

11/17/07 DATE IN	SUSPENSE	D. CATANACH ENGINEER	1/22/07 LOGGED IN	SD TYPE	APP NO. PTD50702250947
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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

January 16, 2007

SENT VIA DHL

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

**RE: Meyer B-28 A Com A/C-2 No. 5 - Proposed Drilling to Eumont Gas Pool
660' FSL & 660' FEL
Unit A, Sec 33, T-20S, R-37E
Lea County, New Mexico
Administrative Application for Simultaneous Dedication,
Standard Location, in Existing Non-Standard Proration Unit
Administrative Order R-4977, Federal Lease No. LC-NM 2511**

2007 JAN 17 AM 10 40

Dear Mr. Fesmire,

Please find enclosed a copy of the previously approved Administrative Order No. R-4977 to simultaneously dedicate two Eumont wells, to the subject existing 360 acre Eumont (Gas) proration unit, the **Meyer B-28 A Com A/C-2 No. 2 & 3** in the NSP approved March 5, 1975 consisting of SE/4, E/2 of SW/4 Section 28 and N/2 of NE/4 & NE/4 of NW/4 Section 33 T-20S, R-37E Lea County, New Mexico. Subsequently, the **Meyer B-28 A Com A/C-2 No. 3 was plugged and abandoned on 9/13/05** by the previous operator. With only two wells now producing from the NSP (**Meyer B-28 A Com A/C-2 No. 2** & the newly drilled **Meyer B-28 A Com A/C-2 No. 4**), we would now like to add an additional well to the existing NSP.

We hereby ask your approval to drill corresponding to the new drilling application for the **Meyer B-28 A Com A/C-2 No. 5**. 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). See attached supporting geological and engineering data.

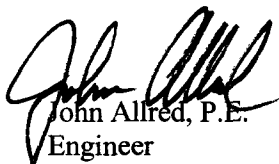
Also, please find enclosed an original C-101 and C-102 corresponding to the new drilling application for the **Meyer B-28 A Com A/C-2 No. 5** along with the C-144 and BOP diagram.

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 Alfred, 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

Zachary Oil Operating Company
307 W. 7th St., Ste 1212
Fort Worth, TX 76102-5178

ConocoPhillips
401 Penbrook
Odessa, TX 79762

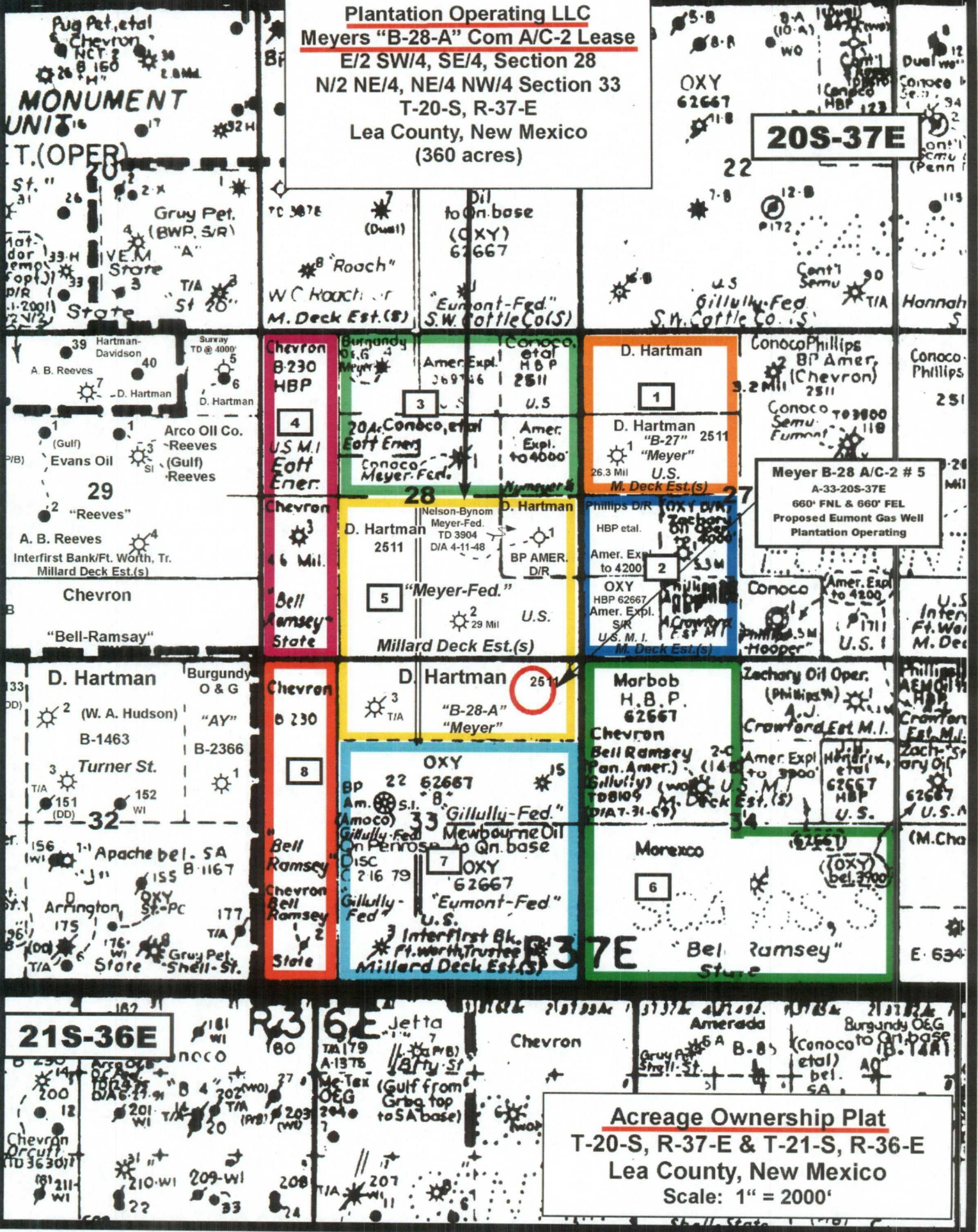
XTO Energy Incorporated
200 N. Loraine, Suite 800
Midland, TX 79701

Chevron USA Incorporated
15 Smith Rd.
Midland, TX 79705

Occidental Permian Limited
6 Desta Dr., Suite 6000
Midland, TX 79710

Plantation Operating LLC
Meyers "B-28-A" Com A/C-2 Lease
 E/2 SW/4, SE/4, Section 28
 N/2 NE/4, NE/4 NW/4 Section 33
 T-20-S, R-37-E
 Lea County, New Mexico
 (360 acres)

20S-37E



LIST OF OFFSET EUMONT (GAS) OPERATORS

Plantation Operating, LLC
Meyer B-28 A Com A/C-2 #5
Unit A, Section 33, 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 (Orange)	Plantation Operating, LLC	Meyer B 27 #1	E-27-20S-37E	NW/4 Section 27 T-20-S, R-37-E	160
2 (Dark Blue)	Zachary Oil Operating Company	Turland Federal #1	K-27-20S-37E	SW/4 Section 27 T-20-S, R-37-E	160
3 (Light Green)	ConocoPhillips	Meyer B 28 A A/C-1 #1	G-28-20S-37E	NE/4, E/2 NW/4 Section 28 T-20-S, R-37-E	240
4 (Purple)	XTO Energy Incorporated	Bell Ramsey NCT B #3	L-28-20S-37E	W/2 NW/4, W/2 SW/4 Section 28 T-20-S, R-37-E	160
5 (Yellow)	Plantation Operating, LLC	Meyer B 28 A Com A/C #2	O-28-20S-37E	SE/4, E/2 SW/4 Section 28 T-20-S, R-37-E N/2 NE/4, NE/4 NW/4 Section 33 T-20-S, R-37-E	360
6 (Dark Green)	Chevron USA Incorporated	Bell Ramsay NCT C Com #1	J-34-20S-37E	NW/4, SW/4, SE/4 Section 34 T-20-S, R-37-E	480
7 (Light Blue)	Occidental Permian Limited	Gillully B Federal RA A #22	F-33-20S-37E	SE/4, W/2 SW/4, S/2 NE/4, SE/4 NW/4 Section 33 T-20-S, R-37-E	360
8 (Red)	Chevron USA Incorporated	Bell Ramsay NCT B #2	M-33-20S-37E	W/2 NW/4, W/2 SW/4 Section 33 T-20-S, R-37-E	160
9 (Yellow)	Plantation Operating, LLC	Meyer B-28 A Com A/C-2 #4	I-28-20S-37E	SE/4, E/2 SW/4 Section 28 T-20-S, R-37-E N/2 NE/4, NE/4 NW/4 Section 33 T-20-S, R-37-E	360

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-
⁴ Property Code 302118	⁵ Property Name Meyer B-28 A Com A/C-2	⁶ Well No. 5
⁹ Proposed Pool 1 Eumont (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
A	33	20S	37E		660'	South	660'	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 P	¹⁵ Ground Level Elevation
¹⁶ Multiple No	¹⁷ Proposed Depth 3870'	¹⁸ Formation Yates - 7 Rivers-Queen	¹⁹ Contractor To Be Determined	²⁰ Spud Date ASAP
Depth to Groundwater 120'		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 Drilling Method: Drilling 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
9-7/8"	7"	20#	1025'	350	Surface
6-1/8"	4 1/2"	11.6#	3870'	700	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-900 double-ram hydraulic BOP and Hydril and surface pipe and BOP system will be tested to a minimum pressure of 2000 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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Approved by:

Printed name: Kimberly Faldyn

Title:

Title: Production Tech

Approval Date:

Expiration Date:

E-mail Address: kfaldyn@plantationpetro.com

Date: 1/16/2007

Phone: 281-296-7222

Conditions of Approval Attached ☐

DISTRICT I

1625 N. FRENCH DR., ROBERTS, NM 86240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 86800

DISTRICT III

1000 Rio Hondo Rd., Artesia, NM 87410

DISTRICT IV

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

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-103

Revised October 12, 2006

Submit to Appropriate District Office

State Lease - 4 Copies

Free Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 76480	Pool Name Eumont (Y-7R-Q) Gas
Property Code 302118	Property Name MEYERS B-28 A/C-2	Well Number 5
OGRID No. 237788	Operator Name PLANTATION OPERATING, LLC	Elevation 3507'

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	33	20-S	37-E		660	NORTH	660	EAST	LLA

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 360	Joint or Infill Y	Consolidation Code	Order No. Administrative Order No. R-4977 (3/5/75)
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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

		OPERATOR CERTIFICATION <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> 1/16/07 Signature Date John Allred Printed Name</p>
SURVEYOR CERTIFICATION <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>DECEMBER 11, 2006 Date Surveyed REV. 01/09/07 Signature & Seal of Professional Surveyor <i>Gary E. Eidsen</i> 1/9/07 06.11.1947 Certificate No. GARY EIDSON 12641 CHAD HARCROW 17777</p>		

GEODETTIC COORDINATES
NAD 27 NME

F Y=559983.7 N G
X=834024.6 E

LAT.=32.534833° N
LONG.=103.249505° W

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>kfaldyn@plantationpetro.com</u>		
Address: <u>2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380</u>		
Facility or well name: <u>Meyer B-28 A Com A/C-2 #5</u> API #: <u>30-025-</u> U/L or Qtr/Qtr <u>NE/4 SE/4</u> Sec <u>33</u> T <u>20S</u> R <u>37E</u>		
County: <u>Lea</u> Latitude <u>32.534833° N</u> Longitude <u>103.249505° W</u> 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 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	Below-grade tank 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>120'</u>	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) <u>0</u> (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 No <u> </u> No	(20 points) (0 points) <u>0</u>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) <u>0</u> (0 points)
Ranking Score (Total Points)		<u>0</u>

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:
<u>Closed Loop System.</u>

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: 1/16/2007

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:

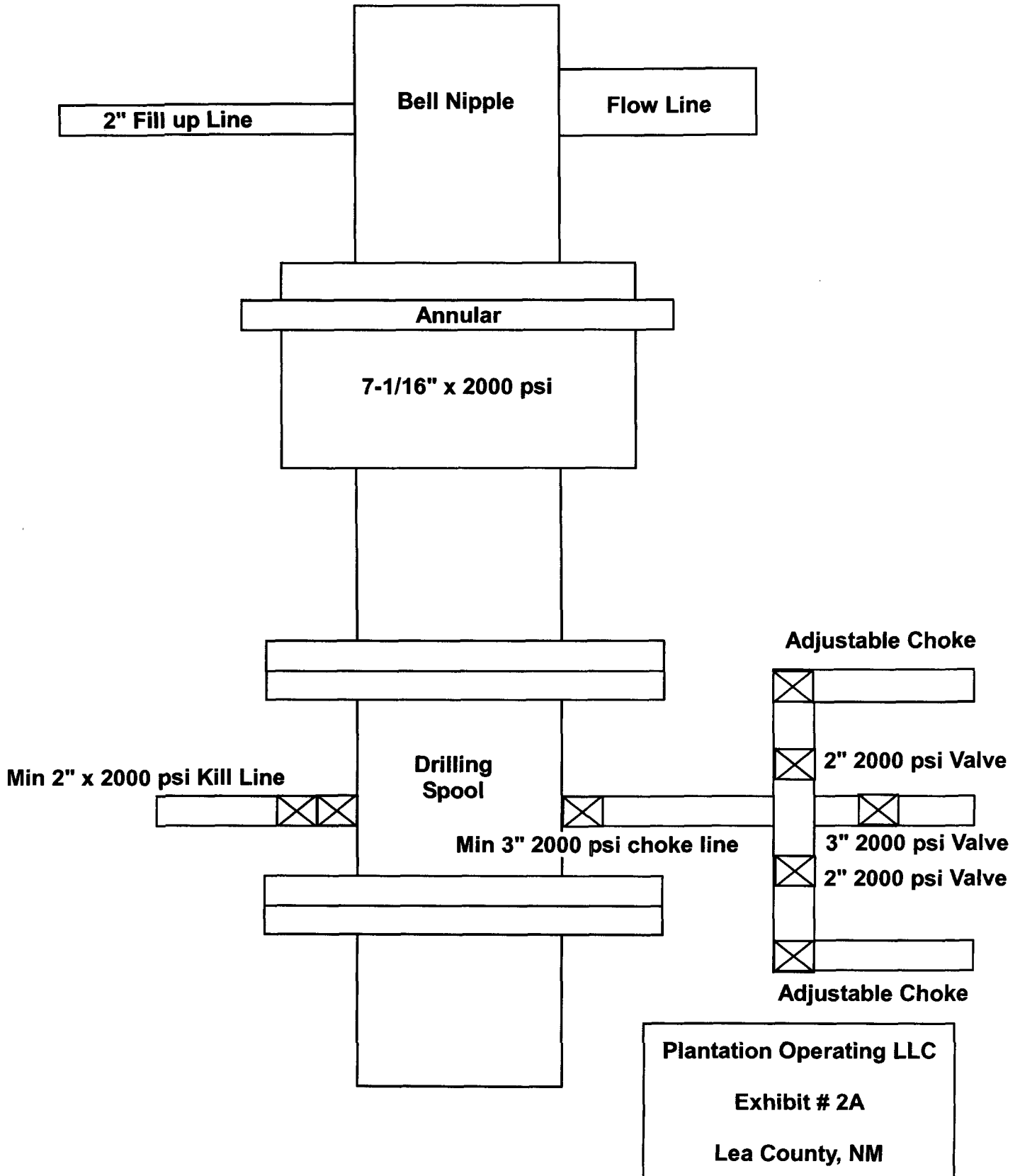
Printed Name/Title

Signature

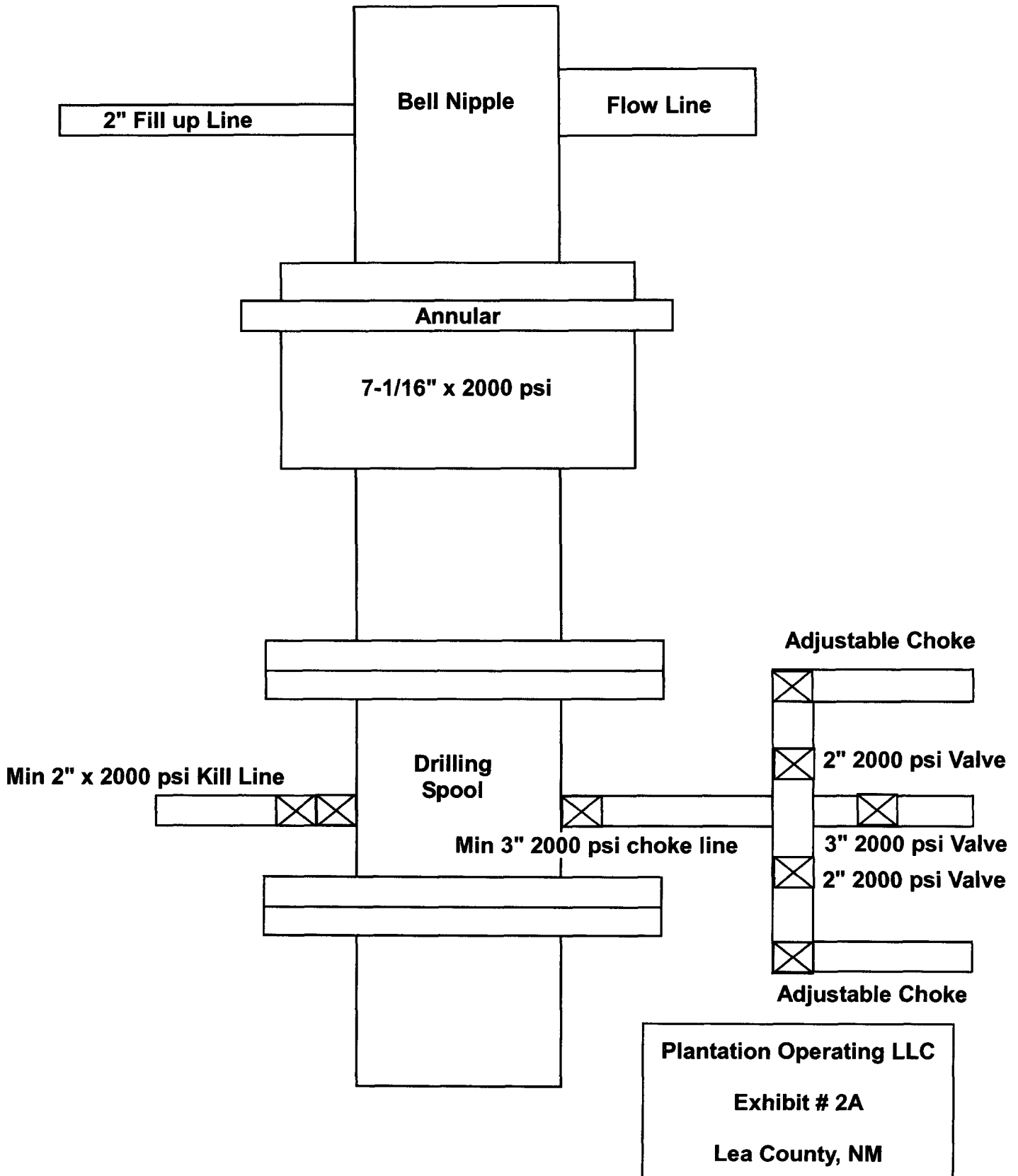
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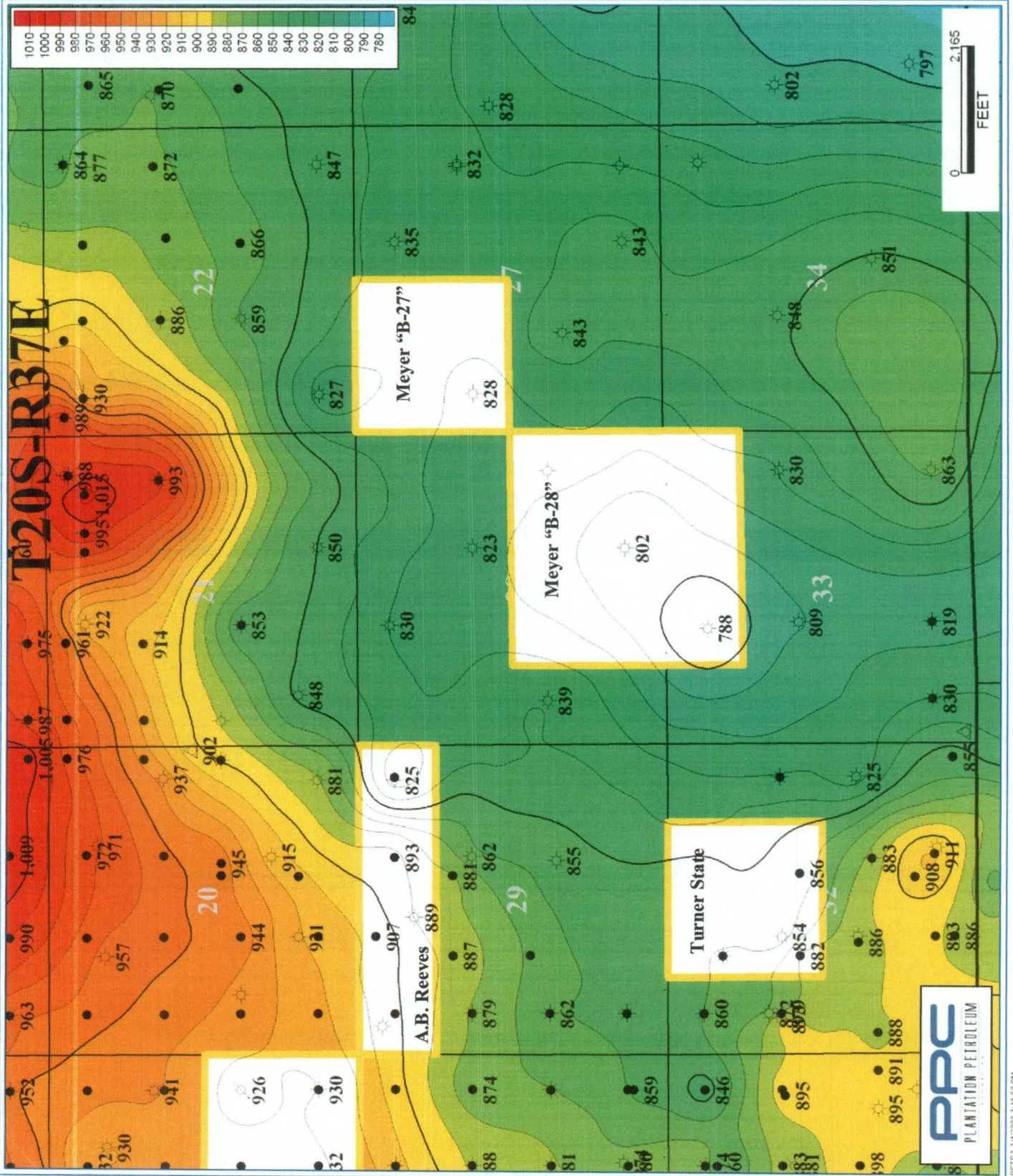
Plantation Operating, LLC

BOP Schematic for 9-7/8" Hole

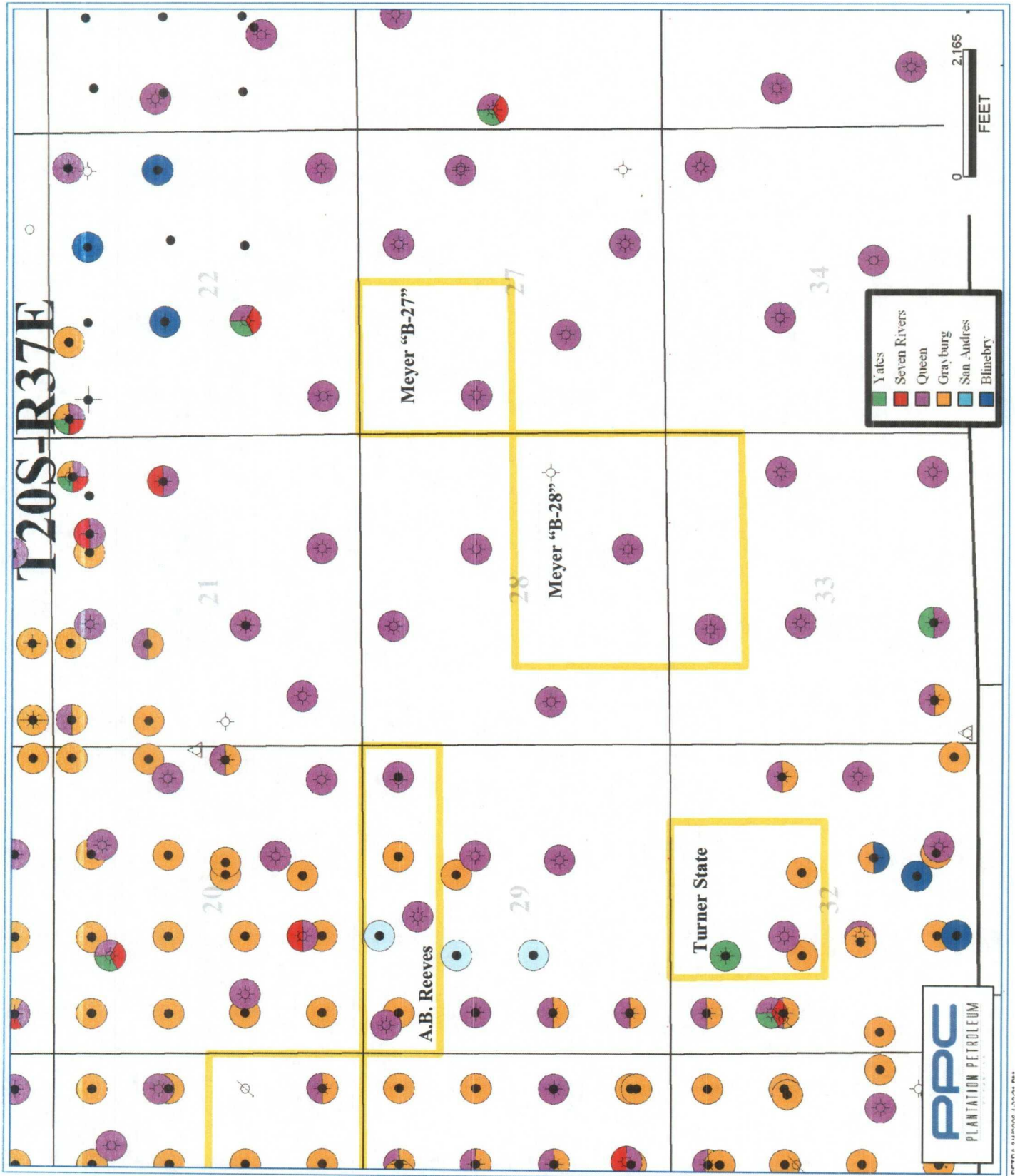


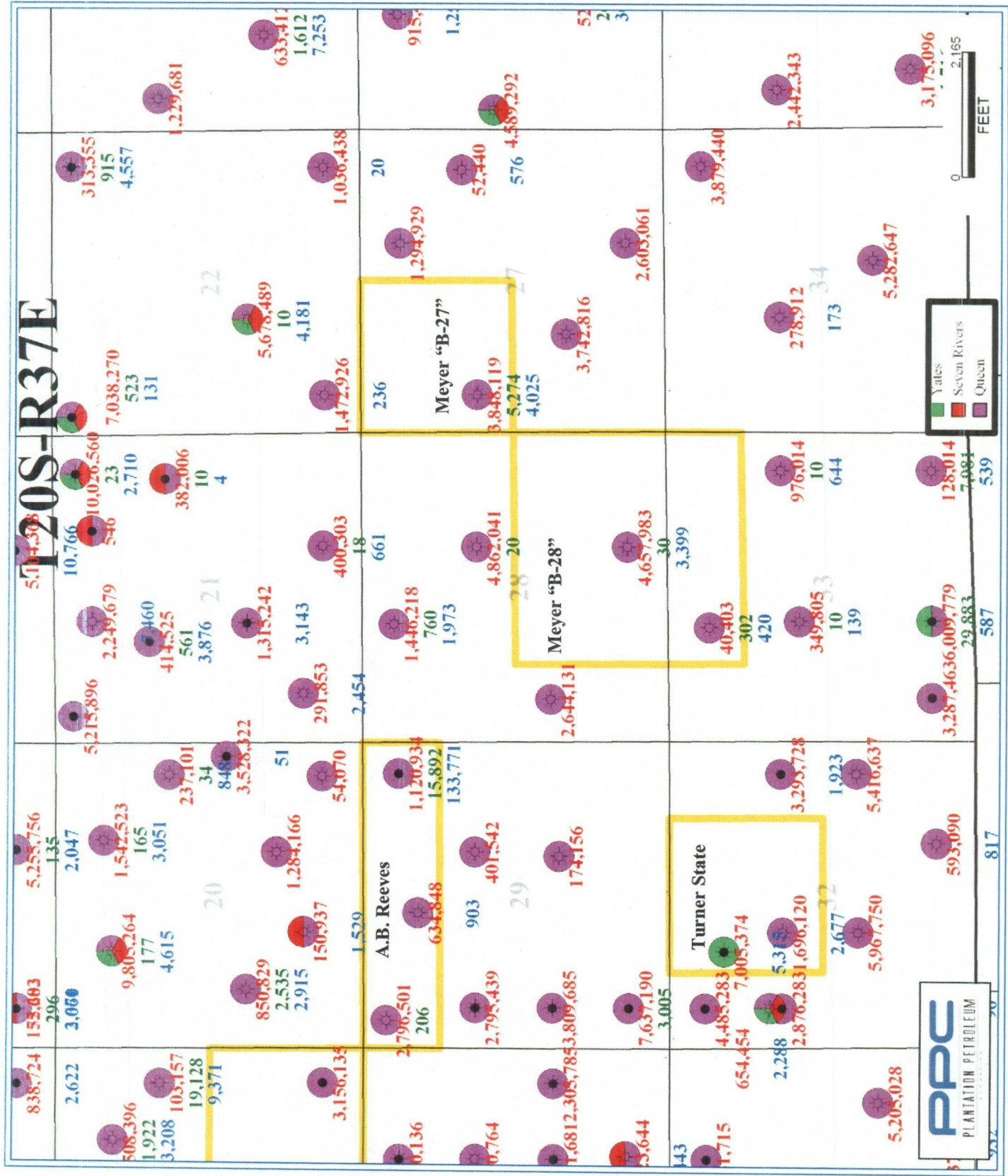
Plantation Operating, LLC
BOP Schematic for 6-1/8 or- 7-7/8" Hole

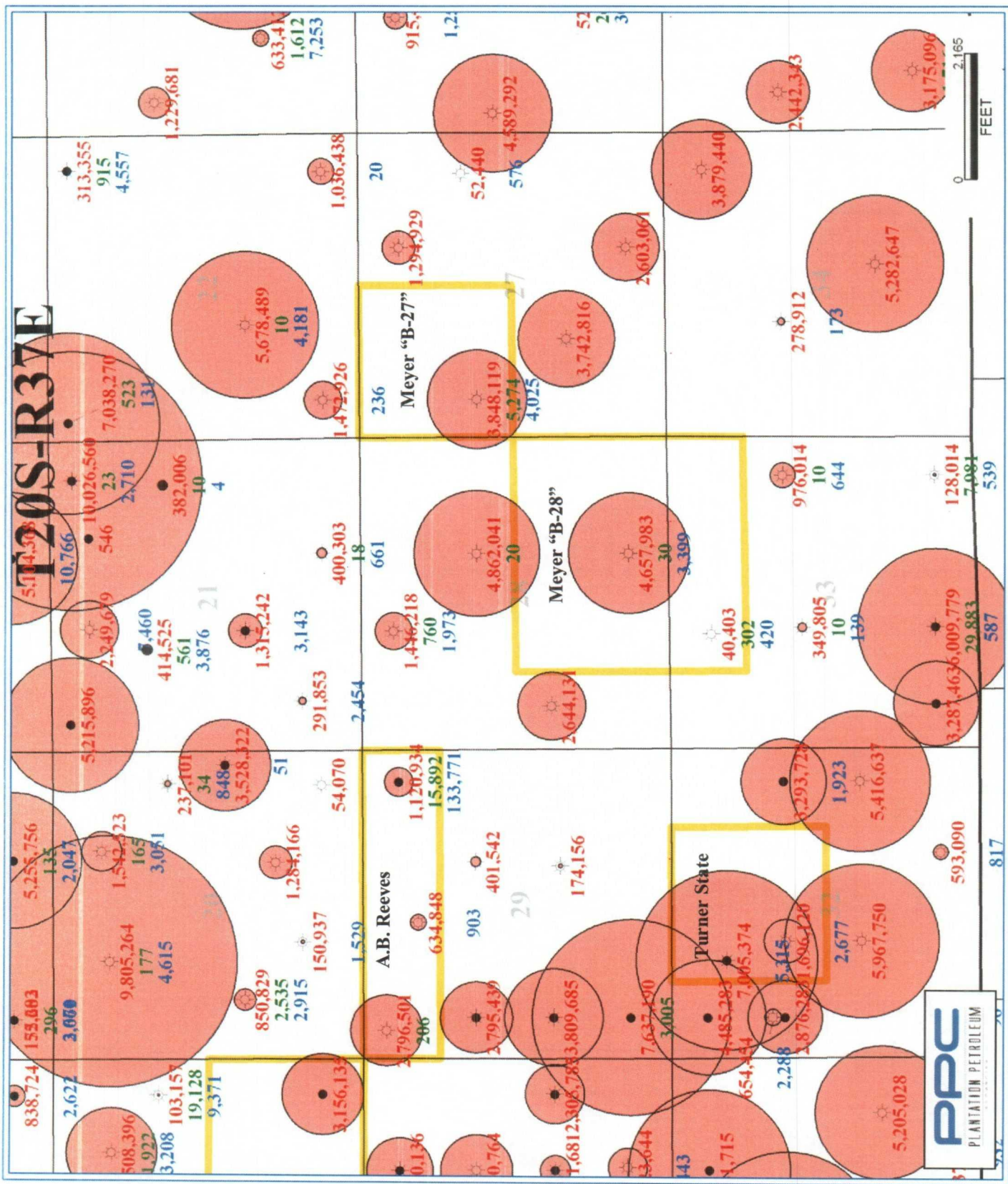


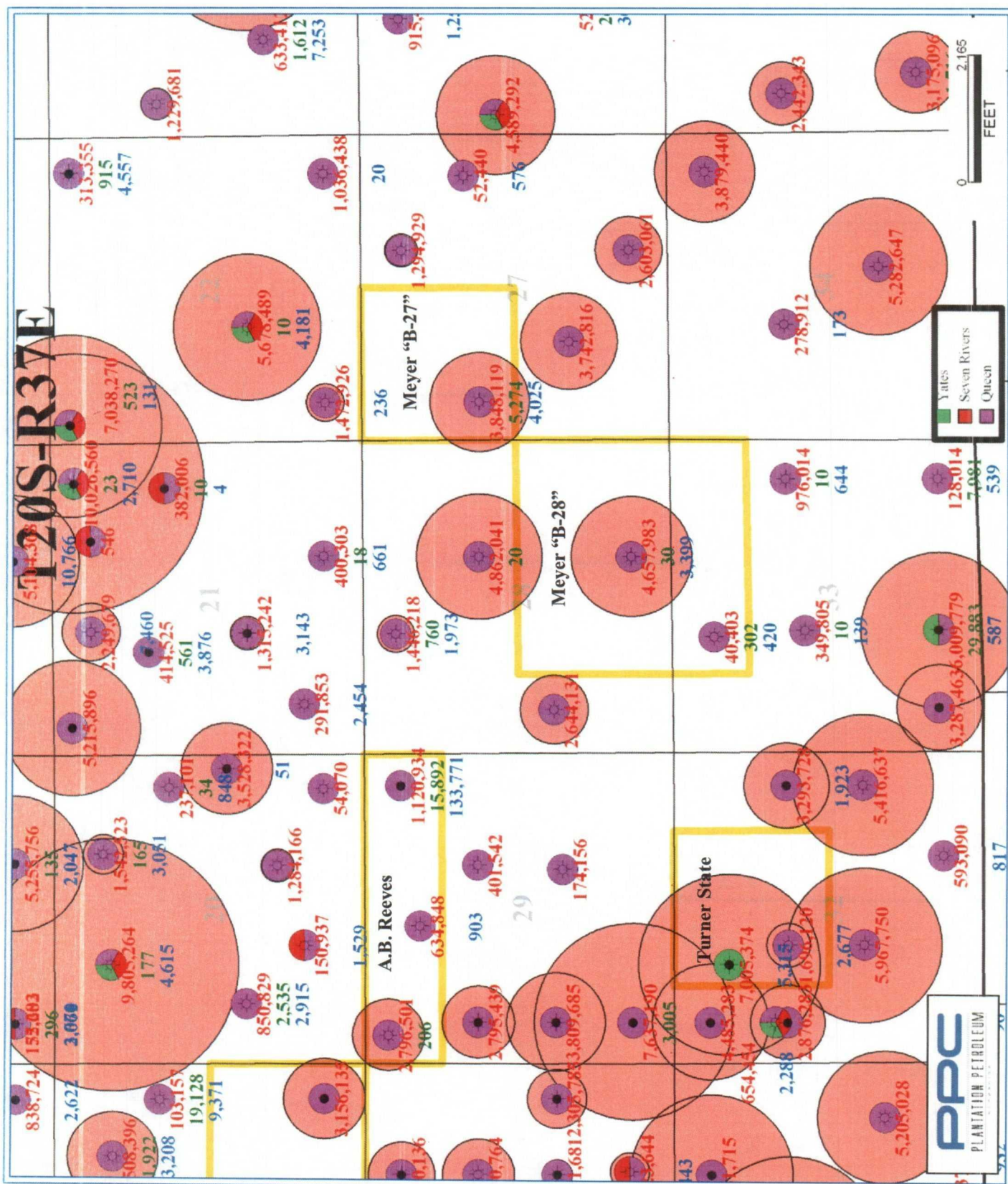


T20S-R37E

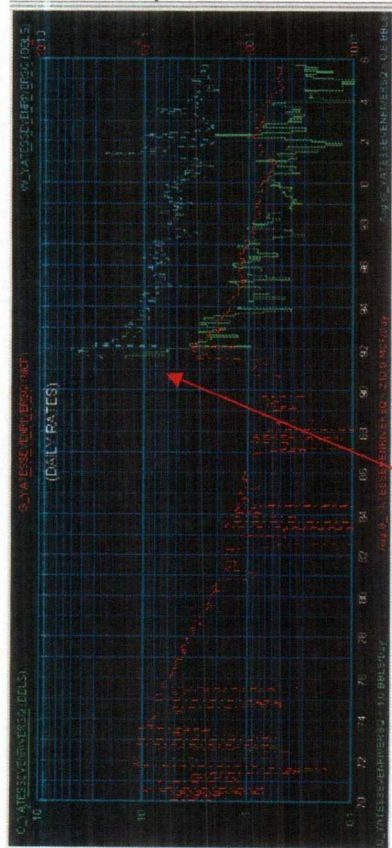






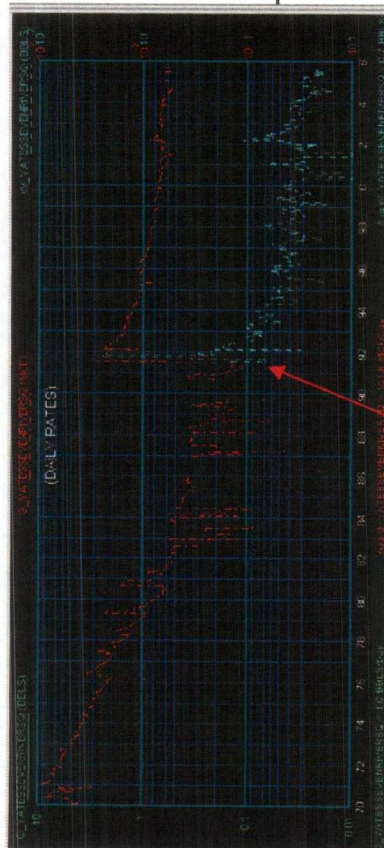


Continental Meyer B-27 #1

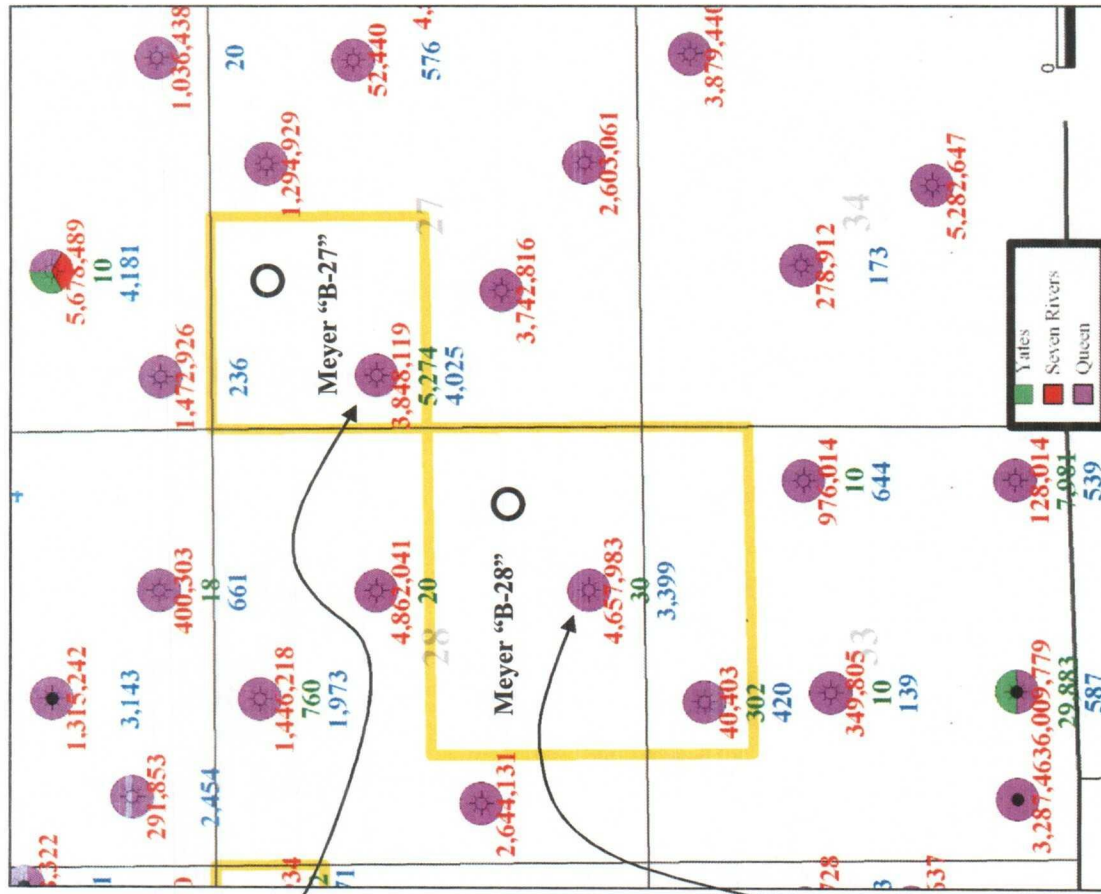


Hartman fracture stimulated and acidized the Queen in this well in 1991. Since then the well has cumulative production of 601,532 mcf.

Continental Meyer B-28 #2



Hartman fracture stimulated and acidized the Queen in this well in 1991. Since then the well has cumulative production of 500,845 mcf.



Meyer "27" 660 FNL & 1980 FWL

Meyer "28" 1980 FSL & 660 FEL

500,845 mcf



Original of 11-22-75
A.S.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5414
Order No. R-4977

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN UNORTHODOX GAS
WELL LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 5, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of March, 1975, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Continental Oil Company, seeks the
approval for a non-standard 360-acre gas proration unit com-
prising 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, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the applicant seeks to simultaneously dedicate
to said non-standard unit its Meyer B-28 A Com Acct. 2 Wells
Nos. 2 and 3 located, respectively, at unorthodox locations, in
Unit O of said Section 28 and in Unit C of said Section 33, with
unit production to be taken from said wells in any proportion.
- (4) That the proposed non-standard gas proration unit can
be efficiently and economically drained and developed by the
subject wells.
- (5) That approval of the subject application will afford
the applicant the opportunity to produce its just and equitable
share of the gas in the Eumont Gas Pool and will otherwise pre-
vent waste and protect correlative rights.

-2-
Case No. 5414
Order No. R-4977

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. April 1, 1975, the applicant, Continental Oil Company, is hereby authorized to simultaneously dedicate a non-standard 360-acre gas proration unit comprising 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, Eumont Gas Pool, Lea County, New Mexico, to its Meyer B-28 A Com Acct. 2 Wells Nos. 2 and 3 located, respectively, at unorthodox locations in Unit O of said Section 28 and in Unit C of said Section 33, with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 360 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman



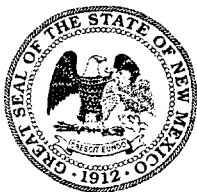
PHIL R. LUCERO, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

jr/



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 6, 2007

Plantation Petroleum Companies
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380

Attention: Mr. John Allred

Re: Simultaneous Dedication
Meyer B-28 A Com A/C-2 Well No. 5
Section 33, T-20S, R-37E, NMPM
Eumont Gas Pool
Lea County, New Mexico

Dear Mr. Allred:

I have reviewed your application dated January 16, 2007 to simultaneously dedicate an existing 360-acre gas spacing and proration unit in the Eumont Gas Pool to the Meyer B-28 A Com A/C-2 Wells No. 2, 4 and 5. Please be advised that your application does not contain sufficient data to demonstrate that the proposed Meyer B-28 A Com A/C-2 Well No. 5 is necessary in order:

- a) to effectively and efficiently drain a 160-acre quarter section that cannot be adequately drained by the existing well or wells; or
- b) to adequately protect the subject unit from offsetting drainage; or
- c) to recover additional reserves that would otherwise not be recovered from the reservoir.

As you are aware, Rule (4) of Order No. R-8170-P requires that in order to drill more than one well per 160 acres, the applicant must submit the evidence described above. Although your application contains some geologic and engineering data, this data did not clearly demonstrate that the drilling of the subject well is necessary.

Please submit additional information to add to, or clarify, the data previously submitted, at which time your application will be revisited.

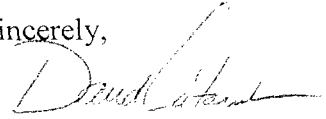
Plantation Petroleum Companies

Request for Infill Well

February 6, 2007

Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "David Catanach".

David Catanach
Engineer/Examiner

Xc: OCD-Hobbs

Catanach, David, EMNRD

From: John Allred [jallred@plantationpetro.com]
Sent: Tuesday, February 20, 2007 3:21 PM
To: Catanach, David, EMNRD
Cc: 'Don Dotson'
Subject: RE: Meyer B-28 A Com A/C-2 No. 2

David:

RE: Meyer B-28 A Com A/C-2 No. 2

200634

I am glad to see the information was helpful, below are the answers to your questions:

- 1.) Meyer B-28 A Com A/C 2 # 4 – C-105 shows: 300 MCFD, 0 BOPD, 2 BWPD @ 0.5 psi
- 2.) Meyer B-28 A Com A/C 2 # 2 – No drainage calculation, EUR = 5.003 BCF

We look forward to your approval as we currently have a drilling rig in the field that needs another location this weekend 2/24/07.

Regards,

John Allred

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

From: Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]
Sent: Tuesday, February 20, 2007 3:00 PM
To: jallred@plantationpetro.com
Subject: Meyer B-28 A Com A/C-2 No. 2

John,

I've received your additional engineering and geologic evidence. I understand what you guys are trying to do. I've just got a couple of more questions. Can you tell me what was the initial producing rate in the recently drilled Meyer B-28 A Com A/C-2 Well No. 4? Also, the Meyer B-28 A Com A/C-2 Well No. 2 looks like it is a fairly decent well in the Queen formation. Have you calculated a drainage area for this well? Also, what is the #2 well going to ultimately recover?

Thanks for the help.

David

2/21/2007