

DATE IN 4/7/06	SUSPENSE	ENGINEER MIKE Stogner	LOGGED IN 4/10/06	TYPE NSL	APP NO. pTDS06104251
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name _____ Signature _____ Title _____ Date _____

 e-mail Address



PLANTATION PETROLEUM COMPANIES

PLANTATION PETROLEUM HOLDINGS III, LLC; PLANTATION OPERATING, LLC

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

April 6, 2006

Federal Express

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**RE: New Mexico "AA" State No. 7 - Proposed Drilling to Jalamt Gas Pool
NE/4, Unit A , Sec 22, T-23S, R-36E, Lea County, New Mexico
Re-Submitting Previous Approval Administrative Order No. SD-04-10
Administrative Application for Simultaneous Dedication,
Non-Standard Location, in Existing Non-Standard Proration Unit
(Division Order No. R-520)**

2006 APR 7 PM 12 54

Dear Mr. Stogner,

Please find enclosed is a copy of previously approved Administrative Approval Order No. **SD-04-10** dated December 22, 2004, corresponding to the 160 acre **New Mexico "AA" State No. 7** (A-22-23S-36E) (Gas) proration unit, consisting of E/2 W/2 Section 6, T-24S, R-37E Lea County, New Mexico, grants approval to simultaneously dedicate two Jalmat wells, to the subject existing 160 acre Jalmat (Gas) proration unit. The **New Mexico "AA" State No. 1** (H-22-23S-36E) in the NSP was approved under Division Order R-520, issued in Case No. 673 dated August 12, 1954.

Thus, we hereby propose to **Re-Submit Previous Approval Administrative Order No. SD-04-10** for new approval corresponding to the new drilling application for the **New Mexico "AA" State No. 7**. 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 Jalmat strata, within the Jalmat interval).

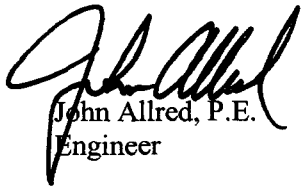
Also, please find enclosed one copy of a new C-101 and C-102 corresponding to the new drilling application for the **New Mexico "AA" State No. 7** along with the C-144 and BOP diagram.

Notice of this administrative application has been sent by Federal Express to the applicable diagonal and adjacent offset Jalmat 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

BP America Production Company
P.O. Box 1610
600 N. Marienfeld
Midland, TX 79702

Mission Resources Corporation
1551 Lamar, Suite 1455
Houston, TX 77010

Lanexco, Inc.
P.O. Box 2730
310 W Wall, Suite 910
Midland, TX 79702

Plantation Operating, LLC
2203 Timberloch Place, Suite 229
The Woodlands, TX 77380

Existing Jalmat (Gas) Proration Unit
New Mexico State "AA"
 NE/4 Section 22, T-23-S, R-36-E
 (160 acres)

New Mexico State AA # 10
 A-22-23S-36E
 660' FNL & 810' FEL
 Proposed Jalmat Gas Well
 Plantation Operating

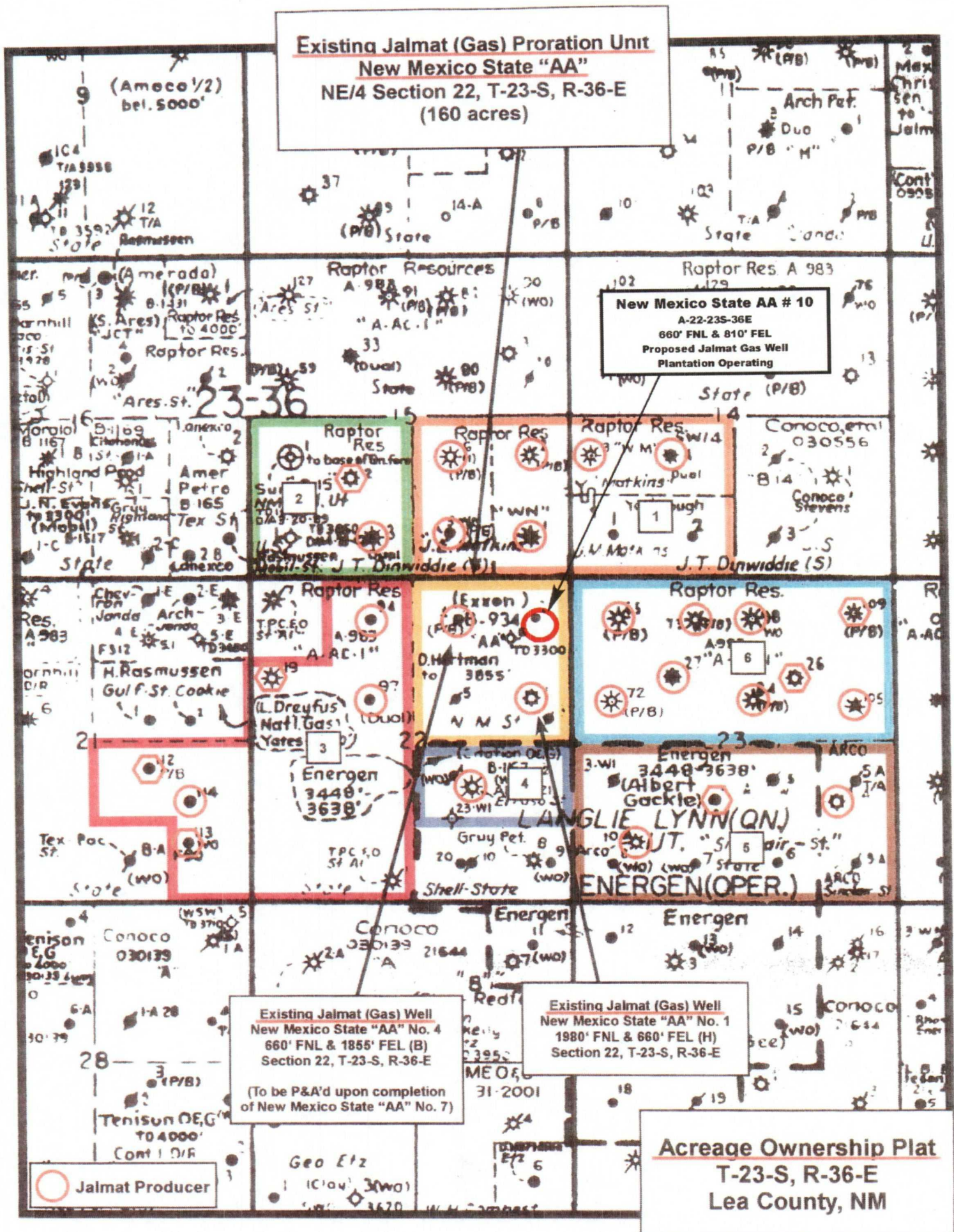
Existing Jalmat (Gas) Well
 New Mexico State "AA" No. 4
 660' FNL & 1855' FEL (B)
 Section 22, T-23-S, R-36-E

