



PLANTATION PETROLEUM COMPANIES

PLANTATION PETROLEUM HOLDINGS III, LLC; PLANTATION OPERATING, LLC

PMES0-6 12149908

Rec: 4-26-06

Susp: 5-16-06

2203 Timberloch Place, Ste. 229
The Woodlands, TX 77380
Tel: (281) 296-7222
Fax: (281) 298-2333

#4 - 660' FNL & 1980' FEL (A) Sec. 8
30-025 - 01567

April 20, 2006

FEDERAL EXPRESS

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**RE: State "A" Com No. 6 - Proposed Drilling to Eumont Gas Pool
1780' FNL & 1980' FEL
Unit G, Sec 8, T-21S, R-36E
Lea County, New Mexico
Administrative Application for Simultaneous Dedication,
Existing Non-Standard Proration Unit
Administrative Order No. 9332, Case No. 9994**

2006 APR 26 PM 1 32
30-025 - 31117
1650' FNL - 845' FEL (Q) Sec. 5

Dear Mr. Stogner,

Please find enclosed is a copy of previously approved **Administrative Order No. 9332** dated October 24, 1990 corresponding to the 280 acre **State "A" Com Lease (Gas)** non-standard proration unit, consisting of NE/4 SE/4 and SE/4 SE/4 of Section 5 of T-21S, R-36E, and the NE/4 of Section 8, of T-21S, R-36E in Lea County, New Mexico. This NSP grants approval to simultaneously dedicate two Eumont wells being the **State "A" Com No. 4 & 5**, to the subject existing 280 acre Eumont (Gas) proration unit, and was approved under Administrative Order No. 9332, Case No. 9994 dated October 24, 1990.

Thus, we hereby ask your approval to drill corresponding to the new drilling application for the **State "A" Com No. 6**. 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).

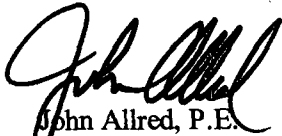
Also, please find enclosed an original of the new C-101 and C-102 corresponding to the new drilling application for the **State "A" Com No. 6**. along with the C-144 and BOP diagram.

Notice of this administrative application has been sent by Federal Express 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

Chevron USA Inc.
Claydesta Plaza
15 Smith Rd.
Midland, TX 79705

BP America Production Company
600 N. Marienfeld
Midland, TX 79702

X T O Energy
200 N. Loraine, Ste 800
Midland, Tx 79701

Apache Corp.
3300 N "A" St.
Bldg 8, Suite 200
Midland, TX 79705

ConocoPhillips Company
4001 Penbrook
Odessa, TX 79762

Lewis B Burleson Incorporated
P.O. Box 2479
200 N. Loraine, Ste 600
Midland, TX 79702

Plantation Operating LLC
State "A" Lease
N/2 E/2 S/3, SE/4 E/2 S/3 Section 5
NE/4 Section 8
T-21-S, R-36-E
Lea County, NM
(280 acres)

20S-36E

20S-37E

21S-36E

State "A" Com No. 6
G-8-21S-36E
1780' FNL & 1980' FEL
Proposed Eumont Gas Well
Plantation Operating

EUNICE MONUMENT SO. UT.

CHEVRON (OPER.)

AREA A

21S-36E

Acreage Ownership Plat
T-20 & 21-S, R-36 & 37-E
Lea County, New Mexico
Scale: 1" = 2000'

LIST OF OFFSET EUMONT (GAS) OPERATORS

Plantation Operating, LLC
State "A" Com No. 6
SW/4 NE/4, Unit G, Section 8, T-21S, R-36E
Lea County, New Mexico

Tract No.	Operator	Lease and Well Name(s)	Gas Well Locations	Unit Description	No. of Acres
1 (Brown)	Chevron USA Inc.	Graham Orcutt Gas Com #2	N-05-21S-36E	SW/4 NW/6, NW/4 WC/6, SW/4 WC/6, SE/4 NW/6, NE/4 WC/6, SE/4 WC/6, NW/4 NE/6, SW/4 NE/6, NE/4 NE/6, SE/4 NE/6, Sec 5, T-21-S, -R-36-E	400
2 (Green)	BP America Production Company	State H #6	P-05-21S-36E	NW/4 EC/6, NE/4 EC/6, SW/4 EC/6, NE/4 EC/6, Sec 5, T-21-S, R-36-E	160
3 (Pink)	BP America Production Company	State G Com #4	S-05-21S-36E	SW/6, SW/4 SE/6, Sec 5, T-21-S, R-36-E	200
4 (Orange)	XTO Energy	Bell Ramsay NCT A No. 5	U-04-21S-36E	W/2 SW/6, W/2 WC/6, Sec 4, T-21-S, R-36-E	160
5 (Red)	Apache Corp.	Meyers B-8 No. 6	E-08-21S-36E	NW/4, Sec 8, T-21-S, R-36-E	160
6 (Dark Blue)	ConocoPhillips Company	Meyer A 1 #18	K-08-21S-36E	SW/4, Sec 8, T-21-S, R-36-E	160
7 (Light Blue)	XTO Energy	R R Bell NCT A Com #2	P-08-21S-36E	SE/4, Sec 8, T-21-S, R-36E, W/2 SW/4 Sec 9, T-21-S, R-37-E	240
8 (Grey)	Lewis B Burlleson Inc.	Meyer Bell Ramsay Com #6	C-09-21S-36E	NW/4, E/2 SW/4, Sec 9, T-21-S, R-36-E	240

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 302126	⁵ Property Name State "A" Com	⁶ Well No. 6
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
G	8	21S	36E		1780'	North	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 3593'
¹⁶ Multiple No	¹⁷ Proposed Depth 3750'	¹⁸ Formation Yates - 7 Rivers-Queen	¹⁹ Contractor To Be Determined	²⁰ Spud Date ASAP
Depth to Groundwater 200'		Distance from nearest fresh water well > 1,000'		Distance from nearest surface water > 1,000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 8900 bbls Drilling Method: Drilling				
Closed-Loop System <input 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
12 1/4"	8 5/8"	24#	450'	350	Surface
7 7/8"	5 1/2"	17#	3750'	800	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 3000-psi 10-inch Series-900 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 8-5/8" and 5-1/2" 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 ☐.

Printed name: Donald P. Dotson, P.E.

Title: COO

E-mail Address: ddotson@plantationpetro.com

Date: 4/19/2006

Phone: 281-296-7222

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

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

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name STATE "A" COM		Well Number 6
OGRID No.	Operator Name PLANTATION OPERATING, LLC		Elevation 3593'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	8	21-S	36-E		1780	NORTH	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		Joint or Infill	Consolidation Code		Order No.				

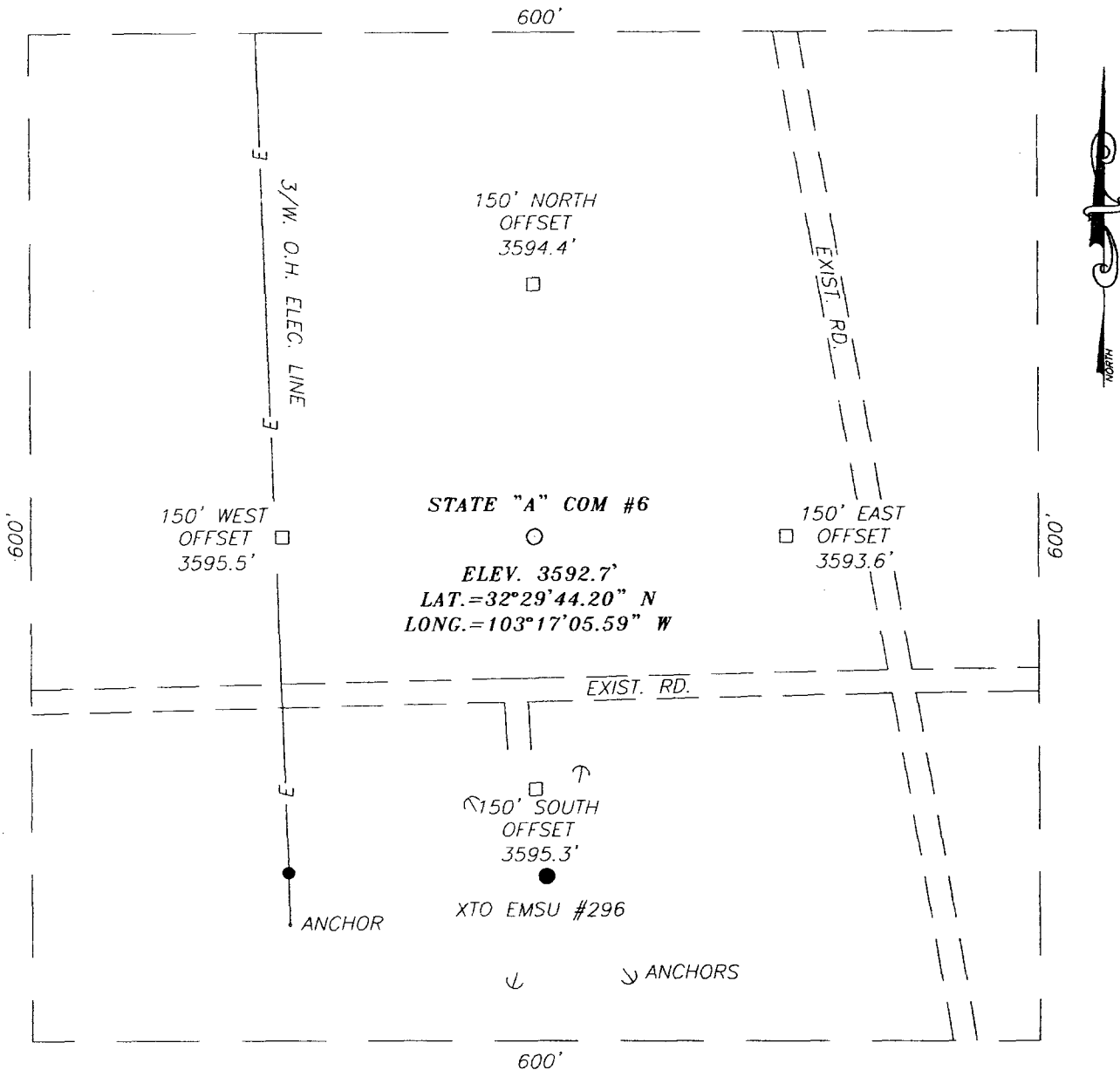
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION 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. Signature Date JOHN ALLRED Printed Name
	SURVEYOR CERTIFICATION 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. MARCH 08, 2006 Date Surveyed MR Signature & Seal, on Professional Surveyor Certificate No. GARY EIDSON 12641

