



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Case No. 7408

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 11, 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-06-03 (NSBHL)
(Administrative Amendment to Division Order No. R-6821)

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 March 6, 2006 (***administrative application reference No. pTDS0-606558050***); and (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Order DD-1 (dated August 29, 1984) and in Division Case No. 7408: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for the depletion of the Jalmat Gas Pool (***79240***) within the existing non-standard 80-acre gas spacing unit comprising the E/2 NE/4 of Section 19, Township 25 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 Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

By Order No. R-6821, issued in Case No. 7408 and dated November 13, 1981, the Division established the subject 80-acre unit and approved for its simultaneous dedication to: (i) Plantation's B. M. Justis Well No. 10 (***API No. 30-025-27630***), which well was directionally drilled by Doyle Hartman in 1981 from a surface location 1940 feet from the North line and 120 feet from the West line (Unit E) of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico to an unorthodox bottomhole gas well location at a depth 3,273 feet TVD (3202 MD) approximately 1935 feet from the North line and 439 feet from the East line (Unit H) of Section 19; and (ii) Bettis, Boyle, and Stovall's B. M. Justis Well No. 1 (***API No. 30-025-11657***) located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 19. Last reported production from the No. 1 well was in January, 1985.

By Administrative Order DD-1, Doyle Hartman was authorized to directionally drill the B. M. Justis Well No. 12 (*API No. 30-025-28805*) from a surface location 1450 feet from the North line and 120 feet from the East line (Unit E) of Section 20 to a total depth of 3,550 feet (MD), or 3,432 feet (TVD), to a bottomhole location within the Jalmat interval 928 feet from the North line and 403 feet from the East line (Unit A) of Section 19. Division Administrative Order DD-1 allowed the B. M. Justis Well No. 12 to be completed as an oil well within the Jalmat Gas Pool. Last reported production from the No. 12 well was in December, 1993.

It is the Division's understanding that Plantation now intends to re-complete the B. M. Justis Well No. 12 as an infill Jalmat gas well within this 80-acre unit.

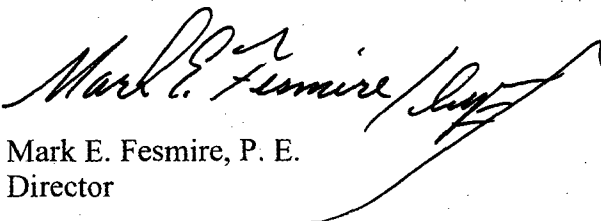
By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool, Plantation is hereby authorized to simultaneously dedicate Jalmat gas production to the above-described 80-acre non-standard gas spacing unit from both its B. M. Justis Wells No. 10 and 12.

Further, all provisions applicable to the subject 80-acre non-standard Jalmat gas spacing unit in Division Administrative Order DD-1 and Order No. R-6821, not in conflict with this order, shall remain in full force and affect until further notice.

It is further ordered that any and all current operations and development of the Jalmat Gas Pool within the E/2 SE/4 of Section 19 shall be allowed to continue without interruption.

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 Administrative Order DD-1 (Dated August 29, 1984)
Division Case No. 7408
