



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 19, 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-89-1-A

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 April 28, 2006 (***administrative application reference No. pMES0-612154771***); and (ii) the Division's records in Hobbs and Santa Fe, including the files in Division Case No. 626 and on Division Administrative Order SD-89-1: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 160-acre gas spacing unit comprising the E/2 NE/4 and W/2 NW/4 of Section 32, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

This 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-427, issued in Case No. 626 and dated April 16, 1954, this 160-acre non-standard gas spacing unit was initially established for Turner State Well No. 2 (***API No. 30-025-06319***) located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 32. By Administrative Order SD-89-1 dated June 5, 1989 the Division allowed the simultaneous dedication of this 160-acre unit to the Turner State Well No. 2 and to the Turner State Well No. 3 (***API No. 30-025-30613***), located at a standard infill gas well location 1980 feet from the North and West lines (Unit F) of Section 32. The Division's records indicate the Turner State Well No. 2 was plugged and abandoned in 1991.

It is the Division's understanding that Plantation now intends to drill its proposed Turner State Well No. 4 at a standard infill gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 32.

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 160-acre non-standard gas spacing unit from both its Turner State Wells No. 3 and 4.

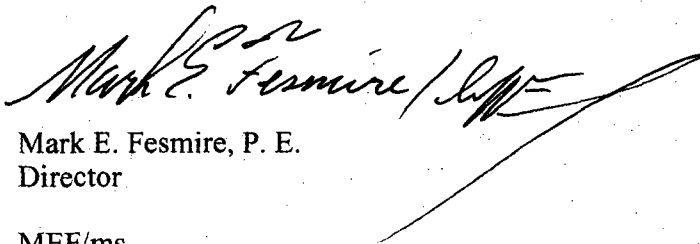
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Further, all provisions applicable to the subject 160-acre non-standard Eumont gas spacing unit in Division Administrative Order SD-89-1 and Division Order No. R-427, not in conflict with this order, shall remain in full force and affect until further 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
New Mexico State Land Office – Santa Fe
File: Division Case No. 626
Division Administrative Order SD-89-1 (*order dated June 5, 1989*)
