

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Plantation Operating
 Quapaw #2
 200633*

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

December 19, 2006

VIA DHL

Mark E. Fesmire, P.E., Director
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**RE: Quapaw No. 2 - Proposed Drilling to Eumont Gas Pool
1830' FSL and 1980' FEL
Unit J, Sec 19, T-20S, R-37E
Lea County, New Mexico
Administrative Application for Simultaneous Dedication
Existing Non-Standard Proration Unit
Administrative Order NSP-368**

2006 DEC 21 PM 1 41

Dear Mr. Fesmire,

Please find enclosed a copy of the previously approved **Administrative Approval Order NSP-368** dated June 17, 1957, corresponding to the 160 acre **Quapaw No. 1** (P-19-20S-37E) (Gas) proration unit, consisting of SE/4, Sec 19, T-20S, R-37E Lea County, New Mexico, which grants approval to dedicate one Eumont well to the subject existing 160 acre Eumont (Gas) proration unit. We would like to add an additional well and simultaneous dedicate it to the NSP.

Thus, we hereby ask your approval to drill corresponding to the new drilling application for the **Quapaw No. 2**. 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 Eumont strata, within the Eumont interval).

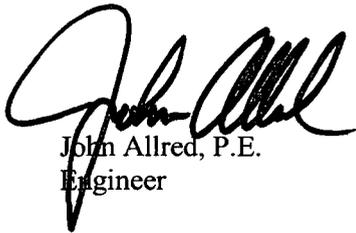
Also, please find enclosed one copy of a new C-101 and C-102 corresponding to the new drilling application for the Quapaw No. 2, along with the C-144 and BOP diagram.

Notice of this administrative application has been sent by DHL to the applicable diagonal and adjacent offset Eumont 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

Hudson Oil Company Of Texas
616 Texas Street
Ft. Worth, TX 76102

XTO Energy Incorporated
200 N. Loraine, Ste 800
Midland, TX 79701

Plantation Operating LLC
Quapaw Lease
 SE/4, Section 19
 T-20-S, R-37-E
 Lea County, New Mexico
 (160 acres)

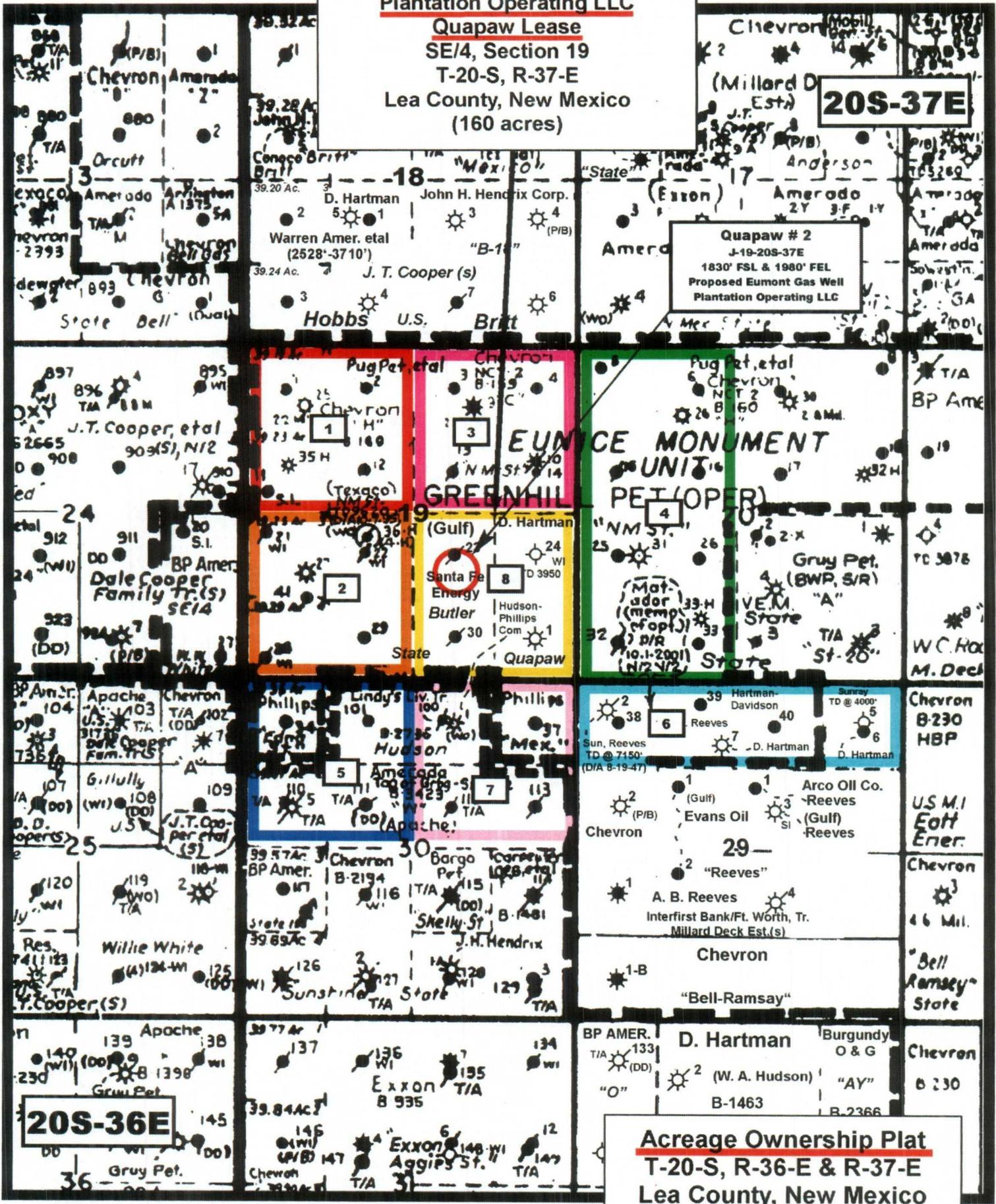
20S-37E

Quapaw # 2
 J-19-20S-37E
 1830' FSL & 1980' FEL
 Proposed Eumont Gas Well
 Plantation Operating LLC

EUNICE MONUMENT
UNIT 16
GREENHILL
PET (OPER)

20S-36E

Acreeage Ownership Plat
T-20-S, R-36-E & R-37-E
 Lea County, New Mexico
 Scale: 1" = 2000'



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-
⁵ Property Code	⁵ Property Name Quapaw	⁶ Well No. 2
⁹ Proposed Pool 1 Eumont Gas (Yates-7Rivers-Queen)		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
J	19	20S	37E		1830'	South	1980'	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 3527'
¹⁶ Multiple No	¹⁷ Proposed Depth 3800'	¹⁸ Formation Yates - 7 Rivers-Queen	¹⁹ Contractor To Be Determined	²⁰ Spud Date ASAP
Depth to Groundwater N/A		Distance from nearest fresh water well > 1,000'		Distance from nearest surface water > 1,000'
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Closed-Loop System <input checked="" 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
8 3/4"	7"	20#	450'	350	Surface
6 1/8"	4 1/2"	11.6#	3800'	600	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 2000-psi 7-1/16-inch Series-600 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 7" and 4-1/2" 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		
	Approved by:		
	Printed name: Kimberly Faldyn <i>Kimberly Faldyn</i> Title:		
	Title: Production Tech	Approval Date:	Expiration Date:
	E-mail Address: kfaldyn@plantationpetro.com		
Date: 12/19/2006	Phone: 281-296-7222	Conditions of Approval Attached <input type="checkbox"/>	

