



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 17, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Attention: John Allred, P.E.
jallred@plantationpetro.com

Administrative Order SD-06-12

Dear Mr. Allred:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 26, 2006 (***administrative application reference No. pMES0-612149908***); and (ii) the Division's records in Hobbs and Santa Fe, including the file on Division Case No. 9994: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 280-acre gas spacing unit comprising the N/2 SE/4 and SE/4 SE/4 of Irregular Section 5 and the NE/4 of Section 8, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

Division Order No. R-9332, issued in Case No. 9994 on October 24, 1990, initially established the subject 280-acre unit for the following two wells:

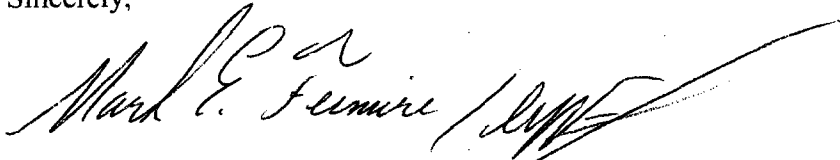
- (1) State "A" Com. Well No. 4 (***API No. 30-025-04567***), located at a standard gas well location 660 feet from the North and East lines (Unit A) of Section 8; and
- (2) State "A" Com. Well No. 5 (***API No. 30-025-31117***), located at a standard infill gas well location 1650 feet from the South line and 845 feet from the East line (Unit Q) of Irregular Section 5.

It is the Division's understanding that Plantation now intends to drill its proposed State "A" Com. Well No. 6 at a standard infill gas well location 1780 feet from the North line and 1980 feet from the East line (Unit G) of Section 8.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Eumont Gas Pool, Plantation is hereby authorized to simultaneously dedicate Eumont gas production to this 160-acre non-standard gas spacing unit from the three above-described State "A" Wells No. 4, 5, and 6. Furthermore, all provisions applicable to the subject unit in Division Order No. R-9332 shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire". The signature is written in dark ink and is positioned above the typed name and title.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: Division Case No. 9994