(To be P&A'd upon completion
 of New Mexico State "AA" No. 7)

Existing Jalmat (Gas) Well
 New Mexico State "AA" No. 1
 1980' FNL & 660' FEL (H)
 Section 22, T-23-S, R-36-E

Acreage Ownership Plat
 T-23-S, R-36-E
 Lea County, NM

 Jalmat Producer



Adjacent and Diagonal Jalmat Operators

Doyle Hartman-operated
New Mexico State "AA" Jalmat P.U.
NE/4 Section 22, T-23-S, R-36-E
Lea County, New Mexico
(160 acres)

Tract	Color Code	Operator	Jalmat P.U. Description	Lease Name	Well No.	Jalmat Well Location(s)	No. of Wells	Offset Well Spacing (acres/well)
1	Orange	Mission Resources Corp.	SW/4 Section 14 SE/4 Section 15 T-23-S, R-36-E (320 acres)	Matkins	1 2 3 4 5 6	P-15-23S-36E I-15-23S-36E L-14-23S-36E K-14-23S-36E O-15-23S-36E J-15-23S-36E	6	53.3
2	Green	Mission Resources Corp.	SW/4 Section 15 T-23-S, R-36-E (160 acres)	Stevens "B-15"	2* 3	K-15-23S-36E N-15-23S-36E	1	160.0
3	Pink	Mission Resources Corp.	N/2 SE/4, SE/4 SE/4 Section 21 & NE/4 NW/4, S/2 NW/4, SW/4 Section 22, T-23-S, R-36-E (400 acres)	State "A A/C 1"	19* 94 97 112* 113* 114	E-22-23S-36E C-22-23S-36E F-22-23S-36E J-21-23S-36E P-21-23S-36E I-21-23S-36E	3	133.3
4	Purple	Lanexco Inc.	N/2 SE/4 Section 22 T-23-S, R-36-E (80 acres)	El Paso State	1	J-22-23S-36E	1	80.0
5	Brown	BP America	S/2 Section 23 T-23-S, R-36-E (320 acres)	Sindlair "A" State	1 2* 10	I-23-23S-36E K-23-23S-36E M-23-23S-36E	2	160.0
6	Blue	Mission Resources Corp.	N/2 Section 23 T-23-S, R-36-E (320 acres)	State "A A/C 1"	26* 27 65 72 73 84 98 105 109*	G-23-23S-36E F-23-23S-36E D-23-23S-36E E-23-23S-36E C-23-23S-36E G-23-23S-36E B-23-23S-36E H-23-23S-36E A-23-23S-36E	7	45.7

* Inactive/Abandoned Well

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Plantation Operating, LLC 2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380		² OGRID Number 237788
		³ API Number 30 - 025-
³ Property Code 302120	⁵ Property Name New Mexico "AA" State	⁶ Well No. 7
⁹ Proposed Pool 1 Jalmat (Gas)		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	23S	36E		660'	North	1650'	East	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3373'
¹⁶ Multiple No	¹⁷ Proposed Depth 3750'	¹⁸ Formation Yates - 7 Rivers	¹⁹ Contractor To Be Determined	²⁰ Spud Date ASAP
Depth to Groundwater 141'		Distance from nearest fresh water well > 1,000'		Distance from nearest surface water > 1,000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 8905 bbls Drilling Method: Drilling				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	450'	350	Surface
7 7/8"	5 1/2"	17#	3750'	850	Surface

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Before drilling out from surface pipe, the well will be equipped with a 3000-psi 10-inch Series-900 double-ram hydraulic BOP and Hydril and surface pipe and BOP system will be tested to a minimum pressure of 1500 psig. Cement volumes may be adjusted to insure that the cement behind both the 8-5/8" and 5-1/2" casing strings will be circulated in sufficient volumes to the surface.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Donald P. Dotson, P.E. <i>Donald Dotson/K2</i>		Approved by:	
Title: COO		Title:	
E-mail Address: ddotson@plantationpetro.com		Approval Date:	
Date: 3/28/2006		Expiration Date:	
Phone: 281-296-7222		Conditions of Approval Attached <input type="checkbox"/>	

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505Revised October 12, 2005
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name NEW MEXICO AA STATE	Well Number 7
OGRID No.	Operator Name PLANTATION OPERATING, LLC	Elevation 3373'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	23-S	36-E		660	NORTH	810	EAST	LEA

