



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

August 4, 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.**
jallred@plantationpetro.com

AMENDED Division Administrative Order NSP-143-B (L) (SD)

Dear Mr. Allred:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 8, 2006 (*administrative application reference No. pMES0-621637048*); (ii) your letter dated June 22, 2006 with supplemental information to support this application; (iii) your e-mail of June 26, 2006 checking on the status of this application; and (iv) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Orders NSP-143, NSP-143-A (L) (SD), NSP-143-B (L) (SD), NSP-1335 and NFL-71: all concerning Plantation Operating, L.L.C.'s ("Plantation") request to amend both Division Administrative Orders NSP-143-A (L) (SD), dated August 14, 1996, and NSP-143-B (L) (SD), dated September 16, 1996, to reflect a location change for one of the wells that was the subject of the 235.98-acre non-standard Jalmat gas spacing unit comprising Lots 1 and 2, the W/2 NE/4, and the E/2 NW/4 of Section 31, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool (79240), Lea County, New Mexico, established in part by these orders.

Division Administrative Order NSP-143-A (L) (SD) split a previously approved 315.98-acre non-standard Jalmat gas spacing unit comprising the N/2 equivalent of Section 31 (see Division Administrative Order NSP-143, dated June 8, 1955) into two separate units comprising:

- (a) the above-described 235.98-acre unit to be operated by Doyle Hartman, Oil Operator ("Hartman") and simultaneously dedicated to the existing R. W. Cowden "C" Well No. 4 (*API No. 30-025-10903*), located at a standard gas well location 990 feet from the North line and 1980 feet from the West line (Unit C) of Section 31 and the proposed R. W. Cowden "C" Well No. 10 to be drilled at an unorthodox gas well location 1650 feet from the North line and 330 feet from the West line (Lot 2/Unit E) of Section 31; and
- (b) the remaining 80 acres comprising the E/2 NE/4 to be operated by Roca Production, Inc. ("Roca") and dedicated to the existing R. W. Cowden "C" Well No. 9 (*API No. 30-025-27918*), located at an unorthodox gas well location 1650 feet from the North line and 800 feet from the East line (Unit H) of Section 31.

Plantation Operating, L.L.C.
August 4, 2006
Page 2

AMENDED Division Administrative Order NSP-143-B (L) (SD)

Division Administrative Order NSP-143-B (L) (SD) formalized this arrangement and placed Division Administrative Order NSP-143-A (L) (SD) in abeyance.

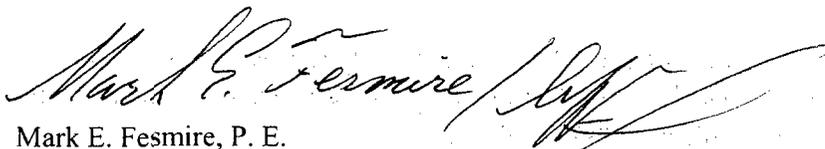
According to your application and the Division's records, Hartman never drilled the R. W. Cowden "C" Well No. 10 at the proposed unorthodox Jalmat infill well location in Unit "E" of Section 31. It is Plantation's intent at this time however, as successor operator to the Hartman acreage, to drill its R. W. Cowden "C" Well No. 10 (*API No. 30-025-36771*) at a standard infill gas well location within the 235.98-acre non-standard unit 990 feet from the North line and 660 feet from the West line (Lot 1/Unit D) of Section 31.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Division Administrative Order NSP143-B (L) (SD) is hereby amended, authorizing Plantation to simultaneously dedicate Jalmat gas production to the 235.98-acre non-standard Jalmat gas spacing unit from its above-described R. W. Cowden "C" Well No. 4 (*API No. 30-025-10903*) in Unit "C" of Section 31 and proposed R. W. Cowden "C" Well No. 10 (*API No. 30-025-36771*) in Lot 1 (Unit C) of Section 31.

All provisions of Division Administrative Order NSP-143-B (L) (SD) not in conflict with this order 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,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
Roco Production Inc. – Midland, Texas

File: NSP-143
NSP-143-A (L) (SD)
NSP-143-B (L) (SD)
NFL-71
NSP-1335