



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 31, 2006

John Allred, P.E.
Plantation Petroleum Company
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380

RE: **Myers B Federal #34**
1940 feet FNL & 330 feet FEL
Unit H, Section 6, T-24-S, R-37-E, Lea County, NM

Administrative Order NSL-5473

Dear Mr. Allred:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0-627834531**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 04, 2006: and

(b) the Division's records pertinent to Plantation's request.

Plantation Petroleum Company requests to drill its Myers B Federal #34 at an unorthodox Jalmat Gas Pool (**pool code 79240**) 1940 feet from the North line and 330 feet from the East line (Unit H) of Section 6, Township 24 South, Range 37 East, N.M.P.M., in Lea County, New Mexico.

Lot 1 and the SE/4NE/4 (E/2NE/4 equivalent) of Section 6 will be dedicated to this well in order to form a non-standard 79.51-acre gas spacing and proration unit in the Jalmat Gas Pool. Division Administrative Order NSP-1076-A (L) issued on August 7, 2006, approved this non-standard gas spacing and proration unit. This order also approved the unorthodox gas well location for the Myers B Federal #34 originally scheduled to be drilled at 1980 feet from the North line and 990 feet from the East line

Your application has been duly filed under the provisions of the Division Rule 104.F, and 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.

It is our understanding that due to several unmarked buried pipelines in the existing approved location for this well, the well is now being moved to a point 1940 feet from the North line and 330 feet from the East line. Additionally, it is also our understanding that an active water injection well (Oxy-MLMU #141 1960 feet FNL & 660 feet FEL) precluded Plantation Petroleum Company from locating the well at a standard location.

Pursuant to the authority granted under the provisions of Rule 4 (A) of the special rules governing the Jalmat Gas Pool, the above-described unorthodox gas well location is hereby approved.

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", is written over a light blue horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Hobbs
Bureau of Land Management (BLM) - Carlsbad