Bottom Hole Location If Different From Surface

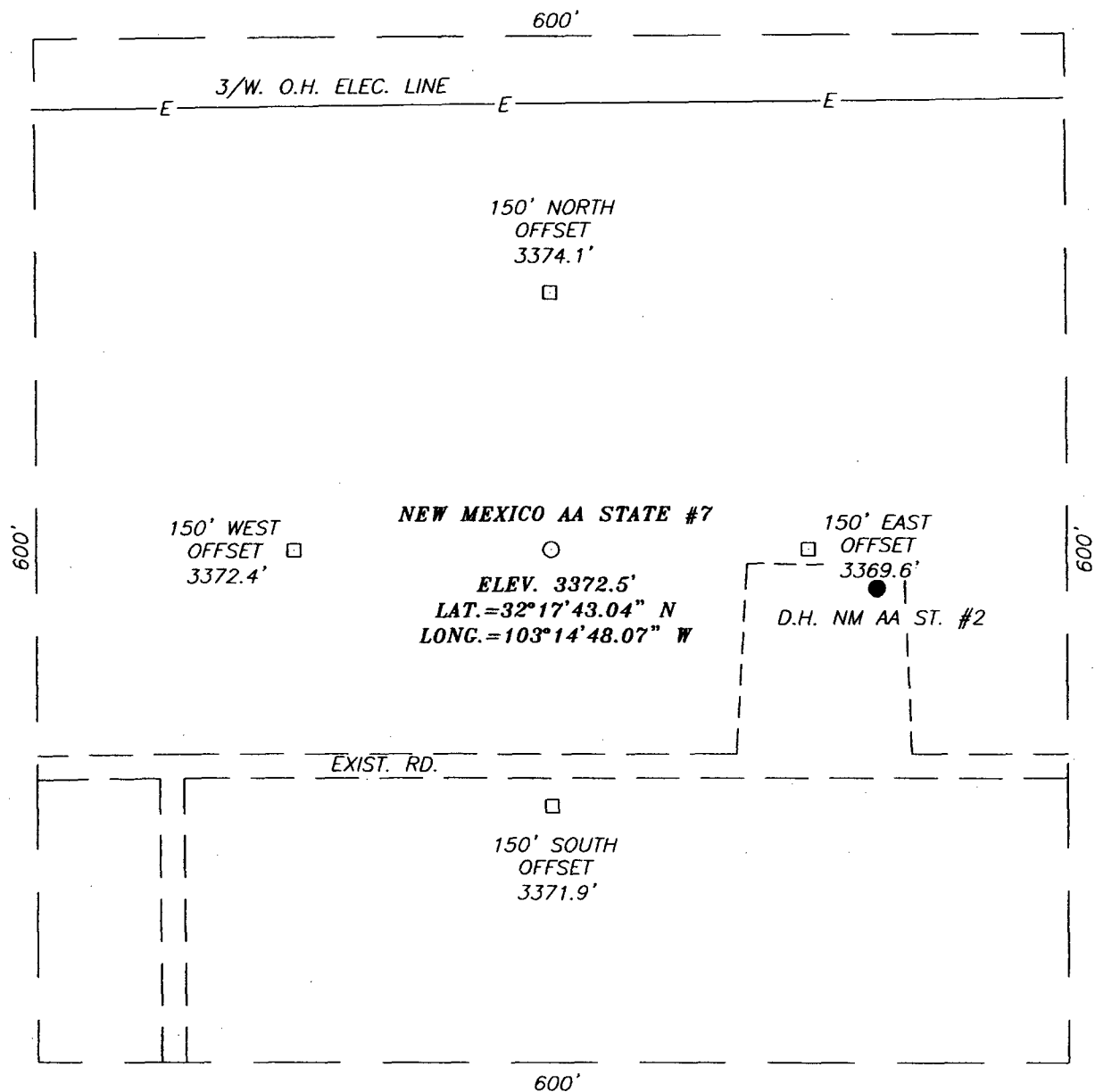
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

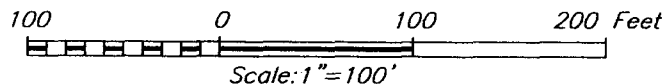
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=472845.0 N X=835779.3 E</p> <p>LAT.=32°17'43.04" N LONG.=103°14'48.07" W</p>	<p>660'</p> <p>810'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>John Allred</i> 4/16/06 Signature Date</p> <p>JOHN ALLRED Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 24, 2006</p> <p>Date Surveyed MR</p> <p>Signature & Seal of Professional Surveyor.</p> <p><i>Gary Edson</i> 3/29/06 06.11.0545</p> <p>Certificate No. GARY EDSON 12841</p>	

SECTION 22, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY #18 AND CO. RD. E-11 (TEAGUE SWITCH RD.), GO WEST ON TEAGUE SWITCH RD. APPROX. 200 FEET. VEER RIGHT AND GO NORTH APPROX. 0.1 MILES. VEER LEFT AND GO NORTHWEST APPROX. 0.5 MILES. VEER LEFT AND GO WEST-NORTHWEST APPROX. 2.4 MILES. VEER LEFT AND CONTINUE WEST APPROX. 0.8 MILES. TURN LEFT AND GO SOUTH APPROX. 0.1 MILES. TURN RIGHT AND GO WEST APPROX. 0.1 MILES. THIS LOCATION IS APPROX. 180 FEET WEST.



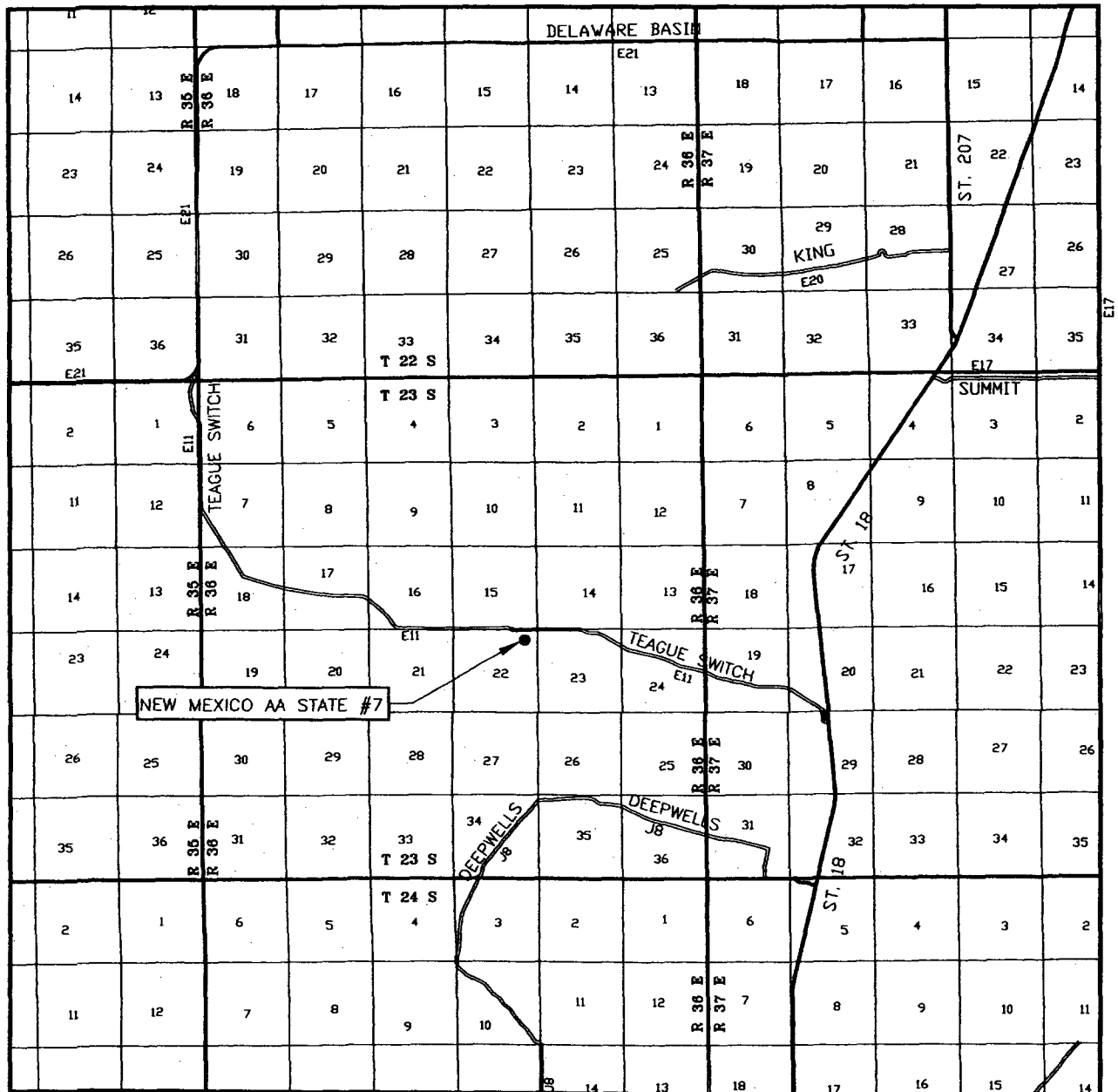
PLANTATION OPERATING, LLC

NEW MEXICO AA STATE #7
 LOCATED 660 FEET FROM THE NORTH LINE
 AND 810 FEET FROM THE EAST LINE OF SECTION 22,
 TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

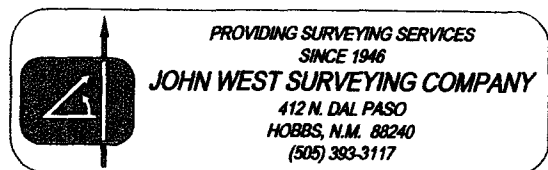
Survey Date: 03/24/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0545	Dr By: M.R.
Date: 03/29/06	Disk: CD#6
06110545	Scale: 1"=100'

VICINITY MAP

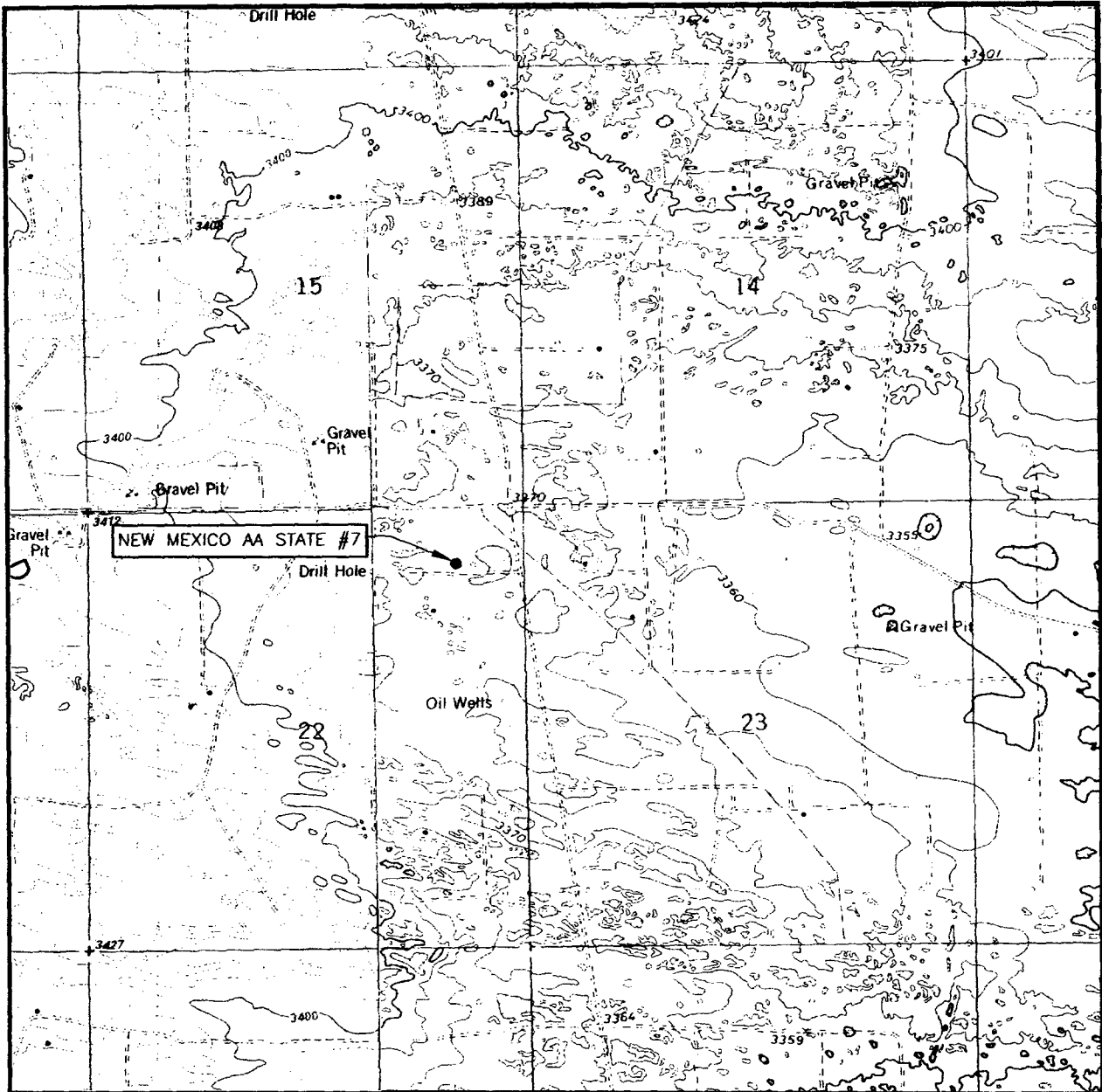


SCALE: 1" = 2 MILES

SEC. 22 TWP. 23-S RGE. 36-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 660' FNL & 810' FEL
 ELEVATION 3373'
 OPERATOR PLANTATION OPERATING, LLC
 LEASE NEW MEXICO AA STATE



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RATTLESNAKE CANYON, N.M. - 10'
EAST LAKE, N.M. - 10'

SEC. 22 TWP. 23-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

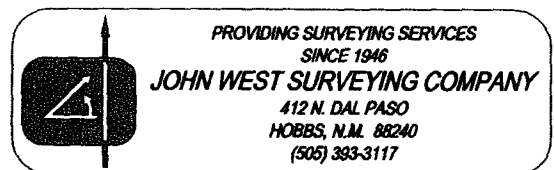
DESCRIPTION 660' FNL & 810' FEL

ELEVATION 3373'

OPERATOR PLANTATION
 OPERATING, LLC

LEASE NEW MEXICO AA STATE

U.S.G.S. TOPOGRAPHIC MAP
RATTLESNAKE CANYON, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>Plantation Operating, LLC</u> Telephone: <u>281-296-7222</u> e-mail address: <u>ddotson@plantationpetro.com</u>		
Address: <u>2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380</u>		
Facility or well name: <u>New Mexico AA State #7</u> API #: <u>30-025-</u> U/L or Qtr/Qtr <u>NW/4 NE/4</u> Sec <u>22</u> T <u>23S</u> R <u>36E</u>		
County: <u>Lea</u> Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>8,905</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>141'</u>	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points) 0
	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No No	(0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(0 points) 0
Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 4/06/2006

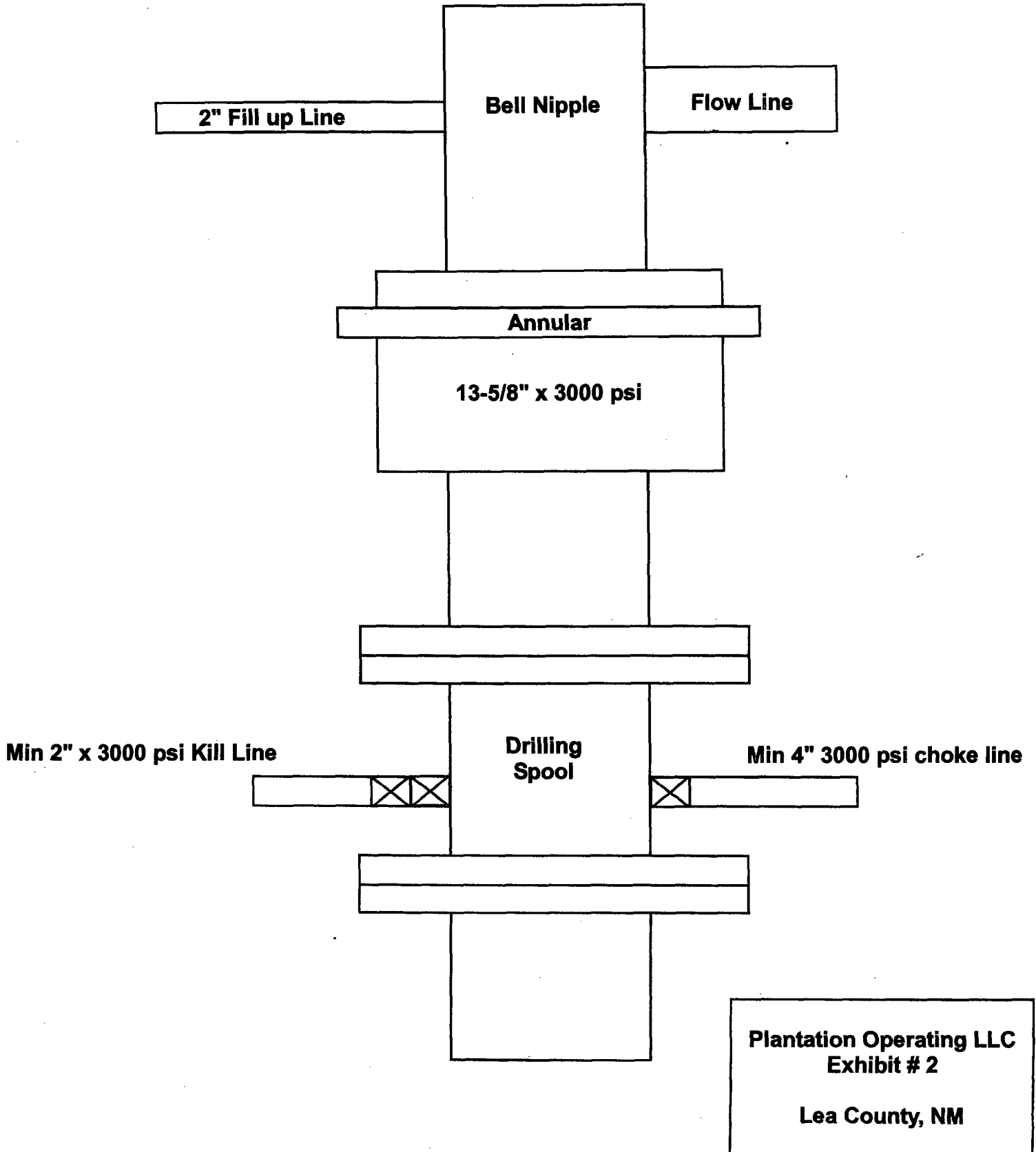
Printed Name/Title Donald P. Dotson / COO Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

