



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 6, 2007

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

Administrative Order NSL-5576
Administrative Order SD-200704

Re: Elliott B-6 Well No. 2
L-6-22S-36E
Lea County

Dear Mr. Allred:

Reference is made to the following:

(a) your applications (**administrative simultaneous dedication application reference No. pTDS07-03845441 and administrative non-standard location application reference No. pDKB07-06540727**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 5, 2007, and

(b) the Division's records pertinent to this request, including the Division's records pertaining to Administrative Order No. NSP-327.

Plantation Operating LLC (Plantation) has requested to drill its Elliott B-6 Well No. 2 at an unorthodox Eumont gas well location, 1980 feet from the South line and 800 feet from the West line (Unit L) of Section 6, Township 22 South, Range 37 East, N.M.P.M., in Lea County, New Mexico.

In addition, Plantation has requested to simultaneously dedicate its proposed Elliott B-6 Well No. 2, along with the existing Elliott B-6 Well No. 1 (API No. 30-025-10082), located 330 feet FSL and 610 feet FWL (Unit M) of Section 6, to an existing, non-standard 74.06-acre gas spacing unit in Eumont Yates/Seven Rives/Queen Gas Pool (22730), comprising Lots 6 and 7 (W/2 SW/4 equivalent) of Section 6.

This non-standard unit was previously approved by Administrative Order NSP-327, issued on November 16, 1956.

The Eumont Gas Pool is governed by the Special Pool Rules for the Eumont Gas Pool, as amended by Order R-8170-P, issued December 14, 2001. Rule 3.A(2) of the Special Pool Rules provides that a Eumont gas well shall be located at least 660 feet from any unit outer boundary or quarter section line. This location is less than 660 feet from the eastern boundary of the unit. Rule 3.C of the Special Pool Rules provides that no more than one gas well may be dedicated to a Eumont gas unit comprising 160 acres or less.

Your non-standard location 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 Eumont Gas Pool. Your simultaneous dedication application has been duly filed under the provisions of Division Rules 104.D(3) and 1210.A, and Rule 4.B of the Special Pool Rules for the Eumont Gas Pool.

It is our understanding that this non-standard location is necessary because, due to the irregular configuration of this non-standard unit, no standard gas well location exists in this unit. Pursuant to Rule 4.B of the Special Pool Rules for the Eumont Gas Pool, you have furnished a detailed geological justification for the dedication of a second gas well to this spacing unit. Based on your geological justification, which is a part of the record for this application, we understand that approval of the proposed simultaneous dedication will prevent waste and will not impair correlative rights in this pool.

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 Rules 104.D(3) and 104.F(2), and Rules 4.A and 4.B of the Special Pool Rules for the Eumont Gas Pool, the above-described unorthodox location and the above-described simultaneous dedication are 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
United States Bureau of Land Management - Carlsbad