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRANCE DR., HOBBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
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 76480	Pool Name Eumont (Y-7R-Q) Gas
Property Code	Property Name QUAPAW	Well Number 2
OGRID No. 237788	Operator Name PLANTATION OPERATING, LLC	Elevation 3527'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	20-S	37-E		1830	SOUTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

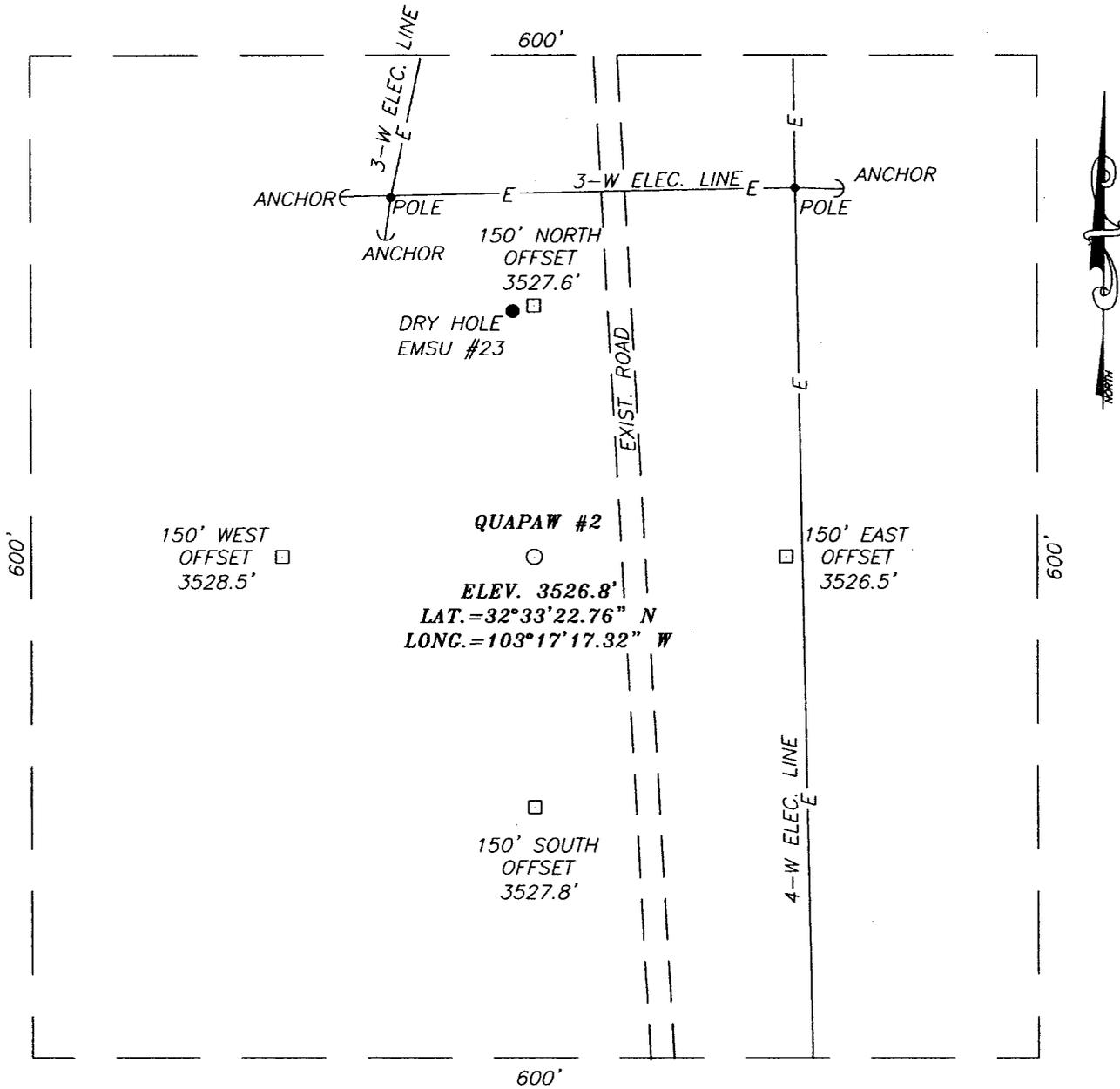
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No. NSP - 368 6/17/57
------------------------	----------------------	--------------------	--------------------------------

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

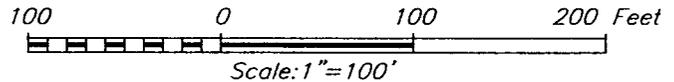
<p>LOT 1</p> <p>LOT 2</p> <p>LOT 3</p> <p>LOT 4</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=567683.2 N X=822039.2 E</p> <p>LAT.=32°33'22.76" N LONG.=103°17'17.32" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and 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> 12/14/06 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 10, 2006 Date Surveyed LA</p> <p><i>Gary Edson</i> Signature and Seal Professional Surveyor</p> <p>GARY EDSON NEW MEXICO 06.11.0469 3/7/06</p> <p>Certificate No. GARY EDSON 12841 REGISTERED PROFESSIONAL SURVEYOR</p>

SECTION 19, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF MADDOX ROAD AND ST. HWY. #8 GO NORTH ON ST. HWY. 8 APPROX. 1.8 MILES. ROAD BENDS TO THE LEFT AND CONTINUES NORTHWEST APPROX. 0.4 MILES. TURN LEFT THRU CATTLE GUARD AND GO SOUTHWEST APPROX. 0.6 MILES. VEER TO THE RIGHT AND CONTINUE EAST APPROX. 1.1 MILES. TURN LEFT AND GO SOUTH APPROX. 0.4 MILES. THIS LOCATION IS APPROX. 100 FEET WEST OF ROAD.



