



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 15, 2005

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

REINSTATEMENT of Division Administrative Order NSL-3025 (SD)

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. pMES0-616651956*); (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") request for an unorthodox infill Jalmat gas well location within an existing 159.86-acre non-standard gas spacing unit comprising Lot 3 (Unit C), the SE/4 NW/4 (Unit F), and E/2 SW/4 (Units K and N) of Section 6, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool (79240), Lea County, New Mexico.

Your 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.

This non-standard 159.86-acre Jalmat gas spacing unit was initially established by Division Administrative Order NSP-726, dated November 10, 1965, for Plantation's existing Carter Eaves (NCT-A) Well No. 1 (*API No. 30-025-11019*), located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 6.

By Administrative Order NSL-3025 (SD), dated July 3, 1991, the Division authorized Doyle Hartman, Oil Operator to drill the Carter Eaves (NCT-A) Well No. 3 (*API No. 30-025-31280*) at an unorthodox infill gas well location within the above-described 159.86-acre unit 512 feet from the South line and 1923 feet from the West line (Unit N) of Section 6.

It is the Division's understanding that Doyle Hartman never drilled its Carter Eaves (NCT-A) Well No. 3 and that Plantation now intends to reapply with the Division's district office in Hobbs to drill this well within the existing 159.86-acre non-standard Jalmat gas spacing unit.

Plantation Operating, L.L.C.

REINSTATEMENT of Division Administrative Order NSL-3025 (SD)

June 15, 2006

Page 2

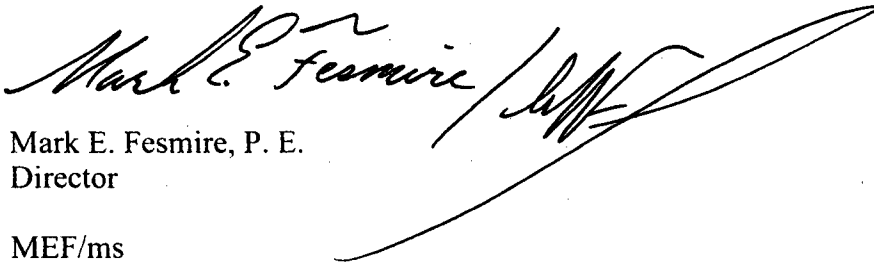
By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool, Division Administrative Order NSL-3025 (SD) is hereby reinstated and the above-described unorthodox Jalmat infill gas well location for Plantation's proposed Carter Eaves (NCT-A) Well No. 3 is hereby approved.

Further, Plantation is hereby authorized to simultaneously dedicate Jalmat gas production from both the above-described Carter Eaves (NCT-A) Wells No. 1 and 3.

All provisions applicable to the existing 159.86-acre non-standard Jalmat gas spacing unit in Division Administrative Orders NSP-726 and NSL-3025 (SD) not in conflict with this order 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", followed by a large, sweeping flourish that extends to the right and then curves back down towards the left.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
File: NSP-726
NSL-3025 (SD)