



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 16, 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-06-17

Dear Mr. Allred:

Reference is made to the following: (i) your application initially submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 26, 2006 (*administrative application reference No. pMES0-616738636*); (ii) your letter dated June 5, 2006 with supplemental data attached to support your application; (iii) your telephone conversation with Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe, on Friday morning, June 16, 2006; and (iv) the Division's records in Hobbs and Santa Fe, including the files in Division Cases No. 1157 and 5414: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 360-acre gas spacing unit comprising the E/2 SW/4 and SE/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, Lea County, New Mexico.

Your 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.

By Division Order No. R-916, issued in Case No. 1157 and dated November 13, 1956, this 360-acre non-standard gas spacing unit was initially established for Plantation's Meyer B-28 "A" A/C-2 Well No. 2 (*API No. 30-025-0673*), located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 28.

By Division Order No. R-4977, issued in Case No. 5414 and dated March 11, 1975, the Division allowed the simultaneous dedication of this 360-acre unit to the above-described Meyer B-28 "A" A/C-2 Well No. 2 and the Meyer B-28 "A" A/C-2 Well No. 3 (*API No. 30-025-30613*), located at a location now considered to be standard but unorthodox at the time it was drilled in late 1974, 760 feet from the North line and 1880 feet from the West line (Unit C) of Section 33. This well was subsequently plugged and abandoned in September, 2005.

Plantation Operating, L.L.C.

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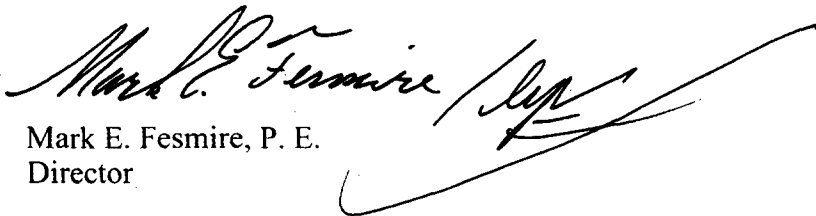
It is the Division's understanding that Plantation now intends to drill its proposed Meyer B-28 "A" A/C-2 Well No. 4 within this 360-acre unit at a standard infill gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 28. It is further understood that the location for the proposed Meyer B-28 "A" A/C-2 Well No. 4, a new well, is immediately adjacent to the previously plugged and abandoned (1948) Nolan & Byrom Turland Well No. 1 (*API No. 30-025-06275*), which location is also reported to be 1980 feet from the South line and 660 feet from the East line of Section 28.

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 the above described 360-acre non-standard gas spacing unit from both its existing Meyer B-28 "A" A/C-2 Well No. 2 and proposed Meyer B-28 "A" A/C-2 Well No. 4.

Further, all provisions applicable to the subject 360-acre non-standard Eumont gas spacing unit in Division Order No. R-916 not in conflict with this order, shall remain in full force and affect until further notice. However, Division Order No. R-4977 is hereby placed in abeyance 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,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs

File: Division Case No. 1157

Division Case No. 5414
