Tracking history

► [Help](#)

Date and Time	Status	Location
1/18/2007 1:59 pm	Shipment delivered.	Midland, TX Why is this?
1/16/2007 10:43 am	Shipment has arrived at a DHL facility and is transferring to its final destination.	Amarillo, TX
8:29 am	Arrived at DHL facility.	Amarillo, TX
1/12/2007 1:58 am	Transit through sort facility.	Waco, TX
1/11/2007 6:42 pm	Departing origin.	Houston, TX
4:05 pm	Picked Up by DHL.	Shipper's Door
Ship From: PLANTATION PETROLEUM The Woodlands, TX 77380 United States	Ship To: BURGUNDY OIL & GAS Midland, TX 79701 United States	Shipment Information: Ship date: 1/11/2007 Pieces: 1 Total weight: 1 lb * Ship Type: Package Shipment Reference: Service: 2nd day Special Service: Description:
Attention: PLANTATION PETROLEUM	Attention: BURGUNDY OIL & GAS	

Tracking detail provided by DHL: 1/19/2007, 7:23:59 am pt.

[Track new shipment](#)

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*** Note on weight:**
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 10, 2007

Plantation Operating, LLC
Attn: John Allred, P.E.
2203 Timberloch Place, Suite 229
The Woodlands, TX 77380

Administrative Order SD-200633

Re: Quapaw Well No. 2
Unit J, Section 19, Twsp 20S, Range 37E
Lea County

Dear Mr. Allred:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS06-35649148**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 21, 2006,

(b) supplemental information submitted by e-mail on January 4, 2007, and

(c) the Division's records pertinent to your request.

Plantation Operating, LLC (Plantation) has requested to simultaneously dedicate its proposed Quapaw Well No. 2, along with the existing Eumont Monument Well No. 31, operated by Burgundy Oil & Gas of NM, Inc., to an existing, non-standard 160-acre gas spacing unit in Eumont Yates/Seven Rives/Queen Pool, comprising the SE/4 of Section 19, Township 20 South, Range 37 East, N.M.P.M., in Lea County, New Mexico.

The proposed well will be drilled at a standard location 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 19. The Eumont Monument Well No. 1 (API No. 30-025-06169) is located 660 feet FSL and 660 feet FEL (Unit P) of Section 19. Division approval of simultaneous dedication is required because Rule 3(C) of the Special Pool Rules for the Eumont Gas Pool, as provided in Order R-8170, adopted December 14, 2001, prohibits the dedication of more than one gas well per 160 acres in that pool.

Your application has been duly filed under the provisions of Division Rules 104.D(3) and 1210.A, and Rule 4(B) of the Special Pool Rules for the Eumont Gas Pool.

It is our understanding that Plantation is seeking simultaneous dedication of this unit to the two wells described for geological reasons, in order to prevent waste and maximize production from this unit. As required by Rule 4(B) of the applicable pool rules, you have furnished geological evidence to support your conclusion that the granting of this application will prevent waste and will not impair correlative rights.

We also understand that Plantation has given due notice of this application to all "affected persons," as defined in Rule 1210.A(2)(a), in all spacing units in the Eumont adjoining the proposed unit.

Pursuant to the authority granted me under the provisions of Division Rule 104.D(3) and Rule 4(B) of the Special Pool Rules for the Eumont Gas Pool, the above-described simultaneous dedication is hereby approved.

This approval is, however, EXPRESSLY CONDITIONED on Plantation's complying with the provisions of Division Rule 104.E regarding notice to the operator of record of the existing Eumont Monument Well No. 1. The Division will not approve an APD for the proposed Quapaw No. 2 until Plantation filed with the Hobbs district office proof of such compliance.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs