

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 3, 2007

Plantation Operating, LLC 2203 Timberloch Place, Suite 229 The Woodlands, TX 77380 Attn: John Allred, P.E.

Administrative Order NSL-5541

Re:

Boren Greer Gas Com. Well No. 4

API No. 30-025-38222

E-21-22S-36E Lea County

Dear Mr. Allred:

Reference is made to the following:

- (a) your application (administrative application reference No. pTDS06-34834038) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 13, 2006, and
 - (b) the Division's records pertinent to this request.

Plantation Operating LLC (Plantation) has requested to drill its Boren Greer Gas Com. Well No. 4 (API No. 30-025-38222) at an unorthodox Jalmat gas well location, 1795 feet from the North line and 1035 feet from the West line (Unit E) of Section 21, Township 22 South, Range 36 East, N.M.P.M., in Lea County, New Mexico. A non-standard 320-acre gas spacing unit comprised of the NE/4 of Section 20 and the NW/4 of Section 21 will be dedicated to this well. This non-standard unit in the Jalmat-Tansill/Yates/SevenRivers Gas Pool (79240) was previously approved by Order R-8116, in Case No. 8770, issued on January 6, 1986.

This pool is governed by the Special Pool Rules for the Jalmat Gas Pool, as amended by Order R-8170-P, issued December 14. 2001. Rule A(2) of the Special Pool Rules provides that a Jalmat gas well shall be located at least 660 feet from any unit outer boundary or quarter section line, and at least 330 feet from any quarter-quarter section line. This location is approximately 285 feet from the eastern boundary of the SW/4 NW/4 of Section 21.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2) and Rule 4(A) of the Special Pool Rules for the Jalmat Gas Pool.

It is our understanding that Plantation is seeking this location in order to maintain separation from an abandoned injection well located in the same quarter/quarter section.

It is also understood that notice of this application was duly furnished to offsetting operators as specified in the materials accompanying your application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P.E.

Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe