



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 7, 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 NSP-1076-A (L)

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 June 19, 2006 (*administrative application reference No. pTDS0-617137365*); (ii) your e-mail of Wednesday, July 26, 2006 to Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe, checking on the status of this application; (iii) Mr. Stogner’s initial response to your application by an e-mail request on Wednesday afternoon, August 2, 2006 for verification of information; (iv) your e-mail reply to and subsequent telephone conversation with Mr. Stogner, Thursday afternoon August 3, 2006; and (v) the Division’s records in Hobbs and Santa Fe, including the file on Division Administrative Order NSP-1076: all concerning Plantation Operating, L.L.C.’s (“Plantation”) request for a non-standard 79.51-acre gas spacing unit comprising the following acreage in the Jalmat Gas Pool (*pool code 79240*):

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 6: Lot 1 and the SE/4 NE/4 (E/2 NE/4 equivalent).

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, and Division Memorandum of Interpretation dated June 8, 2004.

From the Division’s records and from the information provided in your application, it is understood that development of the Jalmat Gas Pool within the NE/4 equivalent of Section 6 commenced with Division Administrative Order NSP-1076, dated December 16, 1977, which order approved a non-standard 159.16-acre gas spacing for gas production from Amoco Production Company’s Myers “B” Federal Well No. 31 (*API No. 30-025-25766*), located at a standard gas well location 1650 feet from the North line and 1830 feet from the East line (Unit G) of Section 6. By letter from the Division Director dated June 27, 1980 Amoco was authorized to include its Myers “B” Federal Well No. 11 (*API No. 30-025-11024*) into this 159.16-acre unit as an infill well at a standard gas well location 660 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of Section 6.

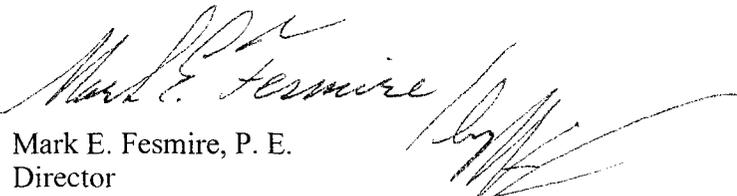
According to your application and the Division's well and production records, this 159.16-acre gas spacing unit and the provisions of Division Administrative Order NSP-1076 terminated when these two Jalmat gas wells were recompleted and/or reclassified as Jalmat oil wells (*pool code 33820*).

This new 79.51-acre gas unit is to be dedicated to Plantation's proposed Myers "B" Federal Well No. 34 to be drilled at an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 6.

By the authority granted me under the provisions of Rules 4 (A), (C), and (D) of the special rules now governing the Jalmat Gas Pool, the above-described non-standard 79.51-acre gas spacing unit and its corresponding unorthodox gas well location for the Myers "B" Federal Well No. 34 are hereby approved.

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
U. S. Bureau of Land Management - Carlsbad
File: NSP-1076