



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.

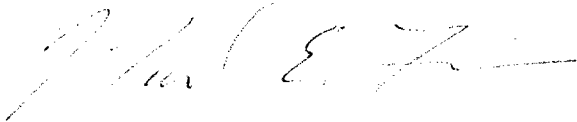
We also understand that Plantation has given due notice of this application to all "affected persons," as defined in Rule 1210.A(2)(a), in all spacing units in the Eumont adjoining the proposed unit.

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', is written over a light blue horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs