

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 22, 2007

Plantation Operating, L.L.C.
2203 Timberloch Place
Suite 229
The Woodlands, Texas 77380

Attention: Mr. John Allred, P.E.

Re: **Meyer B 28 A Com A/C-2 Well No. 5**
API No. N/A
660' FNL & 660' FEL, Unit A,
Section 33, T-20 South, R-37 East, NMPM,
Lea County, New Mexico

Administrative Order SD-200634

Dear Mr. Allred:

Reference is made to the following:

- (a) Plantation Operating, L.L.C.'s ("Plantation") application for simultaneous dedication of the Meyer B 28 A Com A/C-2 Wells No. 2, 4 and 5 (*administrative application reference No. pTDS0702250947*) that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on January 17, 2007; and
- (b) the Division's records pertinent to your request.

Plantation requests approval to simultaneously dedicate an existing 360-acre non-standard gas spacing and proration unit in the Eumont Yates-Seven Rivers-Queen Gas Pool (76480) to the existing Meyer B 28 A Com A/C-2 Wells No. 2 (API No. 30-025-06273) and 4 (API No. 30-025-26899) located respectively 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 28, and 560 feet from the North line and 1980 feet from the West line (Unit C) of Section 28, both in Township 20 South, Range 37 East, NMPM, and to its proposed Meyer B 28 A Com A/C-2 Well No. 5 (API No. N/A) to be located at a standard gas well location 660 feet from the North line and 660 feet from the East line (Unit A) of Section 33, Township 20 South, Range 37 East, NMPM.

The existing 360-acre non-standard gas spacing and proration unit was approved by Division Order No. R-916 dated November 13, 1956, and is comprised of the SE/4 and E/2 SW/4 of Section 28, and the N/2 NE/4 and NE/4 NW/4 of Section 33, both in Township 20 South, Range 37 East, NMPM.

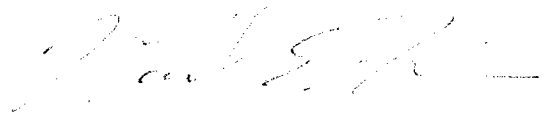
The subject wells and spacing unit are located within the Eumont Yates-Seven Rivers-Queen Gas Pool, which is currently governed by special pool rules established by Division Order No. R-8170, as amended. The well density provisions of that order stipulate that only one well per 160 acres shall be allowed; provided however, administrative exceptions may be granted upon a demonstration that the well is necessary: i) to efficiently and effectively drain a 160-acre quarter section that cannot be adequately drained by the existing well or well(s); or ii) to adequately protect the subject unit from offset drainage; or iii) to prevent waste by utilizing an existing or previously abandoned wellbore; or iv) to recover additional reserves that would otherwise not be recovered from the reservoir.

Plantation has presented satisfactory geologic and engineering evidence to demonstrate that the proposed Meyer B 28 A Com A/C-2 Well No. 5 will recover additional gas reserves from the Eumont Yates-Seven Rivers-Queen Gas Pool that may otherwise not be recovered by the existing wells.

In accordance with the provisions of Order No. R-8170, as amended, Plantation has provided notice of this application to all operators of gas spacing units adjacent to the subject 360-acre non-standard gas unit. No offset operator has filed an objection to the subject application.

Pursuant to the authority granted me under the provisions of Division Rule 19.15.3.104(D)(3) and Rule 4(B) of the Special Pool Rules for the Eumont Gas Pool, Plantation is hereby authorized to simultaneously dedicate an existing 360-acre non-standard gas spacing and proration unit in the Eumont Yates-Seven Rivers-Queen Gas Pool to the existing Meyer B 28 A Com A/C-2 Wells No. 2 and 4, and to the proposed Meyer B 28 A Com A/C-2 Well No. 5.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division - Hobbs