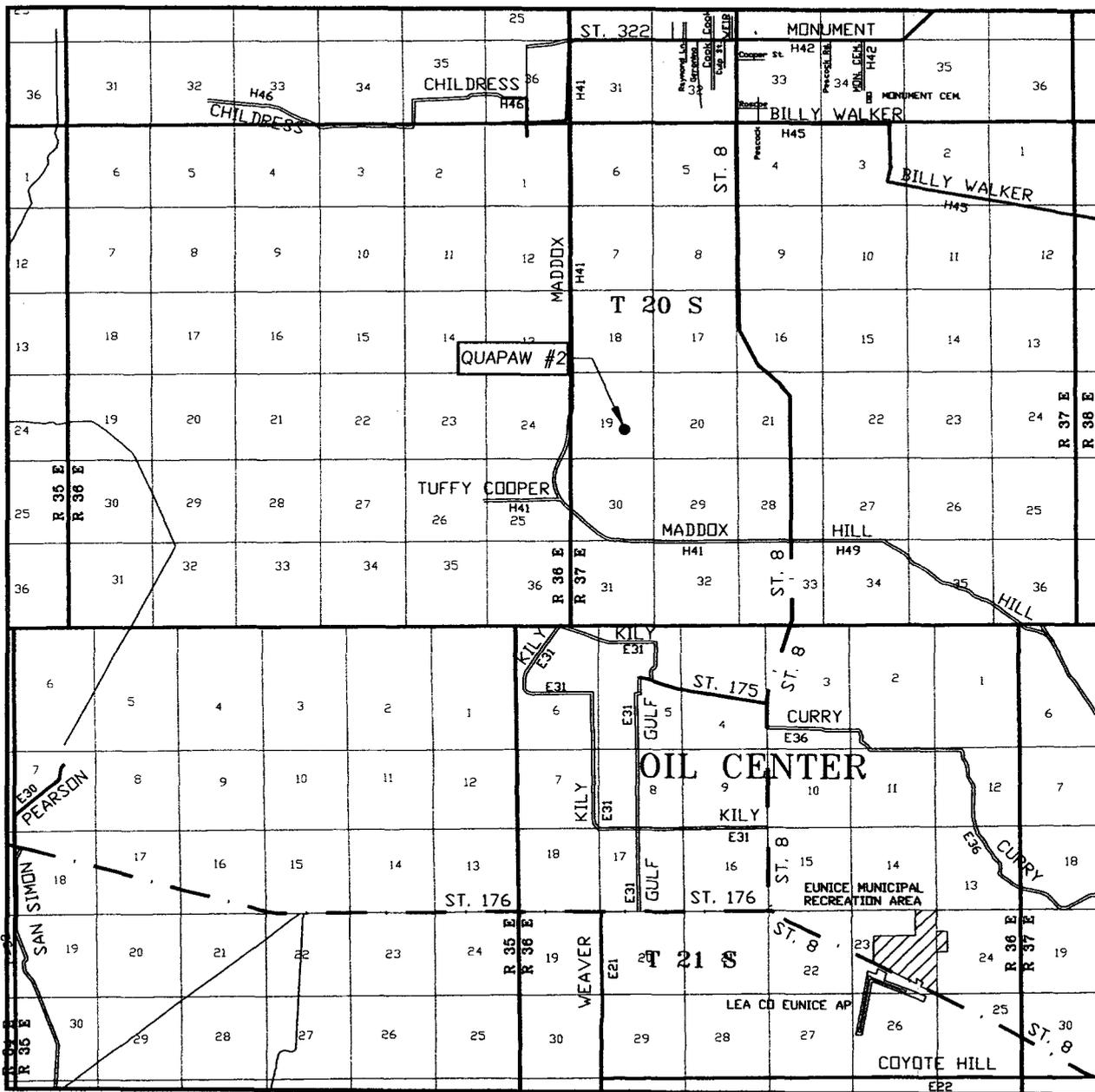
PLANTATION OPERATING, LLC

QUAPAW #2 WELL
 LOCATED 1830 FEET FROM THE SOUTH LINE
 AND 1980 FEET FROM THE EAST LINE OF SECTION 19,
 TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 3/10/06	Sheet 1 of 1 Sheets	
W.O. Number: 06.11.0469	Dr By: LA	Rev 1:N/A
Date: 3/15/06	Disk: CD#5	06110469 Scale: 1"=100'

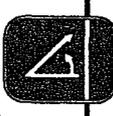
PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

VICINITY MAP



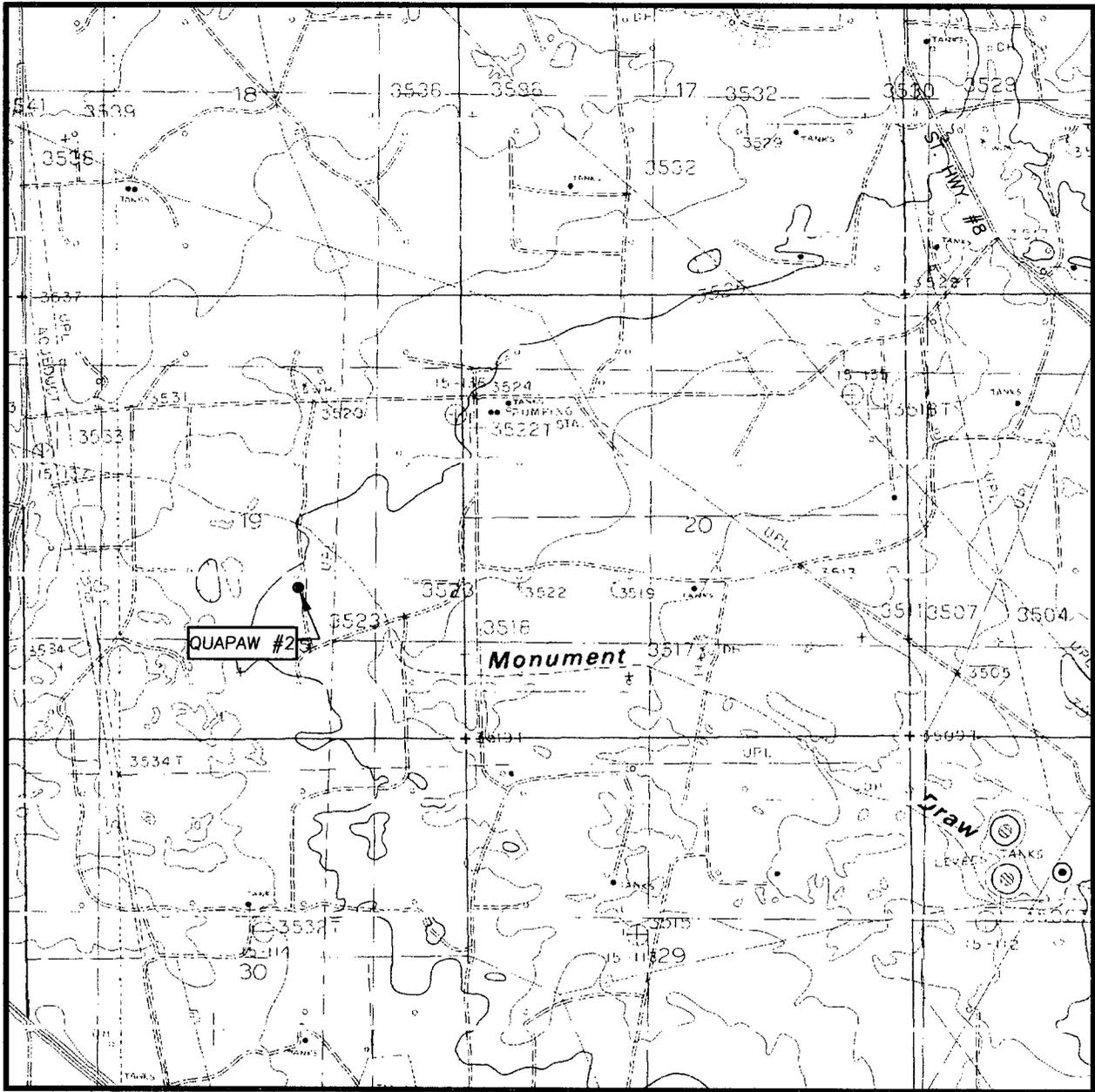
SCALE: 1" = 2 MILES

SEC. 19 TWP. 20-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1830' FSL & 1980' FEL
 ELEVATION 3527'
 OPERATOR PLANTATION OPERATING, LLC
 LEASE QUAPAW



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 333-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MONUMENT SOUTH, N.M. - 10'

SEC. 19 TWP. 20-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1830' FSL & 1980' FEL

ELEVATION 3527'

OPERATOR PLANTATION OPERATING, LLC

LEASE QUAPAW

U.S.G.S. TOPOGRAPHIC MAP
MONUMENT SOUTH, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