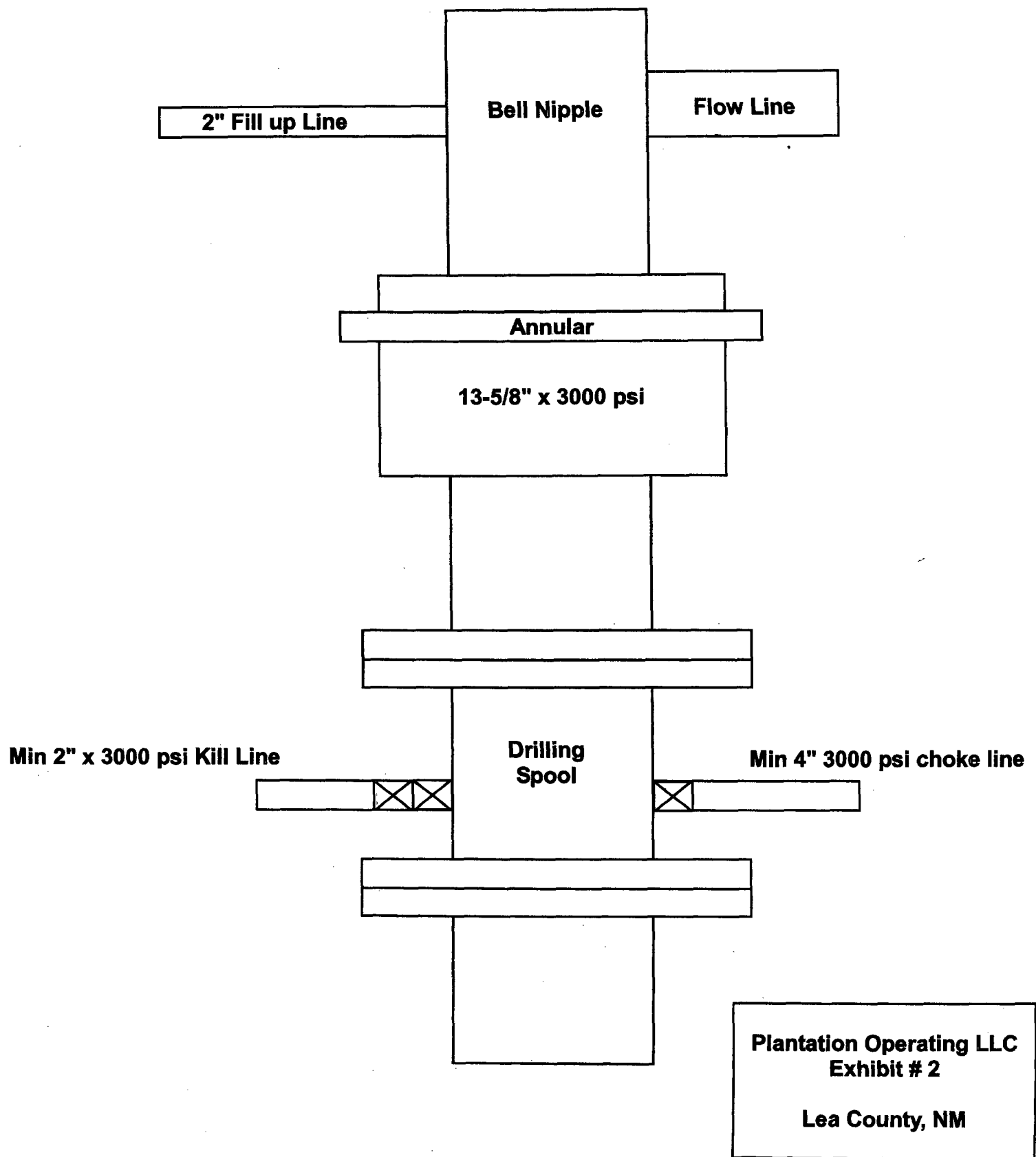
Approval:

Printed Name/Title _____ Signature _____ Date: _____

Plantation Operating, LLC
BOP Schematic for 12-1/4" Hole



Plantation Operating, LLC
BOP Schematic for 12-1/4" Hole



DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(432) 684-4011
(432) 682-7616 FAX

July 13, 2004

CERTIFIED MAIL (RECEIPT NO. 7001 1140 0002 8323 3128) AND FEDEX

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**Re: Re-submittal of Proof of Notices corresponding to Administrative Application for Simultaneous Dedication, as required by NMOCD letter, dated May 6, 2004
Proposed New Mexico State "AA" No. 7 / (A-22-23S-36E or B-22-23S-36E)
NE/4 Section 22, T-23-S, R-36-E
Lea County, New Mexico
[Administrative Order SD-80-12 Jalmat (Gas) Proration Unit]**

Dear Mr. Stogner:

Reference is made to your letter dated May 6, 2004, corresponding to our administrative application to the New Mexico Oil Conservation Division, for approval of our simultaneous-dedication application, corresponding to our 160-acre New Mexico State "AA" Jalmat (Gas) proration unit, consisting of the NE/4 Section 22, T-23-S, R-36-E, Lea County, New Mexico, filed with the New Mexico Oil Conservation Division, March 26, 2004.

