



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 21, 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

CORRECTED Division Administrative Order NSL-5433 (SD) (NSP)

Dear Mr. Allred:

Per your e-mail to Mr. Michael E. Stogner, Staff Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico Tuesday, August 15, 2006, due to inadvertence Division Administrative Order NSL-5433 (SD) (NSP) issued on Division administrative application reference No. pMES0-621445616 and dated August 4, 2006 does not correctly state the intended order of the Division; therefore, this order shall be amended and corrected to read in its entirety as follows:

"Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 14, 2006 (administrative application reference No. pMES0-621445616); (ii) your e-mail correspondence with Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe, on April 10, 11, and 28 and on July 26, 2006; and (iii) the Division's records in Hobbs and Santa Fe: all concerning Plantation Operating, L.L.C.'s ("Plantation") request for an unorthodox infill Eumont gas well location within an existing 80-acre non-standard gas spacing unit comprising the W/2 NW/4 (Units D and E) of Section 17, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool (76480), Lea County, New Mexico.

Your 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.

This non-standard 80-acre gas spacing unit was initially established in 1954 (see letter of authorization from the New Mexico Oil Conservation Commission's district office in Hobbs, New Mexico dated March 16, 1954) for R. B. Honeyman, Jr.'s Wulff State Well No. 2 (API No. 30-025-06138), located at an unorthodox gas well location (approved by the Secretary/Director of the New Mexico Oil Conservation Commission by letter dated April 21, 1954) 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 17. The location of the above-described Wulff State Well No. 2 and 80-acre Eumont gas spacing unit are recognized as duly approved under the "grandfather clause" of Rule 6 (B) of the special Eumont pool rules.

Plantation Operating, L.L.C.

CORRECTED Division Administrative Order NSL-5433 (SD) (NSP)

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It is the Division's understanding that the subject well to be considered at this time was initially drilled to a total depth of 3,855 feet in 1936 and 1937 and completed in the Eunice-Monument (Grayburg-San Andres) Pool (23000) at a standard oil well location within a 40-acre standard oil spacing and proration unit comprising the NW/4 NW/4 (Unit D) of Section 17. Plantation now seeks to plug-back and recomplete this well up-hole into the Eumont Gas Pool upon issuance of this order; however, pursuant to Rule 3 (A) (2) of the special Eumont pool rules this location is considered to be unorthodox.

By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Eumont Gas Pool, the following described well, to be recompleted into the Eumont Gas Pool at an unorthodox infill gas well location within this 80-acre gas spacing unit is hereby approved:

**State "H-17" Well No. 2
330' FN & WL (Unit D) of Section 17
(API No. 30-025-06137).**

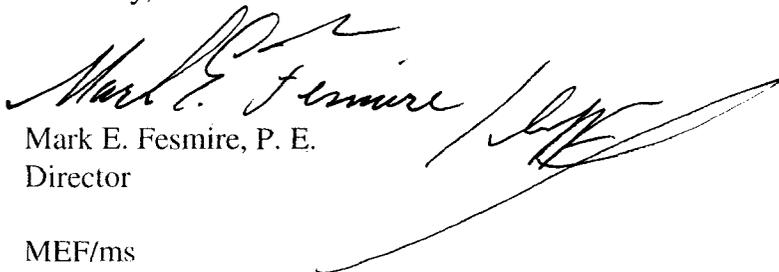
Further, Plantation is hereby authorized to simultaneously dedicate Eumont gas production to the above-described 80-acre non-standard gas spacing unit from both its Wulff State Well No. 2 and State "H-17" Well No. 2.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary."

This corrected order, which is hereby entered into the Division's administrative database as administrative application reference No. pMES0-623342000, shall be entered retroactively as of August 4, 2006 and hereby supersedes the previous Division Administrative Order NSL-5433 (SD) (NSP) issued on August 4, 2006.

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
New Mexico State Land Office – Santa Fe
File: NSL-5433 (SD) (NSP) [Division administrative application reference No. pMES0-621445616]