LIST OF OFFSET EUMONT (GAS) OPERATORS

Plantation Operating, LLC
Quapaw No. 2
SE/4, Unit J, Section 19, T-20S, R-37E
Lea County, New Mexico

Tract No.	Operator	Lease and Well Name (s)	Gas Well Locations	Unit Description	No. of Acres
1 (Red)	XTO Energy Incorporated	New Mexico H State NCT-3 #25	D-19-20S-37E	NW/4 Section 19 T-20-S, R-37-E	160
2 (Orange)	XTO Energy Incorporated	New Mexico H State NCT-4 #27	L-19-20S-37E	SW/4 Section 19 T-20-S, R-37-E	160
3 (Pink)	XTO Energy Incorporated	New Mexico H State NCT-3 #35	E-19-20S-37E	NE/4 Section 19 T-20-S, R-37-E	160
4 (Green)	XTO Energy Incorporated	New Mexico C State NCT-2 #10	H-19-20S-37E	W/2, Section 20 T-20-S, R-37-E	320
5 (Dark Blue)	XTO Energy Incorporated	New Mexico H State NCT-2 #31	L-20-20S-37E	NW/4, Section 20 T-20-S, R-37-E	160
6 (Light Blue)	Plantation Operating, LLC	A. B. Reeves #7	C-29-20S-37E	N/2 NW/4, N/2 NE/4, Section 29, T-20-S, R-37-E	160
7 (Light Pink)	Hudson Oil Company of Texas	Hudson Phillips Com #1	B-30-20S-37E	NE/4, Section 30, T-20-S, R-37-E	160
8 (Yellow)	Plantation Operating, LLC	Quapaw No. 1	P-19-20S-37E	SE/4, Section 19, T-20-S, R-37-E	160

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: Plantation Operating, LLC Telephone: 281-296-7222 e-mail address: kfaldyn@plantationpetro.com
Address: 2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380
Facility or well name: Quapaw No. 2 API #: 30-025- U/L or Qtr/Qtr J Sec 19 T 20S R 37E
County: Lea Latitude 32° 33' 22.76" N Longitude 103° 17' 17.32" W NAD: 1927 1983
Surface Owner: Federal State Private Indian

<u>Pit</u>	<u>Below-grade tank</u>	
Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u> </u> mil Clay <input type="checkbox"/> Pit Volume <u> </u> bbl	Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>35'</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)	20
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)		20

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:
Closed-Loop System.

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 .

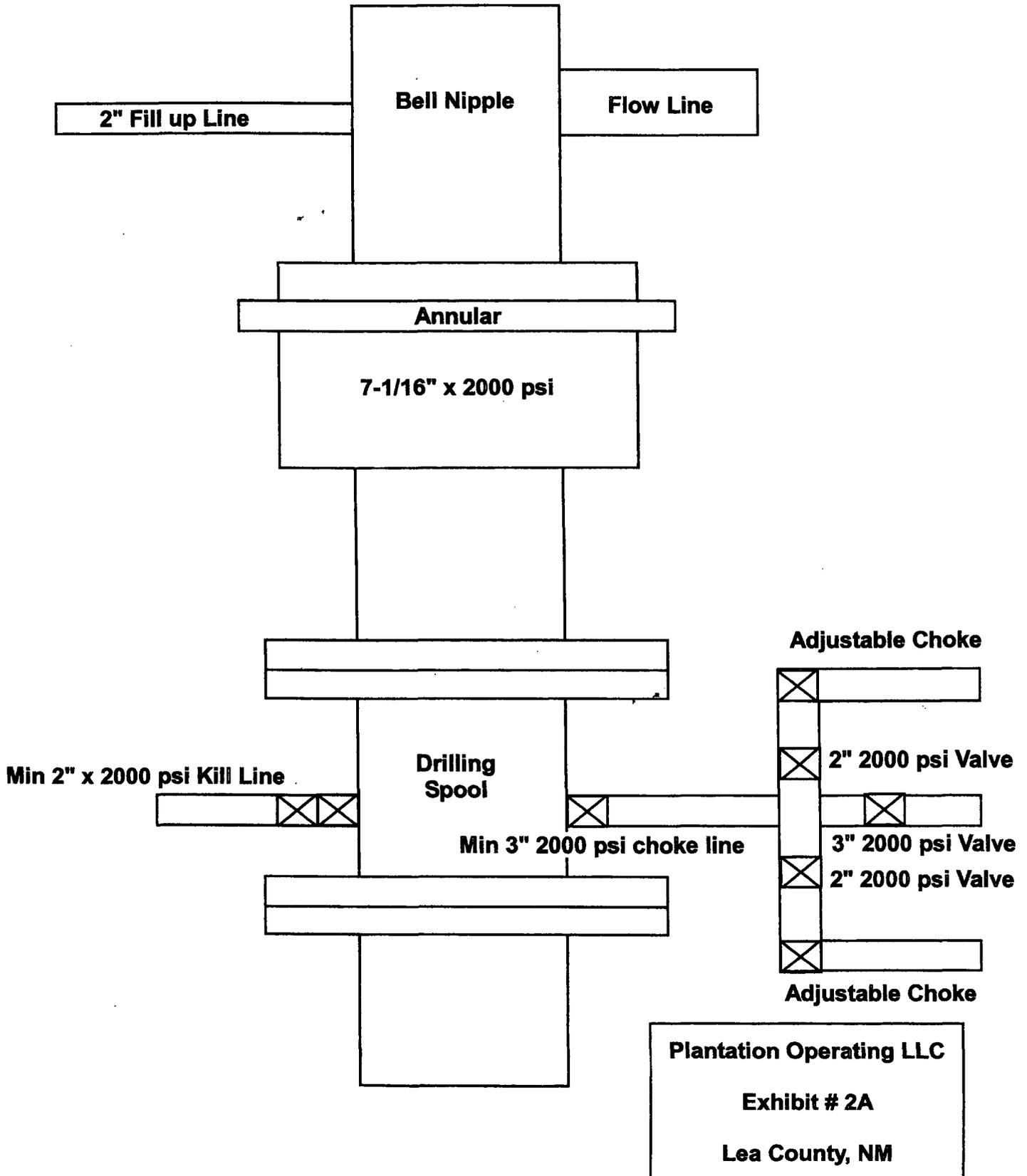
Date: 12/19/2006
Printed Name/Title Kimberly Faldyn / Production Tech Signature Kimberly Faldyn

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:

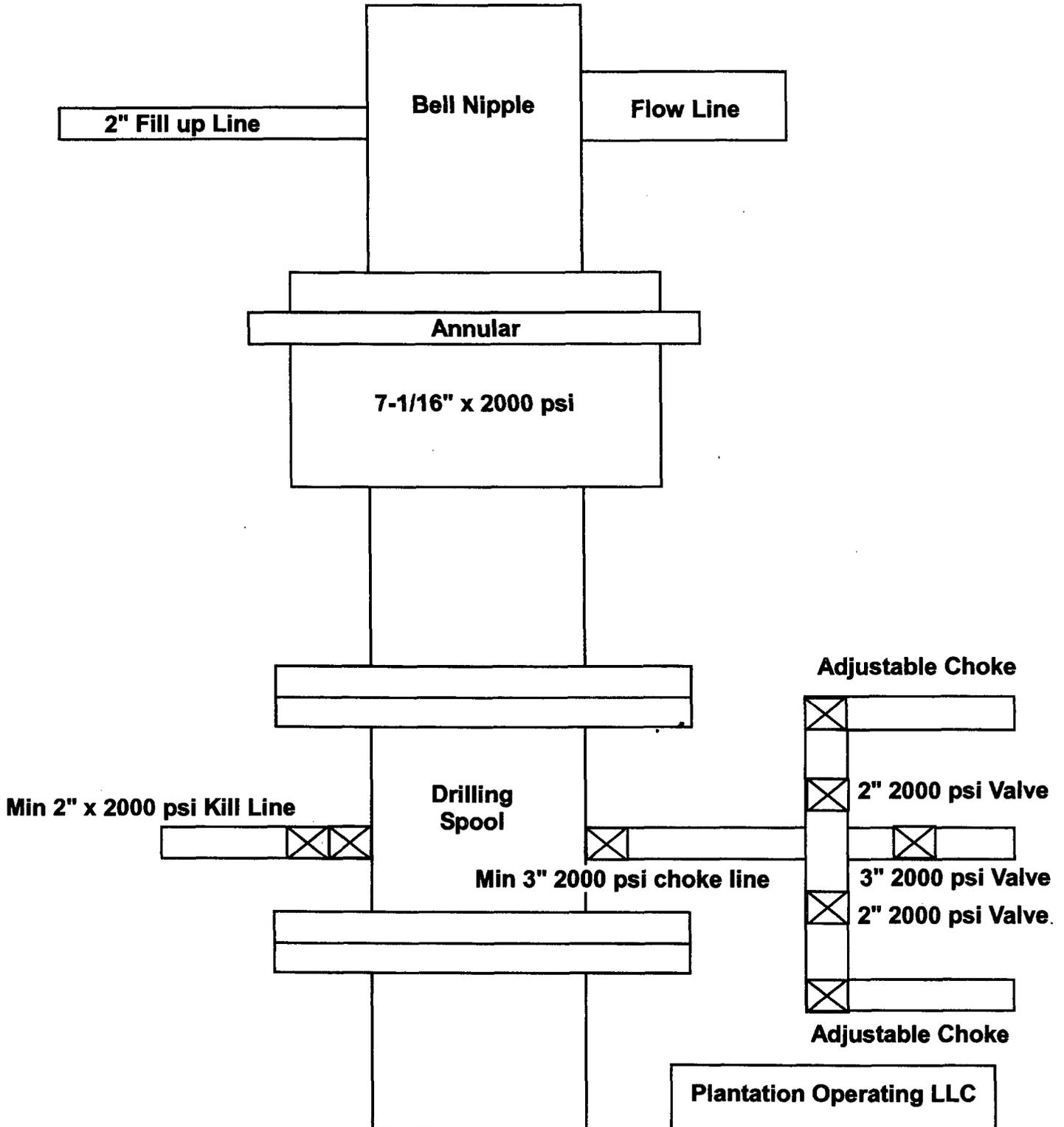
Plantation Operating, LLC

BOP Schematic for 8-3/4" Hole



Plantation Operating, LLC

BOP Schematic for 6-1/8 or- 7-7/8" Hole



Plantation Operating LLC
Exhibit # 2A
Lea County, NM

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

New Mexico
OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN
MEMBER

STATE GEOLOGIST, A.L. PORTER JR.
SECRETARY DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

June 17, 1957

Phillips Petroleum Company
P. O. Box 2105
Hobbs, New Mexico

Attention: Mr. W. C. Rodgers

Administrative Order NSP-368

Gentlemen:

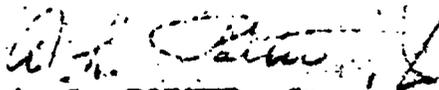
Reference is made to your application for approval of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST
SE/4 of Section 19

It is understood that this unit is to be ascribed to your Quapaw Well No. 1, located 660 feet from the South and East lines and in the SE/4 SE/4 of Section 19, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-526, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 12 of the pool rules, based upon the unit size of 160 acres.

Very truly yours,


A. L. PORTER, Jr.,
Secretary-Director

WMM/ir

cc: Oil Conservation Commission - Hobbs, New Mexico
N. M. Oil & Gas Engineering Committee - Hobbs, N.M.
El Paso Natural Gas Company - Jal, New Mexico
El Paso Natural Gas Company - El Paso
N. M. State Land Office
Gulf Oil Corp. P. O. Box 2167, Hobbs, N.M.

PHILLIPS PETROLEUM COMPANY

NSP-368

049
Hobbs
MAY 15 PM 1:25

Hobbs, New Mexico
May 15, 1957
1957 MAY 22 PM 2:58

Due 4/7/57

P. O. Box 2105

In re: Application for 160-acre Non-standard Gas Proration Unit -
Phillips Petroleum Company's Quapaw Well No. 1.

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

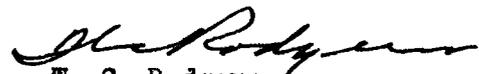
Gentlemen:

Phillips Petroleum Company hereby makes application for administrative approval for a 160-acre non-standard gas proration unit in the SE/4 Sec. 19, T-20-S, R-37-E, Lea County, New Mexico, Eumont Gas Pool. In support of this request we state the following facts:

1. Phillips Petroleum Company is the owner and operator of an oil and gas lease known as its Quapaw Lease located in the E/2 SE/4 Section 19, T-20-S, R-37-E, Lea County, New Mexico. Gulf Oil Corporation is the owner and operator of an oil and gas lease known as its Butler Lease in the W/2 SE/4, Section 19, T-20-S, R-37-E, Lea County, New Mexico. The Phillips and Gulf leases comprise the 160-acres above described.
2. Phillips Petroleum Company is the owner and operator of Quapaw Well No. 1 located 660' from south and east lines, Section 19, T-20-S, R-37-E, Lea County. This well is presently producing from the Eunice oil pool and upon completion of dual work in the well, gas will be produced from the Eumont gas pool and dedicated to this proposed 160-acre gas proration unit.
3. A plat is attached, showing (a) acreage to be dedicated, (b) well location, and (c) offset ownership.
4. Phillips Petroleum Company and Gulf Oil Corporation have completed a communitization agreement, approved by the Commissioner of Public Lands, which provides for the dedication of this 160-acre gas proration unit. The approval of this application then will, in the opinion of the applicant, prevent waste, protect correlative rights and serve the best interest of conservation.
5. By copy of this letter of application all offset operators are notified by registered mail of the intent of Phillips Petroleum Company and Gulf Oil Corporation to form the proposed non-standard gas proration unit.

Very truly yours,

PHILLIPS PETROLEUM COMPANY


W. C. Rodgers

Oil Conservation Commission
May 15, 1957
Page Two

State of New Mexico)
) ss
County of Lea)

W. C. Rodgers, upon being duly sworn, deposes and says that he is the District Superintendent, Production Department, Phillips Petroleum Company, and as such is authorized to file the foregoing application, that he has read said application and knows the contents thereof, and that the statements made therein are true, as he is credibly informed and believes.



Subscribed and sworn to before me this 15th day of MAY, 1957.

MY COMMISSION EXPIRES AUGUST 28, 1957


Notary Public

Copies to:

Oil Conservation Commission - 3

Registered Mail -

The Texas Company
Box 1270
Midland, Texas

Gulf Oil Corporation
P. O. Box 2167
Hobbs, New Mexico

Sunray-Mid-Continent Oil Corporation
P. O. Box 128
Hobbs, New Mexico

Hudson & Hudson, Inc.
1810 Electric Bldg.
Fort Worth, Texas

Phillips Petroleum Company

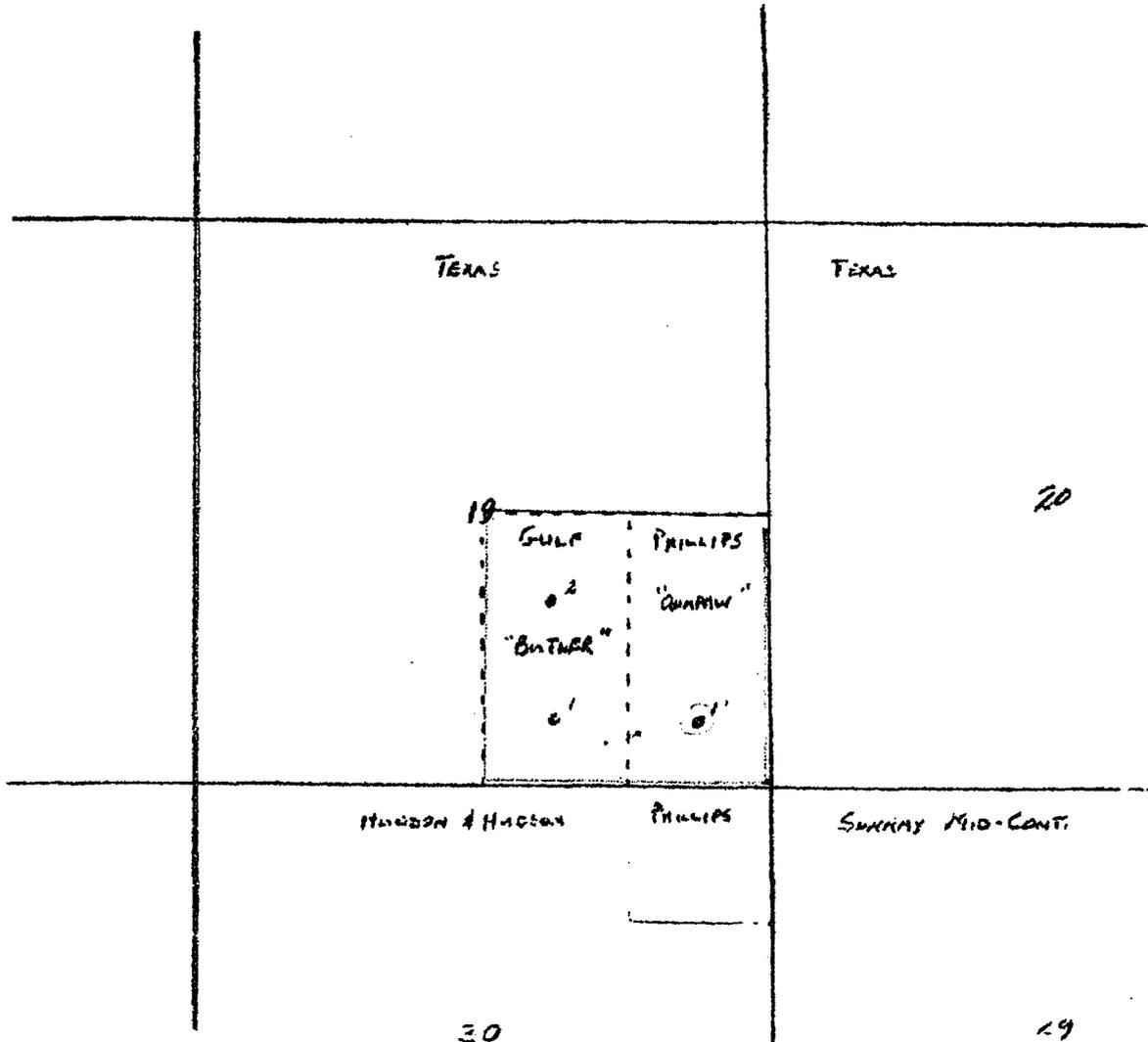
Plat Accompanying Application For
160-Acre Non-Standard Gas Unit

Phillips - Quapaw Lease
Gulf - Butler Lease

T
20
S

24

20



R-36-E

Lea County

R-37-E

Proposed Gas Unit ———

Proposed Well ○

TRANSACTION REPORT

P. 01

JAN-02-2007 TUE 05:57 PM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JAN-02	05:56 PM	912812982333	56"	3	SEND	OK	569	
TOTAL :						56S	PAGES:	3



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
 1220 S. ST. FRANCIS DRIVE
 SANTA FE, NM 87505
 (505) 476-3440
 (505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: John Allred, PE 281-298-2333

FROM: David Brooks



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: John Allred, PE 281-298-2333

FROM: David Brooks

DATE: ⑧ 1-2-07

PAGES: 3

SUBJECT: Quapaw #2

Lea County, NM

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.



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 2, 2007

Mr. John Allred, P.E.
Plantation Operating, LLC
FAX No. 281-298-2333

**Re: NSL Application
Quapaw Well No. 2
J-19-20S-37E
Lea County**

Dear Mr. Allred:

I have before me the referenced application.

This application seeks an exception to Rule 3(C) of the Special Pool Rules for the Eumont Gas Pool, as adopted by Order R-8170-P, which prohibits more than one well per 160 acres in any unit.

Exceptions to Rule 3(C) are governed by Rule 4(B) of the same rules, which requires that an applicant present "sufficient engineering, geologic and other applicable evidence" that the proposed additional well is necessary for the purposes enumerated in that rule. This specific provision seems to require more than a mere conclusory statement.

We therefore request that you supplement your application with a technical explanation of the reasons for your conclusion that this well will "prevent waste, by allowing for the optimal recovery of remaining gas reserves."