SECTION 8, TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M.,

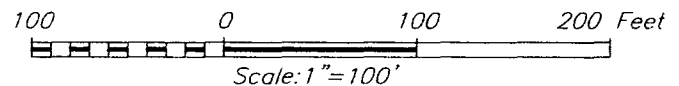
LEA COUNTY,

NEW MEXICO



DIRECTIONS TO LOCATION

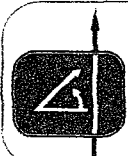
FROM THE INTERSECTION OF ST. HWY 8 AND ST. HWY 176, GO NORTH ON ST. HWY 8 APPROX. 1.0 MILES. TURN LEFT AND GO WEST ON KILY RD. APPROX. 1.5 MILES. TURN RIGHT AND GO NORTH ON GULF RD. APPROX. 0.7 MILES. THEN TURN RIGHT AND GO EAST APPROX. 0.2 MILES. THIS LOCATION IS APPROX. 50 FEET NORTH.



PLANTATION OPERATING, LLC

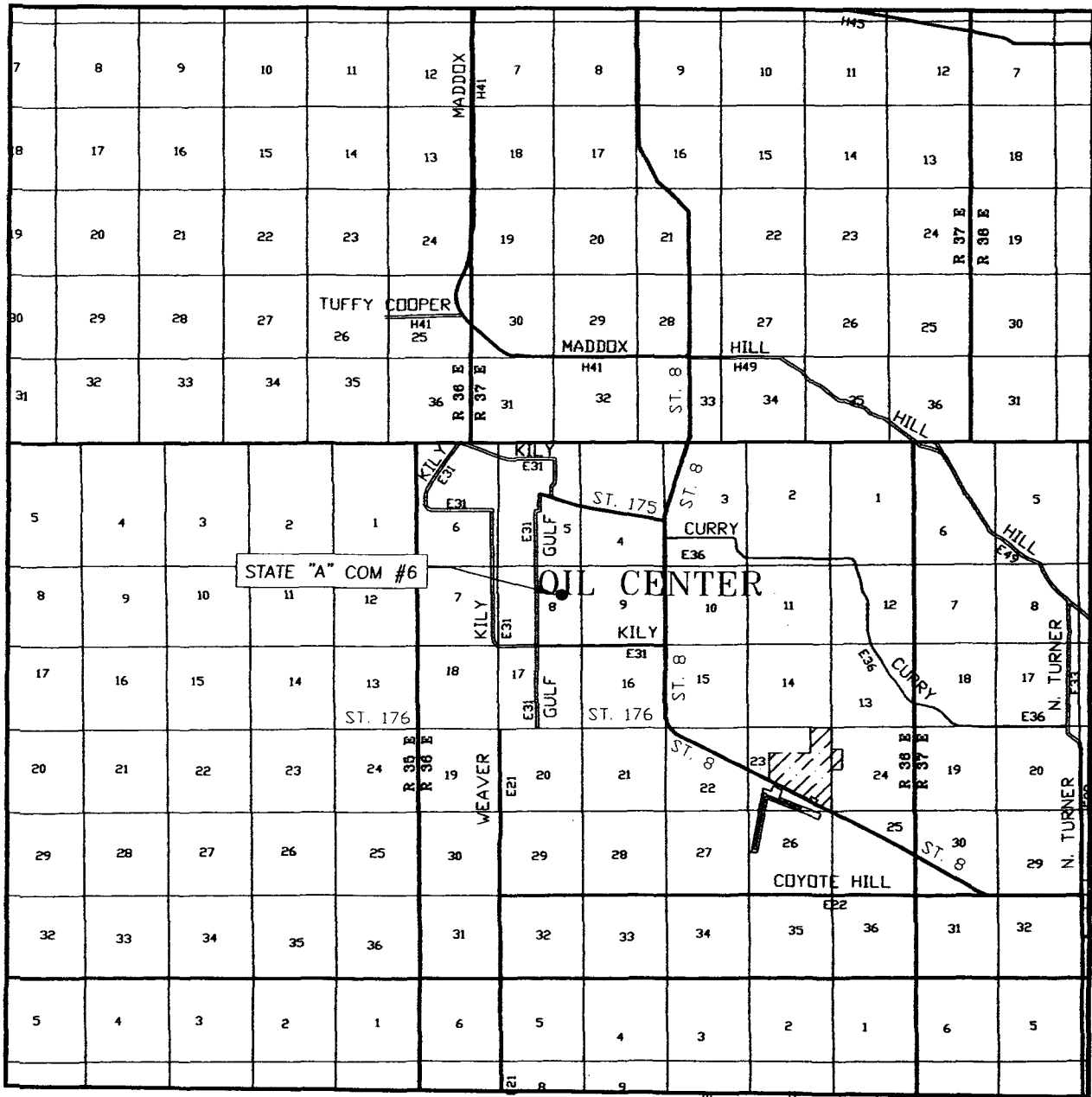
STATE "A" COM #6
LOCATED 1780 FEET FROM THE NORTH LINE
AND 1980 FEET FROM THE EAST LINE OF SECTION 8,
TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 03/08/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0458	Dr By: M.R.
Date: 03/13/06	Disk: CD#1
06110458	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

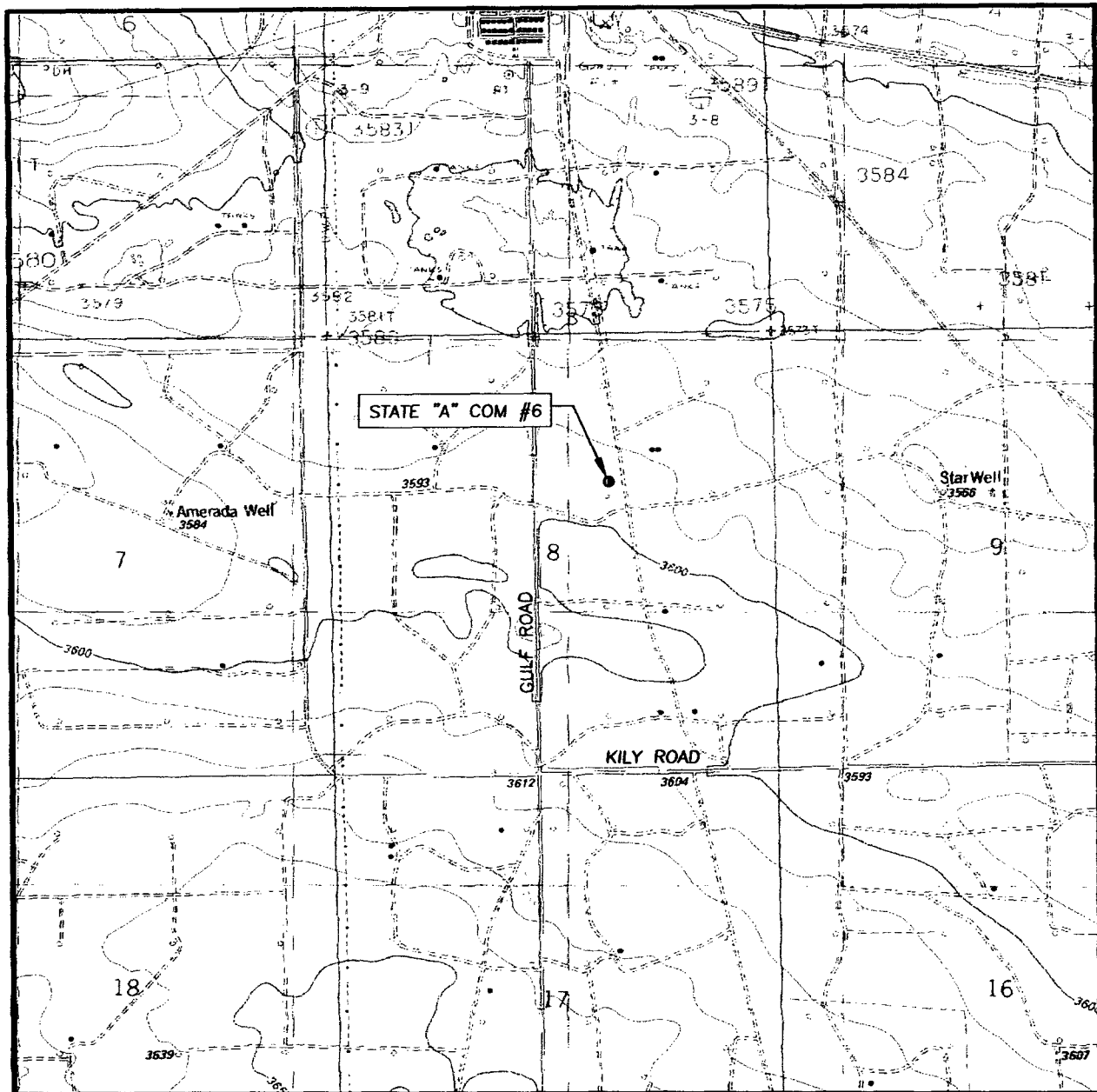


SCALE: 1" = 2 MILES

SEC. 8 TWP. 21-S RGE. 36-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1780' FNL & 1980' FEL
 ELEVATION 3593'
 OPERATOR PLANTATION
 OPERATING COMPANY OPERATING COMPANY
 LEASE STATE "A" COM

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
OIL CENTER, N.M. - 10'
MONUMENT SOUTH, N.M. - 5'

SEC. 8 TWP. 21-S RGE. 36-E

SURVEY _____ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

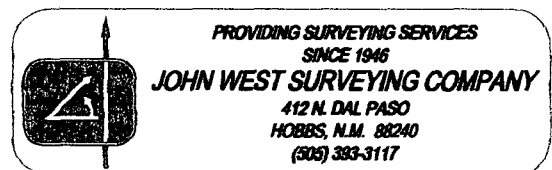
DESCRIPTION 1780' FNL & 1980' FEL

ELEVATION 3593'

OPERATOR PLANTATION
OPERATING, LLC

LEASE STATE "A" COM

U.S.G.S. TOPOGRAPHIC MAP
OIL CENTER, N.M.



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: ddotson@plantationpetro.com
Address: 2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380
Facility or well name: State "A" Com #6 API #: 30-025- U/L or Qtr/Qtr G Sec 8 T 21S R 36E
County: Lea Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>8,900</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____ _____ _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) <u>200'</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <u>0</u> 100 feet or more (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 (20 points) No No (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 (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) <u>0</u>
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:

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 ☐.

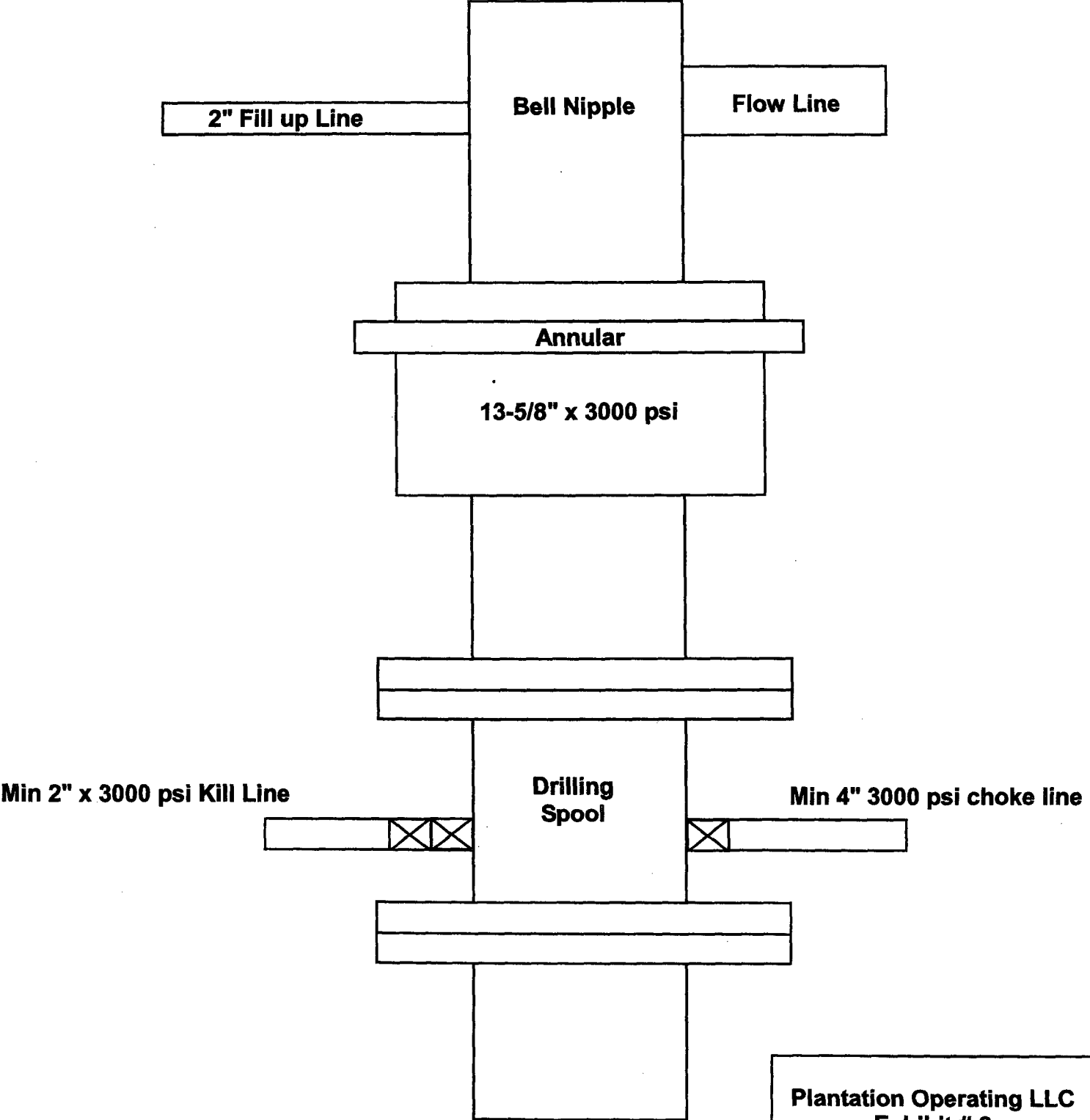
Date: 4/19/2006

Printed Name/Title Donald P. Dotson / COO Signature _____

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.

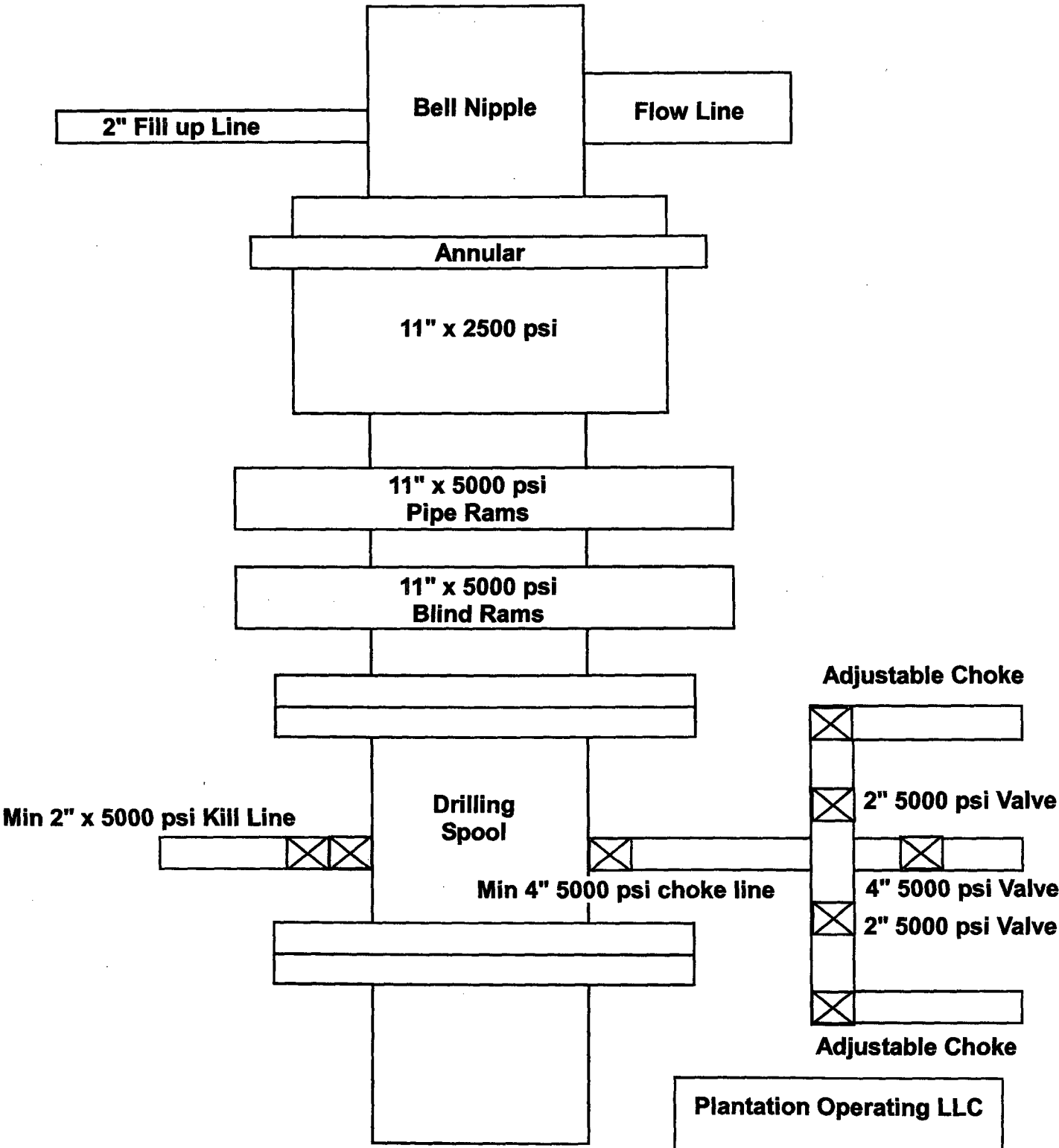
Approval:
Printed Name/Title Donald Dotson / COO Signature [Signature] Date: 4/19/06

Plantation Operating, LLC
BOP Schematic for 12-1/4" Hole



Plantation Operating LLC
Exhibit # 2
Lea County, NM

Plantation Operating, LLC
BOP Schematic for 8-3/4 or- 7-7/8" Hole



Plantation Operating LLC
Exhibit # 2A
Lea County, NM

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9994
Order No. R-9332

APPLICATION OF DOYLE HARTMAN FOR
COMPULSORY POOLING, A NON-STANDARD
GAS PRORATION UNIT AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 28, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of October, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Doyle Hartman (Hartman), seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 of Section 5 and the NE/4 of Section 8, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, forming a non-standard 320-acre gas spacing and proration unit for said pool. IN THE ALTERNATIVE, the applicant seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the N/2 SE/4 and SE/4 SE/4 of said Section 5, and the NE/4 of said Section 8, forming a non-standard 280-acre gas spacing and proration unit for said pool.

cc DH
MS
BJ
State "A" - L
orig - " " - WH

OCT 29 1990

CASE NO. 9994
Order No. R-9332
Page -2-

In either instance, the applicant proposes to simultaneously dedicate all production from the Eumont Gas Pool to the existing State "A" Well No. 4 located 660 feet from the North and East lines (Unit A) of said Section 8, which is unorthodox for the proposed 280-acre unit, and to its proposed State "A" Com Well No. 5 to be drilled at an undetermined location in the SE/4 of said Section 5.

(3) At the time of the hearing, the applicant testified that it is pursuing approval of the proposed 280-acre non-standard gas proration unit as described above and no longer requests consideration of the proposed 320-acre non-standard gas proration unit.

(4) The applicant has the right to drill and proposes to drill its State "A" Com Well No. 5 as described above.

(5) Chevron U.S.A. Inc. (Chevron), an interest owner in the proposed proration unit who has not agreed to pool its interest, appeared at the hearing in opposition to the application.

(6) The evidence indicates that Chevron and Hartman each own a 50% working interest in the existing 160-acre Eumont non-standard gas proration unit comprising the NE/4 of said Section 8 (approved or "grandfathered" in by Division Order No. R-520, dated August 12, 1954), which is currently dedicated to the Hartman operated State "A" Well No. 4 as described above.

(7) The applicant has recently acquired the SE/4 SE/4 of Section 5 from Arco Oil & Gas Company, said tract previously contained within a 240-acre non-standard Eumont gas proration unit dedicated to the State "G" Well No. 1, and has also recently acquired the N/2 SE/4 of Section 5, which, according to evidence and testimony, has not been developed in the Eumont Gas Pool nor has it previously been included in a Eumont gas proration unit due to an excessive overriding royalty burden.

(8) The evidence indicates that Doyle Hartman owns approximately 90% of the working interest in said N/2 SE/4 and SE/4 SE/4 of said Section 5, and that Chevron owns no interest in these tracts.

(9) The applicant testified that it has successfully reduced the overriding royalty burdens on the N/2 SE/4 and now proposes to drill the State "A" Com Well No. 5 on said tract to recover the remaining Eumont gas reserves.

(10) According to applicant's testimony, current Eumont gas allowables are insufficient to economically justify the drilling of the proposed well on a 120-acre non-standard gas proration unit consisting solely of the N/2 SE/4 and SE/4 SE/4 of said Section 5, and seeks to form the proposed 280-acre non-standard gas proration unit for the purpose of increasing the GPU's Eumont gas allowable, thereby increasing the gas available for production from the proposed well.

(11) The applicant has made a good faith effort to secure Chevron's voluntary participation in the drilling of the proposed State "A" Com Well No. 5, and has also offered to purchase Chevron's interest in the NE/4 of Section 8, but has thus far been unable to reach any agreement with Chevron.

(12) The applicant's proposal contains provisions whereby Chevron and Hartman would be allowed to recover their share of the reasonable and equitable value of the existing State "A" Well No. 4 as compensation for contribution of said wellbore to the proposed proration unit, which, according to applicant's evidence, is approximately \$195,782.00.

(13) The basis for Chevron's objection to the proposal is that the formation of the proposed 280-acre non-standard proration unit would in effect reduce Chevron's interest in the existing State "A" Well No. 4 and any subsequently drilled well within the proposed proration unit to approximately 28%.

(14) In addition, the evidence indicates that should Chevron elect not to participate in the drilling of the subject well, its share of the well costs plus a risk penalty would be recovered from production from the proposed State "A" Com Well No. 5 as well as production from the existing State "A" Well No. 4.

(15) Chevron contends that such an arrangement would violate its correlative rights by precluding it from recovering its fair share of proven gas reserves yet to be produced from the State "A" Well No. 4.

(16) Chevron presented evidence which indicates that approval of the application would reduce its revenue from the existing State "A" Well No. 4 by approximately \$1,319.00 per month. This figure, however, does not take into account additional revenue which may be realized by Chevron by production from the proposed State "A" Com Well No. 5.

(17) Chevron also testified that the present worth profit of its 50 percent interest in the State "A" Well No. 4 is worth more than the resultant 28 percent interest in the State "A" Well No. 4 and the proposed State "A" Com Well No. 5. However, Chevron presented no economic evidence to substantiate said testimony.

(18) Chevron is in agreement with Hartman in principle that in order to economically justify drilling additional Eumont wells, the gas allowable must be increased via proration unit enlargement as evidenced by Chevron's request in Case No. 9949 heard by the Division on May 30 and June 28, 1990, by which Chevron has requested the establishment of a 400-acre non-standard gas proration unit in the Eumont Gas Pool.

(19) The applicant presented evidence and testimony which indicates that due to the communicative nature of the Eumont reservoir, the N/2 SE/4 of said Section 5 has likely suffered substantial drainage from offset Eumont producing wells.

(20) The applicant presented further evidence which indicates that within a 1 1/3 mile radius of the proposed State "A" Com Well No. 5, Chevron owns approximately 42 percent of the production from Eumont producing wells in said area, which may include gas that has been or is currently being drained from the N/2 SE/4 of said Section 5.

(21) According to applicant's testimony, barring any mechanical failure incurred during drilling or completion operations, the proposed State "A" Com Well No. 5 should encounter commercial gas production from the Eumont Gas Pool, and, according to estimates presented both by Hartman and Chevron in this case, said well should ultimately recover between 0.8 and 1.95 BCF of gas.

(22) The proposed non-standard gas proration unit can be efficiently and economically drained and developed by the State "A" Well No. 4 and the proposed State "A" Com Well No. 5.

(23) Denial of the application in this case would in effect preclude Hartman from drilling the proposed State "A" Com Well No. 5, thereby denying him and other working interest owners the opportunity to recover the remaining gas reserves underlying the N/2 SE/4 and SE/4 SE/4 of said Section 5, thereby violating his correlative rights, and may cause waste inasmuch as said gas reserves may remain unrecovered.

(24) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas production in the Eumont Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(25) The applicant should be designated the operator of the subject wells and unit.

(26) Hartman and Chevron should be permitted to recover \$195,782.00 as the reasonable and equitable value of the existing wellbore and associated equipment of the State "A" Well No. 4 as compensation for the contribution of said well to the proposed proration unit.

(27) Any non-consenting working interest owner should be afforded the opportunity to pay his share of the reasonable and equitable value (\$195,782.00) of the existing State "A" Well No. 4 and the estimated well costs for the proposed State "A" Com Well No. 5 to the operator in lieu of paying his share of such value and costs out of production.

(28) The applicant requested a 200 percent risk penalty be imposed on the cost of drilling the proposed State "A" Com Well No. 5.

(29) The evidence presented indicates that the proposed risk penalty is excessive for the following reasons:

- a) the proposed State "A" Com Well No. 5 is an infill well, and, as testified to by the applicant, said well, barring any mechanical failures encountered during drilling or completion operations, should encounter commercial gas production from the Eumont Gas Pool;
- b) Even in the event that the proposed State "A" Well No. 5 is non-productive, the applicant will be able to recover the carried interest owners' share of the well costs from production from the State "A" Well No. 4.

(30) Any non-consenting working interest owner who does not pay his share of estimated well costs for the State "A" Com Well No. 5 should have withheld from production his share of the reasonable well costs plus an additional 50 percent thereof as a reasonable charge for the risk involved in the drilling of such well. In addition, any non-consenting working interest owner who does not pay his share of the reasonable and equitable value of the existing State "A" Well No. 4 (\$195,782.00) should have his share of said amount withheld from production.

(31) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs for the State "A" Com Well No. 5, but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(32) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(33) \$5500.00 per month while drilling the State "A" Com Well No. 5 and \$550.00 per month while producing the unit wells should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject wells, not in excess of what are reasonable, attributable to each non-consenting working interest.

(34) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(35) Upon the failure of the operator of said pooled unit to commence the drilling of the State "A" Com Well No. 5 on said unit on or before January 15, 1991, this order should become null and void and of no effect whatsoever.

(36) Should all the parties to this forced pooling reach voluntary agreement subsequent to entry of this order, the compulsory pooling portion of this order shall thereafter be of no further effect.

CASE NO. 9994
Order No. R-9332
Page -8-

(37) The operator of the wells and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(38) For purposes of assigning a gas allowable in the Eumont Gas Pool, the subject 280-acre non-standard gas proration unit should be assigned an acreage factor of 1.75.

(39) The allowable assigned to the aforesaid proration unit should be permitted to be produced from any well on said unit in any proportion.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, in the Eumont Gas Pool underlying the N/2 SE/4 and SE/4 SE/4 of Section 5, and the NE/4 of Section 8, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby pooled forming a non-standard 280-acre gas spacing and proration unit to be simultaneously dedicated to the existing State "A" Well No. 4 located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of said Section 8, and to its proposed State "A" Com Well No. 5 to be drilled at an undetermined location in the SE/4 of said Section 5.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 15th day of January, 1991, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Eumont Gas Pool.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 15th day of January, 1991, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division Director for good cause shown.

CASE NO. 9994
Order No. R-9332
Page -9-

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded.

(2) Doyle Hartman is hereby designated the operator of the subject wells and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs for the new infill well.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of the reasonable and equitable value (\$195,782.00) of the existing State "A" Well No. 4 and the estimated well costs for the new infill well, the State "A" Com Well No. 5, to the operator in lieu of paying his share of such value and costs out of production, and any such owner who pays his share of such value and costs within 30 days shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the infill well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated well costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

CASE NO. 9994
Order No. R-9332
Page -10-

(7) The operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of the estimated well costs of the new infill well within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of said new infill well, 50 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (C) Its pro rata share of the reasonable and equitable value of the existing State "A" Well No. 4 (\$195,782.00) attributable to each non-consenting working interest owner who has not paid his share of said costs within 30 days from the date of this order.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$5500.00 per month while drilling and \$550.00 per month while producing the unit wells are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from unit production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from unit production the proportionate share of actual expenditures required for operating such wells, not in excess of what are reasonable, attributable to each non-consenting working interest.

CASE NO. 9994
Order No. R-9332
Page -11-

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production pursuant to this order shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from unit production which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, the pooling provisions of this order shall thereafter be of no further effect.

(14) The operator of the wells and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

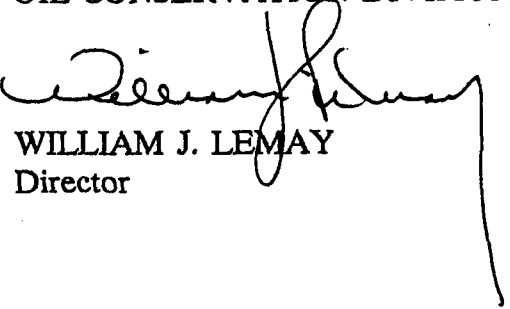
(15) The subject 280-acre non-standard gas proration unit herein authorized shall receive an acreage factor in the Eumont Gas Pool of 1.75 for allowable purposes to be produced from any well on said unit in any proportion.

(16) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9994
Order No. R-9332
Page -12-

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date October 26, 1933

Wide Water Associated Oil Company

State N.M.

4

Operator

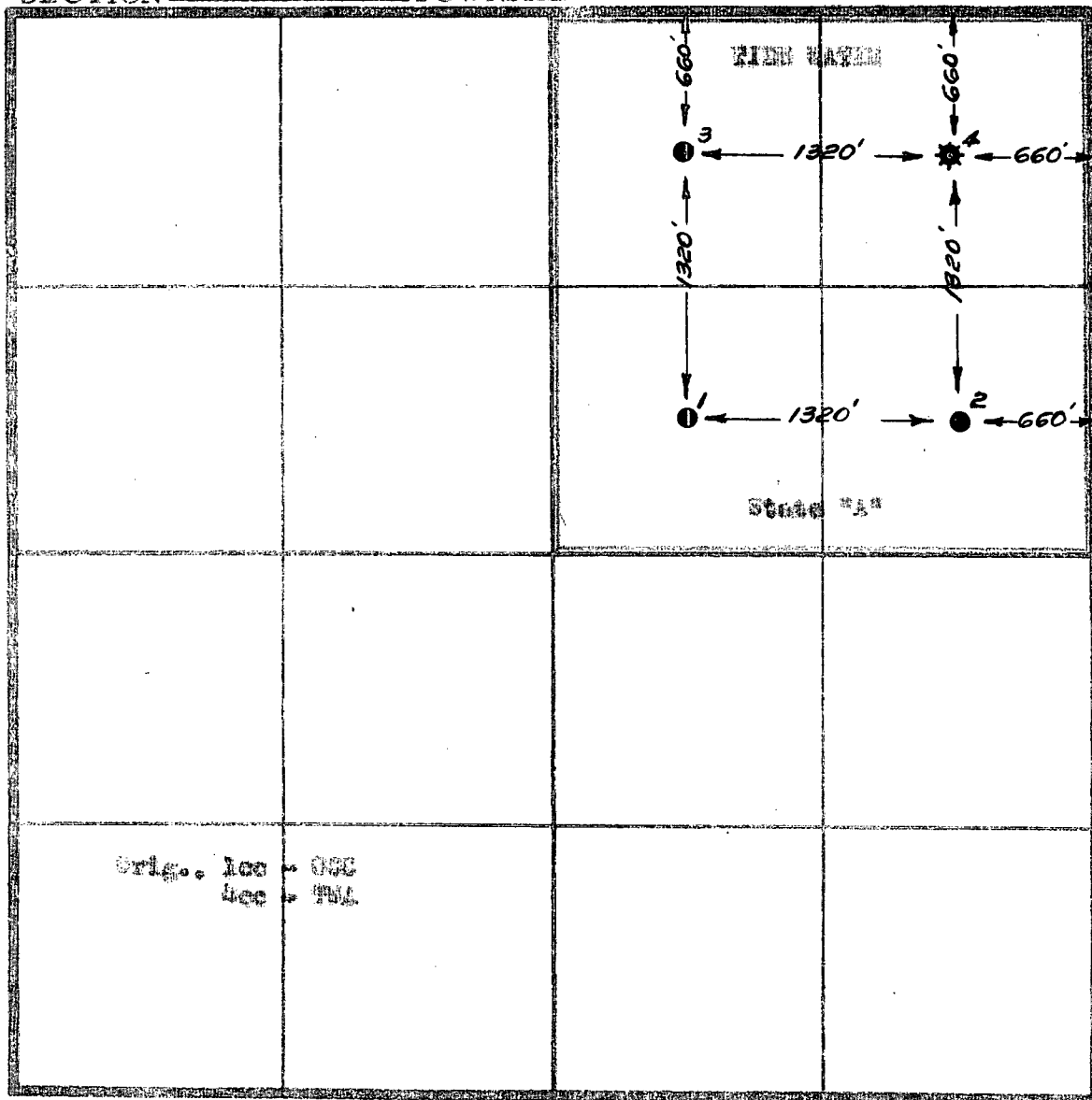
Lease 1111

Well No.

Name of Producing Formation Seven Riv. - Permian Pool Permian

No. Acres Dedicated to the Well 160

SECTION 8 TOWNSHIP 11-21-N RANGE 2-36-E



I hereby certify that the information given above is true and complete to the best of my knowledge.

Name H. C. Shackelford
Position District Foreman
Representing Wide Water Assoc. Oil Co.
Address Box 347, Hobbs, New Mexico

(over)

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
505 • 983 • 6686
Telefax No. 505 • 986 • 0741

J. E. Gallegos
George F. Bingham*
Michael L. Oja**
Joanne Reuter
Mary E. Walta†
Harry T. Nutter
Mary Ann R. Burmester**

May 25, 1990

HAND DELIVERED

William J. LeMay, Chairman
Oil Conservation Commission
Energy, Minerals & Natural Resources Department
State Land Office Building
Old Santa Fe Trail
Santa Fe, New Mexico 87504

RECEIVED

MAY 25 1990

OIL CONSERVATION DIV.
SANTA FE

RE: Application of Doyle Hartman for Approval of Rededication of Acreage, Non-Standard Proration Units and Compulsory Pooling for the Eumont Gas Pool, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed for filing please find the original and two copies of the referenced Application. Pursuant to Rule 1207, we have notified by certified mail, return receipt requested, those parties listed on Exhibit "C" to the Application as stated therein. We respectfully request you publish notice of the enclosed Application according to Rules 1204 and 1205.

As noted in the Application, we respectfully request a hearing before the Commission on June 21, 1990. This is imperative because the uncompensated drainage affecting the subject acreage should be offset as soon as possible and the Application seeks the unique remedy of compelling certain overriding royalty interest owners to bear a portion of the development costs.

Your prompt attention to this matter will be appreciated.

Sincerely,

GALLEGOS LAW FIRM

By *Harry T. Nutter*
HARRY T. NUTTER

HTN:ap

Enclosures

cc: Doyle Hartman, Oil Operator (w/enc.)

*This application was
withdrawn 6-5-90*
[Signature]

MAY 29 1990

*Also admitted in the District of Columbia

**Also admitted in California

***Also admitted in Texas

† Admitted only in Colorado

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF DOYLE HARTMAN, OIL OPERATOR FOR
APPROVAL OF REDEDICATION OF ACREAGE,
NON-STANDARD PRORATION UNITS AND
COMPUSLORY POOLING, EUMONT GAS POOL,
LEA COUNTY, NEW MEXICO.

RECEIVED

MAY 25 1990

OIL CONSERVATION DIV.
SANTA FE

CASE NO. _____

APPLICATION

Applicant DOYLE HARTMAN, OIL OPERATOR hereby applies to the Oil Conservation Commission ("Commission") for an order approving the creation of one of two proposed non-standard proration units for the Eumont Gas Pool consisting of 160 acres, or alternatively 120 acres, both of the proposed non-standard proration units to comprise portions of Section 5, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Pursuant to §70-2-17 N.M.S.A. 1978, applicant also applies to the Commission for an order which pools all interests in the Eumont Gas Pool in and under the proposed non-standard proration unit and commits certain of those interests, including overriding royalty interests, to bear a portion of the costs of developing such unit. In addition, applicant seeks the appropriate rededication of lands presently comprising an adjacent non-standard Eumont gas proration unit within said Section 5. In support thereof, applicant would show the Commission, as follows:

1. Applicant is a working interest owner in the N/2 SE/4 of Section 5, Township 21 South, Range 36 East, Lea County, New Mexico and has the right to drill, develop or otherwise produce such tract;

MAY 29 1990

2. Applicant is also a working interest owner in the S/2 SE/4 of said Section 5, which is currently embraced within an adjacent 240-acre non-standard Eumont gas proration unit, which unit is currently dedicated to a marginal well incapable of producing a 240-acre Eumont gas allowable, being the ARCO State "G" Well No. 1, located in Unit V of said Section 5.
3. Applicant proposes the creation of a non-standard proration unit for the Eumont Gas Pool comprising 160 acres, being the SE/4 of said Section 5, as shown on Exhibit "A" attached hereto.
4. In the alternative, applicant proposes the creation of a non-standard proration unit for the Eumont Gas Pool comprising 120 acres, being the N/2 SE/4 and the SE/4 SE/4 of said Section 5, as shown on Exhibit "B" attached hereto.
5. The N/2 SE/4 of said Section 5 has been and continues to be drained by wells from adjacent Eumont gas proration units, and the creation of one of the two non-standard gas proration units proposed herein is necessary to prevent waste, protect correlative rights and permit all parties to obtain their just and equitable share of the Eumont Gas Pool.
6. The oil and gas lease covering the N/2 SE/4 of said Section 5 is excessively burdened by a gross overriding royalty interest totalling 37.5 percent, which, combined with the 12.5 percent royalty interest,

renders it uneconomic to drill, develop and produce applicant's interest and the interest of other owners in the Eumont Gas Pool underlying the N/2 SE/4 of said Section 5 and has resulted in drainage of said lands for many years.

7. Applicant has sought to obtain the cooperation of all overriding royalty interest owners in reducing their overriding royalty interests in order to render it economically feasible to drill, develop and produce the Eumont Gas Pool underlying the N/2 SE/4 of said Section 5.
8. Less than all of the overriding royalty interest owners have voluntarily agreed to cooperate in order to render it economically feasible to drill, develop and produce the Eumont Gas Pool underlying the N/2 SE/4 of said Section 5.
9. The pooling of interests within either of the proposed non-standard gas proration units will prevent waste, protect correlative rights and permit all parties to obtain their just and fair share of the Eumont Gas Pool underlying such units.
10. Applicant proposes to dedicate either of the proposed non-standard Eumont gas proration units to the Koch-State "A" Com. Well No. 1 to be drilled at a standard location within the NE/4 SE/4 (Unit Q) of said Section 5.

11. In order to accommodate the creation of the proposed 160-acre non-standard Eumont gas proration unit comprising the SE/4 of said Section 5, applicant requests that the adjacent 240-acre non-standard Eumont gas proration unit, consisting of the SW/4 and the S/2 SE/4 of said Section 5, be reconfigured to embrace the SW/4 of said Section 5.
12. In the alternative, in order to accommodate the creation of the proposed 120-acre non-standard Eumont gas proration unit comprising the N/2 SE/4 and the SE/4 SE/4 of said Section 5, applicant requests that the adjacent 240-acre non-standard Eumont gas proration unit, consisting of the SW/4 and the S/2 SE/4 of said Section 5, be reconfigured to embrace the SW/4 and the SW/4 SE/4 of said Section 5.
13. Pursuant to the applicable notice requirements, applicant has notified by certified mail, return receipt requested, all parties listed on Exhibit "C" attached hereto of this application and the date of the hearing requested below.

WHEREFORE, applicant prays this matter be set for hearing before the Commission on June 21, 1990, and, after the notice and hearing required by law, the Commission enter an order approving the creation of either of the two non-standard proration units proposed herein and the pooling of all interests therein for the Eumont Gas Pool. Applicant also prays he be designated operator of the non-standard gas proration unit so created and be entitled to recover out of production therefrom his

costs of drilling, completing and equipping a unit well, plus a 200% risk factor for drilling, completing and equipping such well attributable to the interest of those electing not to cooperate in the development of the unit, and all costs of supervision and operation of such unit. Applicant further prays the adjacent 240-acre non-standard Eumont gas proration unit be reconfigured accordingly. In addition, applicant prays he be granted any and all other relief which the Commission deems equitable and proper.

Respectfully submitted,

GALLEGOS LAW FIRM

By *Harry T. Nutter*
J.E. GALLEGOS
HARRY T. NUTTER
141 East Palace Avenue
Santa Fe, New Mexico 87501
(505) 983-6686

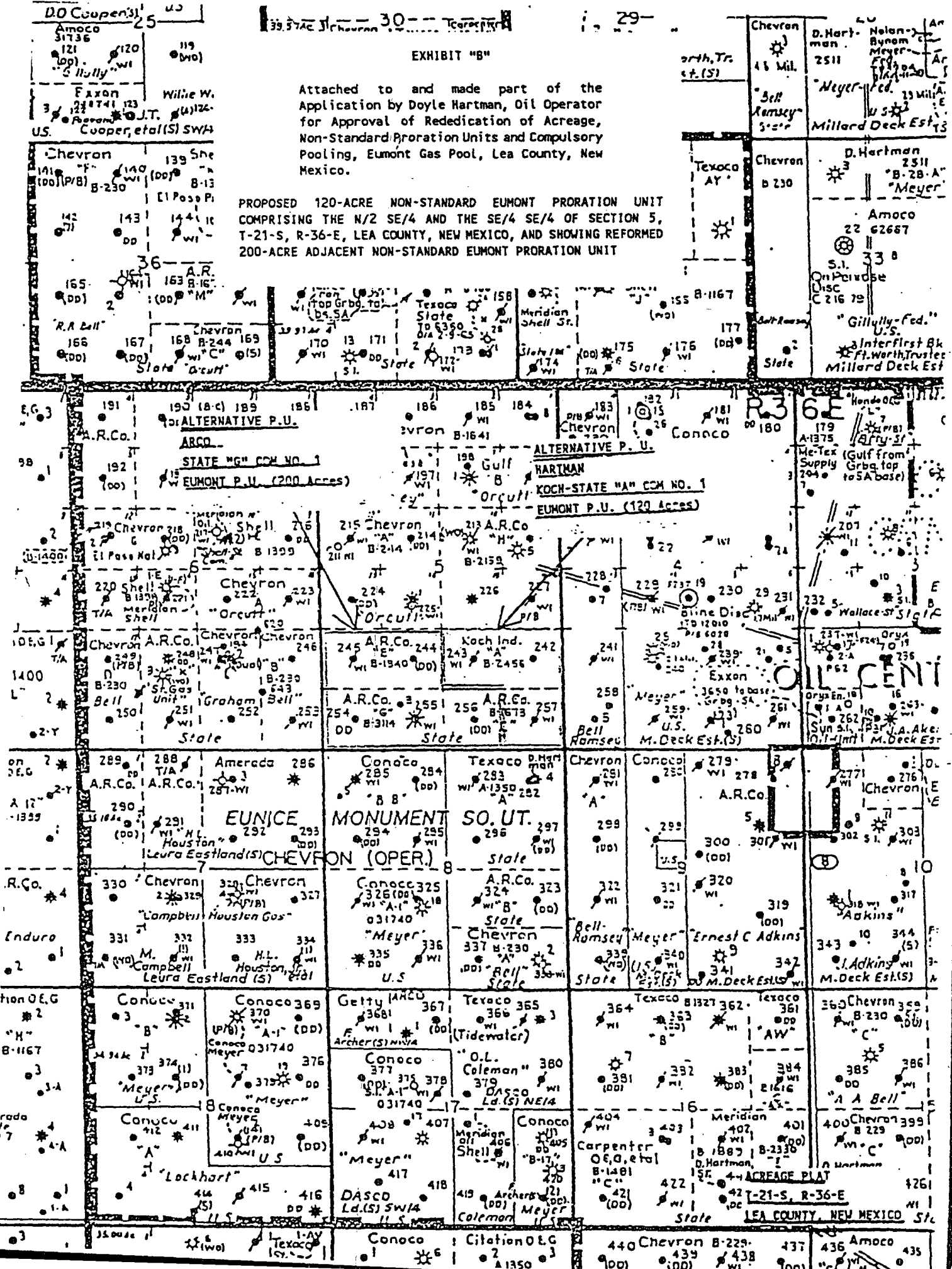
ATTORNEYS FOR DOYLE
HARTMAN, OIL OPERATOR

[illegible]

EXHIBIT "B"

Attached to and made part of the Application by Doyle Hartman, Oil Operator for Approval of Rededication of Acreage, Non-Standard Proration Units and Compulsory Pooling, Eumont Gas Pool, Lea County, New Mexico.

PROPOSED 120-ACRE NON-STANDARD EUMONT PRORATION UNIT COMPRISING THE N/2 SE/4 AND THE SE/4 SE/4 OF SECTION 5, T-21-S, R-36-E, LEA COUNTY, NEW MEXICO, AND SHOWING REFORMED 200-ACRE ADJACENT NON-STANDARD EUMONT PRORATION UNIT



Stogner, Michael, EMNRD

From: John Allred [jallred@plantationpetro.com]
To: Stogner, Michael, EMNRD
Cc:
Subject: FW: Re: Plantation Operating - Drilling List 2006
Attachments:

Sent: Tue 4/25/2006 9:14 AM

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

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Monday, April 24, 2006 2:14 PM
To: Donna Mull (dmull@state.nm.us)
Cc: Don Dotson
Subject: Re: Plantation Operating Drilling List 2006

Michael:

Re: Plantation Operating - Drilling List 2006

Here is a list of wells we want to get NMOCD approved & drilled this 2006 year.

The ones in yellow we have mailed to you in Santa Fe, NM.

Please check and see if you have received them and what the status is of them.

Carter Eaves "NCT" A #3
6K-24S-37E

Martin "B" #3
31C-24S-37E

New Mexico "AA" State #7
22B-23S-36E

Boren Greer #4
21E-22S-36E

State E Com #5
16I-21S-36E

State A Com #6
8G-21S-36E

Bois d Arc # 1

Quapaw #2
19J-20S-37E

**Myers B-28 A/C-2 #4
28I-20S-37E**

**Hansen State #10
16A-20S-37E**

**Myers B-27 #2
27C-20S-37E**

**Turner State #4
32B-20S-37E**

**Wulff State #3
17D-20S-37E**

**Wulff State #4
16H-21S-36E**

Stevens B-18 # 1

State E Com # 6

State A Com # 7

Elliott B-6 # 1

Cypress #1

**State H
17B**

Regards,

John Allred

Plantation Petroleum Companies


2203 Timberloch Place, Suite 229

The Woodlands, Texas 77380



(281) 296-7222 w

(281) 389-8832 m

(281) 298-2333 Fax

 Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

Stogner, Michael, EMNRD

From: Stogner, Michael, EMNRD **Sent:** Fri 4/28/2006 1:51 PM
To: John Allred
Cc:
Subject: RE: Re: Plantation Operating - Drilling List 2006
Attachments:  [SD-04-10.rst.doc\(33KB\)](#)  [SD-EUMT.8.doc\(38KB\)](#)

- (1) **New Mexico "AA" State #7 - 22B-23S-36E**
 Approved by REINSTATED Administrative Order SD-04-10 on 4-28-2006 (see attachment).
- (2) **Hansen State #10 - 16A-20S-37E**
 Approved by Administrative Order SD-06-07 on 4-28-2006 (see attachment).
- (3) **Carter Eaves "NCT" A #3 - 6K-24S-37E**
 Application was received on 3/31/2006 and is pending review.
- (4) **Martin "B" #3 - 31C-24S-37E**
 Application was received on 3/31/2006 and is pending review.
- (5) **State E Com #5 - 16I-21S-36E**
 Application was received on 4/20/2006 and is pending review with a 20-day suspense date of 5/10/2006.
- (6) **State A Com #6 - 8G-21S-36E**
 Application was received on 4/26/2006 and is pending review with a 20-day suspense date of 5/16/2006.
- (7) **Turner State #5 - 32B-20S-37E**
 Application was received on 4/28/2006 and is pending review with a 20-day suspense date of 5/18/2006.

There was nothing marked in yellow. However, I've done an exhaustive search in our office and can't find that we've received any of the other filings you have listed. I'm still looking and will ask around again.

From: John Allred [mailto:jallred@plantationpetro.com]
Sent: Tue 4/25/2006 9:14 AM
To: Stogner, Michael, EMNRD
Subject: FW: Re: Plantation Operating - Drilling List 2006

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16I-21S-36E**

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Bois d Arc # 1

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17D-20S-37E**

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16H-21S-36E**

Stevens B-18 # 1

State E Com # 6

State A Com # 7

Elloitt B-6 # 1

Cypress #1

**State H
17B**

Regards,

John Allred

Plantation Petroleum Companies

2203 Timberloch Place, Suite 229

The Woodlands, Texas 77380

(281) 296-7222 w

(281) 389-8832 m

(281) 298-2333 Fax

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-105
Revised 1-1-89

WELL API NO.
30-025-31117

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
B-2456, B-1637 & A-1350

7. Lease Name or Unit Agreement Name

State "A" Com

8. Well No.

5

9. Pool name or Wildcat

Eumont (Y-7R-Qn)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

b. Type of Completion:
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐

2. Name of Operator
Doyle Hartman

3. Address of Operator
P. O. Box 10426, Midland, Texas

4. Well Location
Unit Letter Q: 1650 Feet From The South Line and 845 Feet From The East Line
Section 5 Township 21-S Range 36 37-E NMPM Lea County

10. Date Spudded 1-5-91 11. Date T.D. Reached 1-11-91 12. Date Compl. (Ready to Prod.) 1-21-91 13. Elevations (DF& RKB, RT, GR, etc.) 3586.2 GR 14. Elev. Casinghead 3585.2

