



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 15, 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

Division Administrative Order SD-06-16

Dear Mr. Allred:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 31, 2006 (*administrative application reference No. pMES0-616649061*); (ii) your e-mail correspondence with Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe, on April 25 and 28 and on May 11 and 18, 2006; (iii) your letter dated May 22, 2006 with the necessary information to complete this application; (iv) the Division's records in Hobbs and Santa Fe: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Jalmat Gas Pool (**79240**) within the existing non-standard 156.19-acre gas spacing unit comprising Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) of Section 31, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

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

The subject 156.19-acre unit was established by Division Order No. R-520, issued in Case No. 673 on August 12, 1954, for Plantation's Martin "B" Well No. 1 (*API No. 30-025-11295*), located at a standard gas well location, more or less, 1650 feet from the North and West lines (Unit F) of Section 31.

It is the Division's understanding that Plantation, as the current operator of this 156.19-acre Jalmat gas unit, now intends to drill the Martin "B" Well No. 3 (*API No. 30-025-35801*) at a standard infill gas well location 660 feet from the North line and 1917 feet from the West line (Unit C) of Section 31.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Plantation is hereby authorized to simultaneously dedicate Jalmat gas production to this 156.19-acre non-standard gas spacing unit from its two above-described Martin "B" Wells No. 1 and 3. Furthermore, all provisions applicable to the subject unit in Division Order No. R-520.

Plantation Operating, L.L.C.

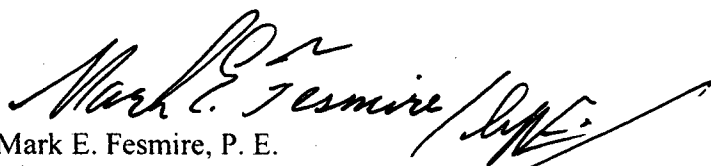
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Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire" followed by a stylized flourish or initials.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