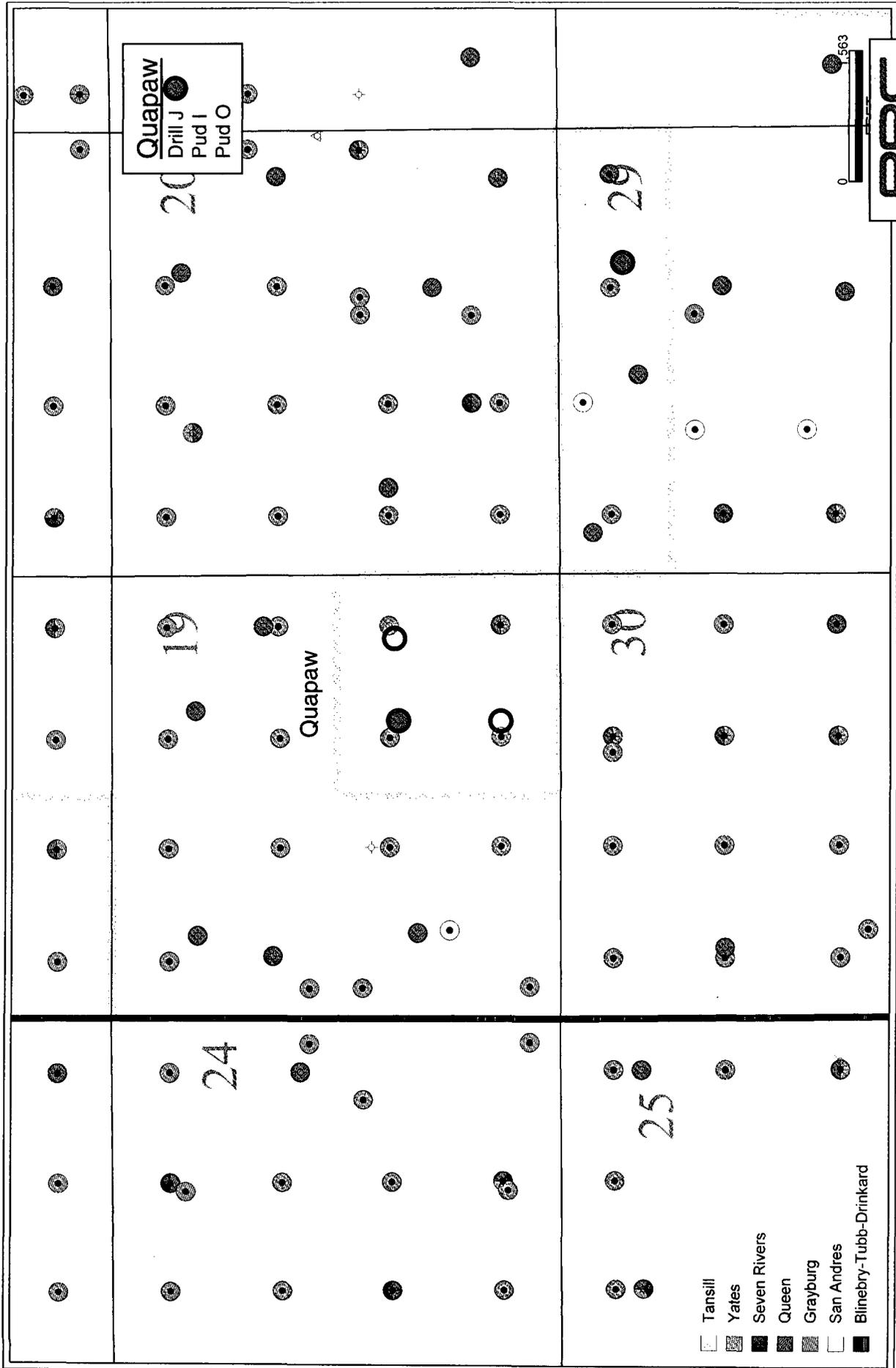
Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks". The signature is written in black ink and is positioned above the printed name and title.

David K. Brooks,
Assistant General Counsel

Quapaw Area – All Wells – Producing Formations

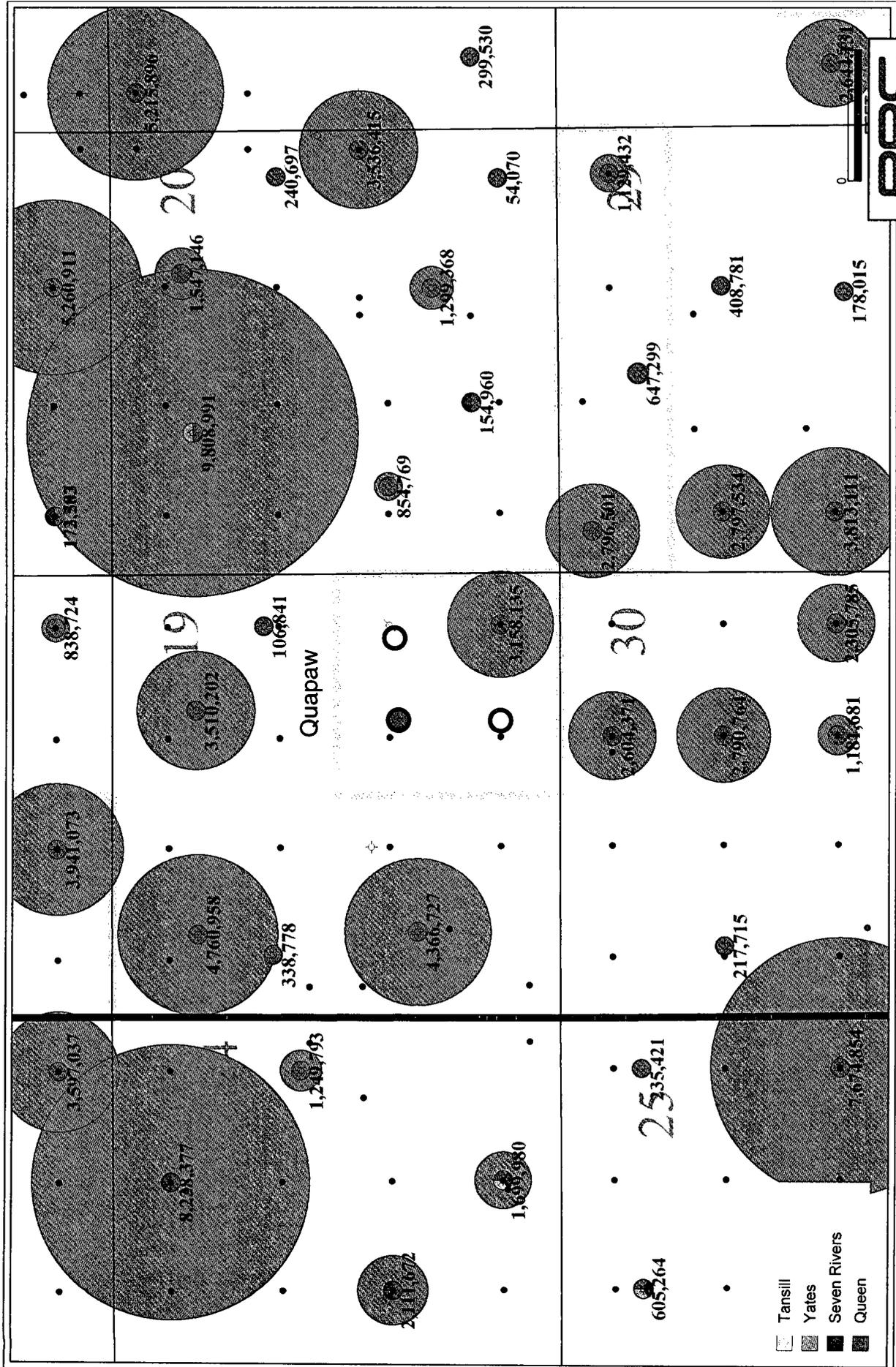


Quapaw
 Drill J ●
 Pud I ●
 Pud O ●



- Tansill
- Yates
- Seven Rivers
- Queen
- Grayburg
- San Andres
- Blineby-Tubb-Drinkard