15. Total Depth 3900' 16. Plug Back T.D. 3859' 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools 0-3900 Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name Queen-Penrose 3357-3582 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run DSN-SDL CSNG, DLL-MSF 22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36	494'	12-1/4"	350 sx	140 sx circ
7"	26	3900'	8-3/4"	1500 sx	425 sx circ

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	3648'	None

26. Perforation record (interval, size, and number) 1 spf @
3357 3420 3437 3472 3496 3534.5 3558.5
3401 3422 3451 3483 3500 3536.5 3576
3406 3428 3453.5 3485 3505 3549.5 3582.5
3415 3435 3463 3488 3519.5 3555

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
3357-3582.5 6500 gals 15% MCA

PRODUCTION

28. Date First Production 1-18-91 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping 9' SPM X 64" X 1-1/4" Well Status (Prod. or Shut-in) Prod
Date of Test 1-21-91 Hours Tested 24 Choke Size 64/64 Prod'n For Test Period Oil - Bbl. Gas - MCF Water - Bbl. Gas - Oil Ratio
Flow Tubing Press. FCP = 23 psig Casing Pressure SICP = 267 Calculated 24-Hour Rate Oil - Bbl. Gas - MCF Water - Bbl. Oil Gravity - API - (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature

Printed
Name

Michael Stewart Title Engineer

Date 1-30-91

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy 1235	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt 1378	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt 2562	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates 2705	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers 2981	T. Devonian	T. Menefee	T. Madison
T. Queen 3399	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg 3694	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinbry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from 3357 to 3583
 No. 2, from to
 No. 3, from to
 No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
 No. 2, from to feet
 No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
1235	1378	143	Anhydrite				
1378	2562	1184	Salt & Anhydrite				
2562	2705	143	Dolomite, Anhydrite & Salt				
2705	2981	276	Dolomite & Sand				
2981	3399	418	Dolomite & Sand				
3399	3694	295	Dolomite				

FEB 06 1901

HOB-

STATE "A" COM
TRACT OWNERSHIP
NMOCD ORDER R-9332

NE/4 SE/4 and SE/4 SE/4 Section 5; NE/4 Section 8 all
in Township 21 South, Range 36 East, NMPM, Lea County,
New Mexico

Operator of the Communitized Area: Doyle Hartman

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial No.: B-2456
Lease Date: 1-24-34
Lease Term: 5 years and as long thereafter as oil or gas
is produced
Lessor: State of New Mexico
Original Lessee: Stephen Chandler
Present Ownership of
Operating Rights: Doyle Hartman - 87.5%
James A. Davidson - 12.5%
100.0%
Description of Land
Committed: N/2 SE/4 Section 5, T-21-S, R-36-E, NMPM,
Lea County, New Mexico from surface down to
the base of Eumont Gas Pool interval
Number of Acres: 80.00
Royalty Rate: 12.50%

Tract No. 2

Lease Serial No.: B-1673
Lease Date: 1-30-33
Lease Term: 5 years and as long thereafter as oil or gas
is produced
Lessor: State of New Mexico
Original Lessee: Atlantic Oil Producing Company
Present Ownership of
Operating Rights: Doyle Hartman 100%
Description of Land
Committed: SE/4 SE/4 Section 5, T-21-S, R-36-E, NMPM,
Lea County, New Mexico from surface to the
base of the Eumont Gas Pool interval
Number of Acres: 40.00
Royalty Rate: 12.50%

Tract No. 3

Lease Serial No.: A-1350
Lease Date: 11-26-28
Lease Term: 5 years and as long thereafter as oil or gas
is produced
Lessor: State of New Mexico
Original Lessee: Devonian Oil Company
Present Lessee: Doyle Hartman 87.50%
James A. Davidson 12.50%
100.00%
Description of Land
Committed: NE/4 Section 8, T-21-S, R-36-E, NMPM,
Lea County, New Mexico from the surface
down to the base of the Eumont Gas Pool
interval
Number of Acres: 160.00
Royalty Rate: 12.50%

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

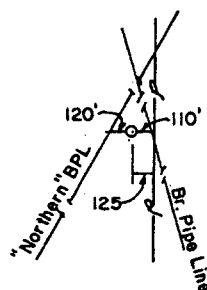
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

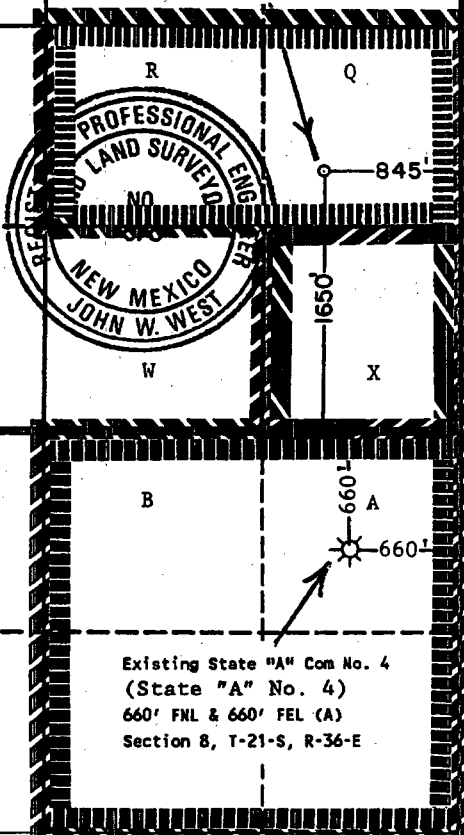
Operator DOYLE HARTMAN			Lease STATE "A" COM		Well No. 5
Unit Letter Q	Section 5	Township 21 South	Range 36 East	County Lea	
Actual Footage Location of Well: 1650 feet from the South line and 845 feet from the East line					
Ground level Elev. 3586.2	Producing Formation Queen-Penrose		Pool Eumont (Y-7R QN) Pro Gas		Dedicated Acreage: 280 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
See Attached
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation **Force Pooling Order R-9332**
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

INSET



Proposed State "A" Com No. 5
1650' FSL & 845' FEL (Q)
Section 5, T-21-S, R-36-E



Existing State "A" Com No. 4
(State "A" No. 4)
660' FNL & 660' FEL (A)
Section 8, T-21-S, R-36-E

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
[Signature]

Printed Name
Michael Stewart

Position
Engineer

Company
Doyle Hartman

Date
11-1-90

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
June 4, 1990

Signature & Seal of
Professional Surveyor

[Signature]
Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

Unit Boundary

Tract 1

Tract 2

Tract 3

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

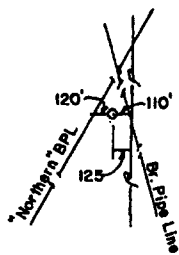
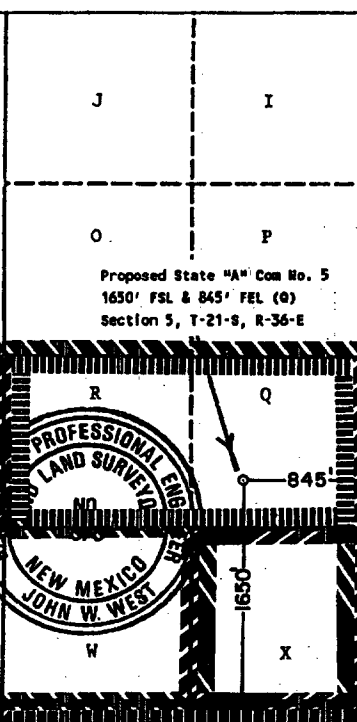

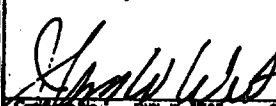
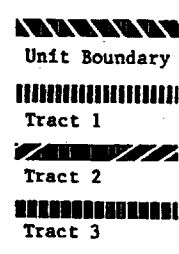
DISTRICT I
P.O. Box 1580, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator DOYLE HARTMAN		Lease STATE "A" COM		Well No. 5
Unit Letter Q	Section 5	Township 21 South	Range 36 East	County Lea
Actual Forage Location of Well: 1650 feet from the South line and 845 feet from the East line				
Ground level Elev. 3586.2	Producing Formation Queen-Penrose	Foot Eumont (Y-7R ON) Pro Gas	Dedicated Acreage: 280 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or indelible marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). See Attached</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation Force Pooling Order R-9332</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				
INSET 				
SECTION 5 T S U V D C		SECTION 8 B A Existing State "A" Com No. 4 (State "A" No. 4) 660' FNL & 660' FEL (A) Section 8, T-21-S, R-36-E		
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature:  Printed Name: Michael Stewart Position: Engineer Company: Doyle Hartman Date: 11-1-90				
SURVEYOR CERTIFICATION 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 knowledge and belief. Date Surveyed: June 4, 1990 Signature & Seal of Professional Surveyor:  Certification No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239				
				

R-9332
280 ac Pu
Eumont