In this regard, we are re-submitting our original March 26, 2004 application to you, along with proof of notice, to all offset operators, as required in your letter of May 6, 2004.

Administrative Order SD-80-12, corresponding to the 160-acre New Mexico State "AA" Jalmat (Gas) proration unit, consisting of the NE/4 Section 22, T-23-S, R-36-E, Lea County, New Mexico, grants approval to simultaneously dedicate the following two (2) Jalmat wells, to the subject 160-acre Jalmat (Gas) proration unit.

New Mexico State "AA" No. 1
New Mexico State "AA" No. 4

H-22-23S-36E
B-22-23S-36E

As to the New Mexico State "AA" No. 4 well, the well was drilled and completed as a tubingless completion; i.e., the 2 7/8" O.D. tubing serves as the casing string, with 1 1/2" O.D. tubing serving as the tubing string. As a result of the highly-restrictive mechanical arrangement, and with the

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
March 25, 2004
Page 2

present lower pressures, the New Mexico State "AA" No. 4 is not mechanically capable of efficiently and effectively recovering remaining lease reserves.

Consequently, we hereby propose to drill the New Mexico State "AA" No. 7 well, as a **replacement** Jalmat producer, for the New Mexico State "AA" No. 4 well, with the **proposed** New Mexico State "AA" No. 7 Jalmat well to be located in either A-22-23S-36E (660' FNL and 810' FEL) or B-22-23S-36E (660' FNL and 1650' FEL). Upon the successful completion of the New Mexico State "AA" No. 7 well, the New Mexico State "AA" No. 4 well will be plugged and abandoned, along with the currently temporarily-abandoned New Mexico State "AA" No. 2 well, situated in A-22-23S-36E.

Approval of this simultaneous dedication application will prevent waste, by allowing for the optimal recovery of remaining gas reserves (including gas reserves from tighter Jalmat strata, within the Jalmat interval). The subject application will also allow a material portion of the remaining reserves to be recovered during the current period of reduced North American gas deliverability and tighter gas supplies.

Notice of this administrative application, and our request for written waiver (as enclosed herewith), has been sent by certified mail to the applicable diagonal and adjacent offset Jalmat operators, which operator's are as follows:

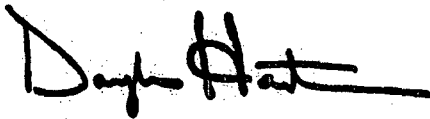
- 1) Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, Texas 77010-3039
Kent Rogers, V.P. Operations
Certified Mail Receipt No. 7001 1140 0002 8323 3111 (Mailed July 13, 2004)
- 2) Lanexco, Inc.
P.O. Box 2730
Midland, Texas 79702
Certified Mail Receipt No. 7001 1140 0002 8323 3098 (Mailed July 13, 2004)
- 3) BP America
Box 1610
600 N. Marienfeld
Midland, Texas 79701
Attn: Dave McKenna, Operations Center Manager
Certified Mail Receipt No. 7001 1140 0002 8323 3104 (Mailed July 13, 2004)

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
July 13, 2004
Page 3

We thank you for your thoughtful review of this matter.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal flourish extending to the right.

Doyle Hartman
Owner



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 6, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702

Attention: Doyle Hartman

Re: *Administrative application (Division reference No. pMES0-412735351) filed with the Division on March 29, 2004 for an exception to the well density requirements, Rule 3 (C) of the "Special Pool Rules for the Jalmat Gas Pool (79240)," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, within an existing non-standard 160-acre Jalmat gas spacing unit comprising the NE/4 of Section 22, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico (approved by Division Order No. R-520, issued in Case No. 673 on August 12, 1954).*

Dear Mr. Hartman:

Your application is incomplete with respect to notice. Please refer to Rule 4 (B) (3) of the special rules currently governing the Jalmat Gas Pool, which states in part:

"the applicant has obtained consent of or given notice to all operators of any unit or units adjacent to the spacing unit requiring the well density exception..."

You failed to provide such notice to the Jalmat operator to the south in the existing 80-acre unit comprising the N/2 SE/4 of Section 22 and to the southeast in the existing 320-acre unit comprising the S/2 of Section 23, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The subject application is hereby **denied** and is being returned to you at this time.

Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: SH
LL

cc: New Mexico Oil Conservation Division – Hobbs
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman, Oil Operator – Santa Fe



MAY 11 2004



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 10, 1980

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

NJP ✓
File AA#4
COPY - AA#1
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Grace Petroleum Corp.
P. O. Drawer 2358
Midland, Texas 79702

Attention: Mr. Douglas W. Rice

Administrative Order SD-80-12

Gentlemen:

You are hereby authorized to simultaneously dedicate a 160-acre proration unit comprising the NE/4 of Section 22, Township 23 South, Range 36 East, NMPM, to your New Mexico State "AA" Well No. 1 located 1980 feet from the North line and 660 feet from the East line and your New Mexico State "AA" Well No. 4, located 660 feet from the North line and 1855 feet from the East line, both in said Section 22, Lea County, New Mexico.

Further, you are hereby permitted to produce the allowable from any of the wells on the proration unit in any proportion.