Quapaw Area – All Wells – Eumont Cum Bubble



AMERADA HESS CORP
STATE W
2
EUNICE

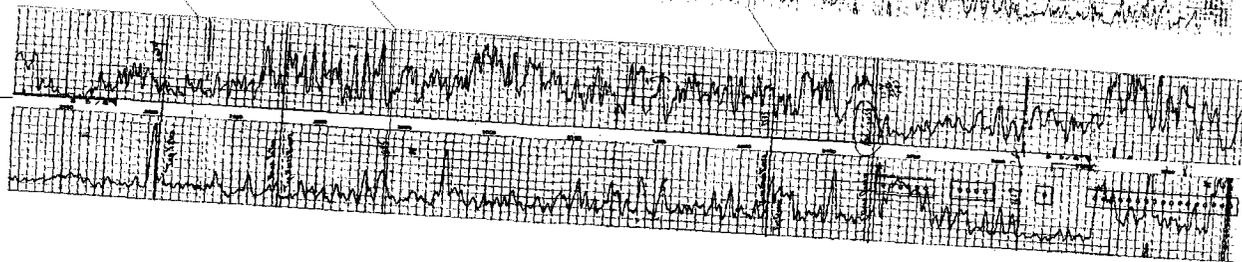
PHILLIPS PETRLM CO
QUAPAW
1
EUNICE

TENACO INCORPORATED
NW MC CH ST (UNCT. 2)
31
EUMONT

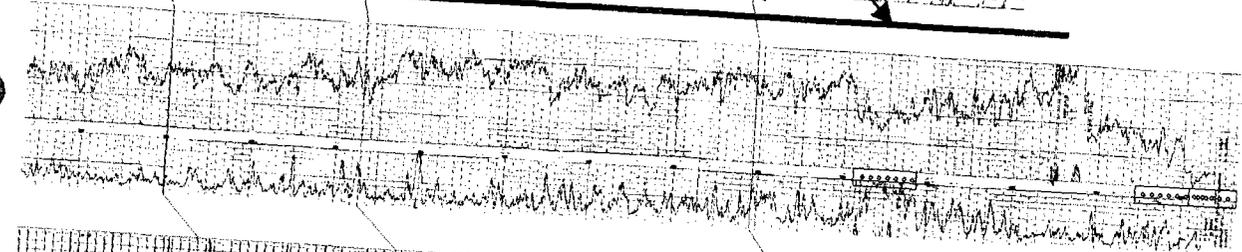
TENACO INCORPORATED
STATE H NCT 2
26
EUMONT



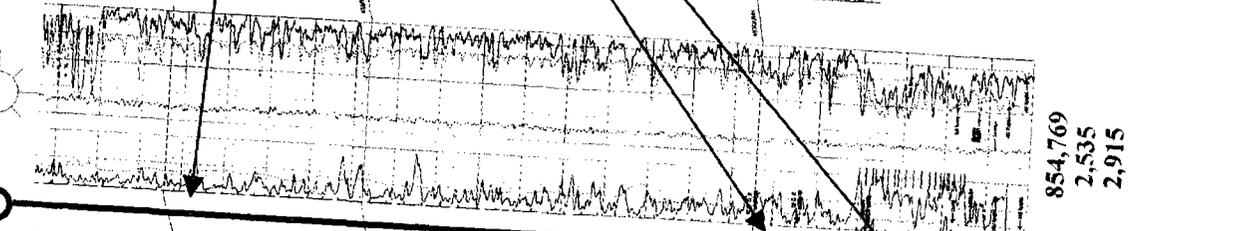
A



2,790,764



3,158,135



854,769
2,535
2,915



9,808,991
177
4,615

A'

Top Yates

Top Sevep Rivers

Top Queen

Potential zones to perforate in the Quapaw. There is a Zone at the top of the Queen that has been missed by a number of wells around the Quapaw.



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, January 10, 2007 11:08 AM
To: 'John Allred'
Subject: RE: Quapaw # 2 (Data)

Dear Mr. Allred

In researching this application, I have encountered another issue.

The Division has no file on a well called the Quapaw No. 1. Your application does not give either an API No. or footages for this well, but the 1957 NSP order does give footages. These footages correspond to the Eunice Monument Well No. 31, operated, according to OCD records, by Burgundy Oil & Gas of NM, Inc., which is reporting gas production from the Eumont.

If Plantation does not operate this well, then it would be necessary for it to comply with the notice provisions of Rule 104.E for drilling a well in a spacing unit where there is an existing well operated by a different operator. Compliance with this rule would not be a prerequisite to issuance of an order approving simultaneous dedication, but it would be a prerequisite for approval of an APD for the Quapaw No. 2. If Plantation operates this well, then it will have to change the operator designation on OCD records before the APD for the second well can be approved.

Although neither of these actions is a prerequisite to simultaneous dedication approval, I will await your response in the hopes that you can clarify this matter, and I can then write an order that correctly reflects the situation.

Thanks for your attention.

David K. Brooks
Assistant General Counsel
505-476-3450

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

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Thursday, January 04, 2007 4:28 PM
To: Brooks, David K., EMNRD
Subject: Re: Quapaw # 2 (Data)

David:

Re: Quapaw # 2 (Data)

As per our conversation today, attached is our supporting geological/engineering data for drilling the Quapaw # 2 for your approval & processing.

Regards,

John Allred, P.E.
Plantation Petroleum Companies
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380
(281) 296-7222 w
(281) 389-8832 m
(281) 298-2333 Fax

Brooks, David K., EMNRD

From: John Allred [jallred@plantationpetro.com]
Sent: Wednesday, January 10, 2007 3:03 PM
To: Brooks, David K., EMNRD
Cc: 'Don Dotson'
Subject: RE: Quapaw # 1 (Dual Completion)

Attachments: FAX200701101447.PDF



FAX200701101447.
PDF (189 KB)

David Brooks:

RE: Quapaw # 1 (Dual Completion)

The Quapaw # 1 wellbore a dual completion (see attachments) by previous operator Phillips Petroleum Company, 1957.

Today, Burgundy O & G operates the lower zone Grayburg San Andres and Plantation Operating operates the Eumont upper zone. Each company sends their own pumper to the well each day. Plantation Operating owns its rights to the Eumont Zone within the 160 ac unit.

I talked to Bob Stratton at Burgundy O & G today 1/10/07, he did not object to Plantation Operating developing the Eumont Zone by drilling a new well. We will send a letter to this effect as an official notice to them under Rule 104E.

Its not a perfect situation but, I hope this info will help you in writing your order for the Quapaw # 2.

Regards,

John Allred, P.E.

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

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, January 10, 2007 12:08 PM
To: John Allred
Subject: RE: Quapaw # 2 (Data)

Dear Mr. Allred

In researching this application, I have encountered another issue.

The Division has no file on a well called the Quapaw No. 1. Your application does not give either an API No. or footages for this well, but the 1957 NSP order does give footages. These footages correspond to the Eunice Monument Well No. 31, operated, according to OCD records, by Burgundy Oil & Gas of NM, Inc., which is reporting gas production from the Eumont.

If Plantation does not operate this well, then it would be necessary for it to comply with the notice provisions of Rule 104.E for drilling a well in a spacing unit where there is an existing well operated by a different operator. Compliance with this rule would not be a prerequisite to issuance of an order approving simultaneous dedication, but it would be a prerequisite for approval of an APD for the Quapaw No.

2. If Plantation operates this well, then it will have to change the operator designation on OCD records before the APD for the second well can be approved.

Although neither of these actions is a prerequisite to simultaneous dedication approval, I will await your response in the hopes that you can clarify this matter, and I can then

write an order that correctly reflects the situation.

Thanks for your attention.

David K. Brooks
Assistant General Counsel
505-476-3450

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

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Thursday, January 04, 2007 4:28 PM
To: Brooks, David K., EMNRD
Subject: Re: Quapaw # 2 (Data)

David:

Re: Quapaw # 2 (Data)

As per our conversation today, attached is our supporting geological/engineering data for drilling the Quapaw # 2 for your approval & processing.

Regards,

John Allred, P.E.
Plantation Petroleum Companies
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380
(281) 296-7222 w
(281) 389-8832 m
(281) 298-2333 Fax

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.