Sincerely,


JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

DISTRICT I

P.O. Box 1000, Hobbs, NM 88241-1000

DISTRICT II

P.O. Drawer 20, Lordsburg, NM 88311-0710

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2000, Santa Fe, N.M. 87504-2000

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-	Pool Code 79240	Pool Name Jalmat (T-Y-7R) Gas
Property Code 5058	Property Name New Mexico "AA" State	Well Number 7
OGHD No. 6473	Operator Name Doyle Hartman	Elevation 3373'

Surface Location

UL or lot No.	Section	Township	Range	Lot Mn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	23S	36E		660'	North	1650'	East	Lea

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Mn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>Existing Jalmat (Gas) Well New Mexico State "AA" No. 4 660' FNL & 1650' FEL (B) Section 22, T-23-S, R-36-E (To be P&A'd upon completion of New Mexico State "AA" No. 7)</p>	<p>Proposed Infill Jalmat Well New Mexico "AA" State No. 7 660' FNL & 1650' FEL (B) Sec. 22, T-23-S, R-36-E</p>	<p>Existing Jalmat (Gas) Well New Mexico State "AA" No. 1 1660' FNL & 660' FEL (H) Section 22, T-23-S, R-36-E</p>	<p>Existing Jalmat (Gas) P.U. New Mexico "AA" State NE 1/4 Section 22, T-23-S, R-36-E Lea County, NM (160 acres)</p>	<p>GEODETIC COORDINATES NAD 27 NME Y = 472838.1 X = 834939.6 LAT. 32°17'43.06"N LONG. 103°14'57.85"W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Doyle Hartman</i> Signature Steve Hartman Printed Name Engineer Title 07/13/2004 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 18, 2003</p> <p>Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor 03/11/0874 Certification No. ROMANA P. EDSON 3239 SANTA FE, NM 87505 12841</p>
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 22, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702

Telefax No. (432) 682-7616

Attention: **Doyle Hartman**

Administrative Order SD-04-10

Dear Mr. Hartman:

Reference is made to the following: (i) your initial application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on March 29, 2004 (*administrative application reference No. pMES0-412735351*); (ii) the Division's response by letter from Mr. Michael E. Stogner, Engineer/Hearing Officer in Santa Fe, on May 6, 2004 denying this application; (iii) your re-submittal of an amended form of this application on July 14, 2004; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Order SD-80-12: all concerning Doyle Hartman's plans for additional development of the Jalmat Gas Pool (79240) within the existing non-standard 160-acre gas spacing unit comprising the NE/4 of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

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

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

- (1) your New Mexico "AA" State Well No. 1 (API No. 30-025-09374), located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 22; and
- (2) your New Mexico "AA" State Well No. 4 (API No. 30-025-09377), located at a standard infill gas well location 660 feet from the North line and 1855 feet from the East line (Unit B) of Section 22, which well was the subject of Division Administrative Orders SD-80-12, dated November 10, 1980.



DEC 28 2004

Doyle Hartman, Oil Operator
December 22, 2004
Page 2

Division Administrative Order SD-04-10

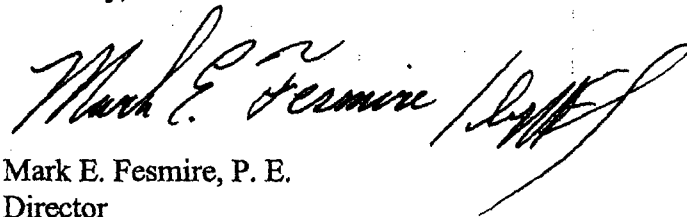
It is the Division's understanding that the above-described New Mexico "AA" State Well No. 4 in Unit "B" is to be replaced with your proposed New Mexico "AA" State Well No. 7 to be drilled at a standard infill gas well location, either: (i) 660 feet from the North line and 810 feet from the East line (Unit A) of Section 22; or (ii) 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 22. FURTHER, once Jalmat gas production is established in the New Mexico "AA" State Well No. 7, the New Mexico "AA" State Well No. 4 will be abandoned.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Doyle Hartman is hereby authorized to simultaneously dedicate Jalmat gas production to this 160-acre non-standard gas spacing unit from both the above-described New Mexico "AA" State Wells No. 1 and 7.

IT IS FURTHER ORDERED HOWEVER THAT the provisions of Division Administrative Order SD-80-12, as to the above-described New Mexico "AA" State Well No. 4, shall remain in affect until such time as the proposed New Mexico "AA" State Well No. 7 is successfully completed within the Jalmat Gas Pool and commences producing. At that time the provisions of Division Administrative Order SD-80-12 shall become null and void and that said order is hereby placed in abeyance 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
New Mexico State Land Office – Santa Fe
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: SD-80-12

Stogner, Michael, EMNRD

From: John Allred [jallred@plantationpetro.com]
To: Stogner, Michael, EMNRD
Cc:
Subject: FW: Re: Plantation Operating - Drilling List 2006
Attachments:

Sent: Tue 4/25/2006 9:14 AM

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

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Monday, April 24, 2006 2:14 PM
To: Donna Mull (dmull@state.nm.us)
Cc: Don Dotson
Subject: Re: Plantation Operating Drilling List 2006

Michael:

Re: Plantation Operating - Drilling List 2006

Here is a list of wells we want to get NMOCD approved & drilled this 2006 year.

The ones in yellow we have mailed to you in Santa Fe, NM.

Please check and see if you have received them and what the status is of them.

Carter Eaves "NCT" A #3
6K-24S-37E

Martin "B" #3
31C-24S-37E

New Mexico "AA" State #7
22B-23S-36E

Boren Greer #4
21E-22S-36E

State E Com #5
16I-21S-36E

State A Com #6
8G-21S-36E

Bois d Arc # 1

Quapaw #2
19J-20S-37E

**Myers B-28 A/C-2 #4
28I-20S-37E**

**Hansen State #10
16A-20S-37E**

**Myers B-27 #2
27C-20S-37E**

**Turner State #4
32B-20S-37E**

**Wulff State #3
17D-20S-37E**

**Wulff State #4
16H-21S-36E**

Stevens B-18 # 1

State E Com # 6

State A Com # 7

Elloitt B-6 # 1

Cypress #1

**State H
17B**

Regards,

John Allred

Plantation Petroleum Companies

2203 Timberloch Place, Suite 229

The Woodlands, Texas 77380

(281) 296-7222 w

(281) 389-8832 m

(281) 298-2333 Fax