

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

OCD-HOBBS

SEP 25 2006
Received
Hobbs
OCD

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. LC-NM-2511
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Plantation Operating, LLC		7. If Unit or CA Agreement, Name and No.
3a. Address 2203 Timberloch Place, Suite 229 The Woodlands, Texas 77380		8. Lease Name and Well No. <302117> Meyer B-27 #2
3b. Phone No. (include area code) 281-296-7222		9. API Well No. 38139 30-025
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 960' FNL and 1980' FWL At proposed prod. zone Non-Standard Location Unit C		10. Field and Pool, or Exploratory Eumont (Yates-7Rivers-Queen)
11. Sec., T. R. M. or Blk. and Survey or Area C-27, T-20-S, R-37-E		12. County or Parish Lea
13. State NM		14. Distance in miles and direction from nearest town or post office* Monument, NM - South approximately 5 miles
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well 120/160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1750'	19. Proposed Depth 3800'	20. BLM/BIA Bond No. on file NMB000344
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3513' GL	22. Approximate date work will start*	23. Estimated duration 10 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Kimberly Faldyn</i>	Name (Printed/Typed) Kimberly Faldyn	Date 08/22/2006
Title Production Tech		
Approved by (Signature) /s/ Tony J. Herrell	Name (Printed/Typed) /s/ Tony J. Herrell	Date SEP 25 2006
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

LEA COUNTY CONTROLLED WATER BASIN

GWW

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

DISTRICT I
1825 N. FRENCH DR., ROBBIE, NM 86240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1820 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38139	Pool Code 76480	Pool Name Eumont (Y-7R-Q) Gas
Property Code 302117	Property Name MEYER B-27	Well Number 2
OGRID No. 237788	Operator Name PLANTATION OPERATING, LLC	Elevation 3513'

Surface Location

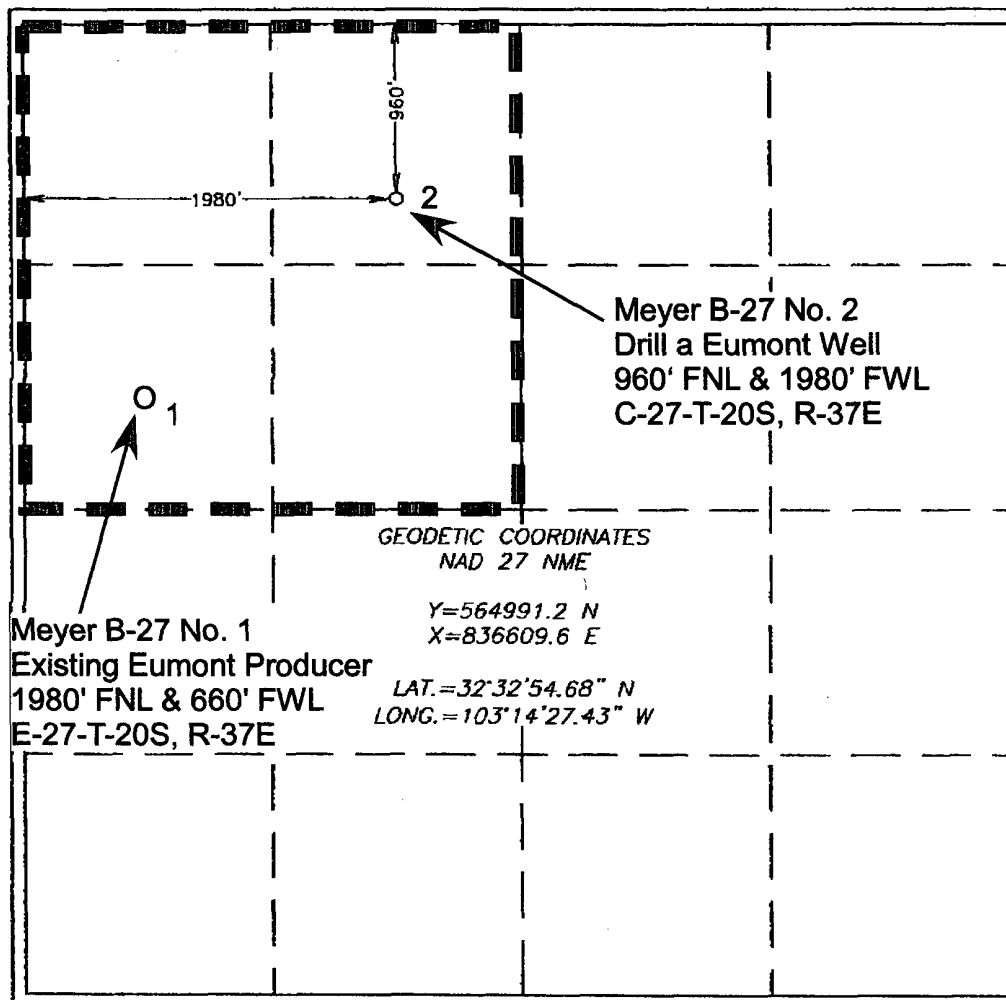
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	20-S	37-E		960	NORTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No. SD-06-25
Administrative Order No. NSP-282 (7/11/56)			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Signature: John Allred
Date: 8/16/06
Printed Name: John Allred

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 09, 2006

Date Surveyed: MR
Signature: [Signature]
Professional Surveyor
NEW MEXICO
06.11.0468
Certificate No. 12841

K-06-57
8/24/06

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
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DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name MEYER B-27	Well Number 2
OGRID No.	Operator Name PLANTATION OPERATING, LLC	Elevation 3513'

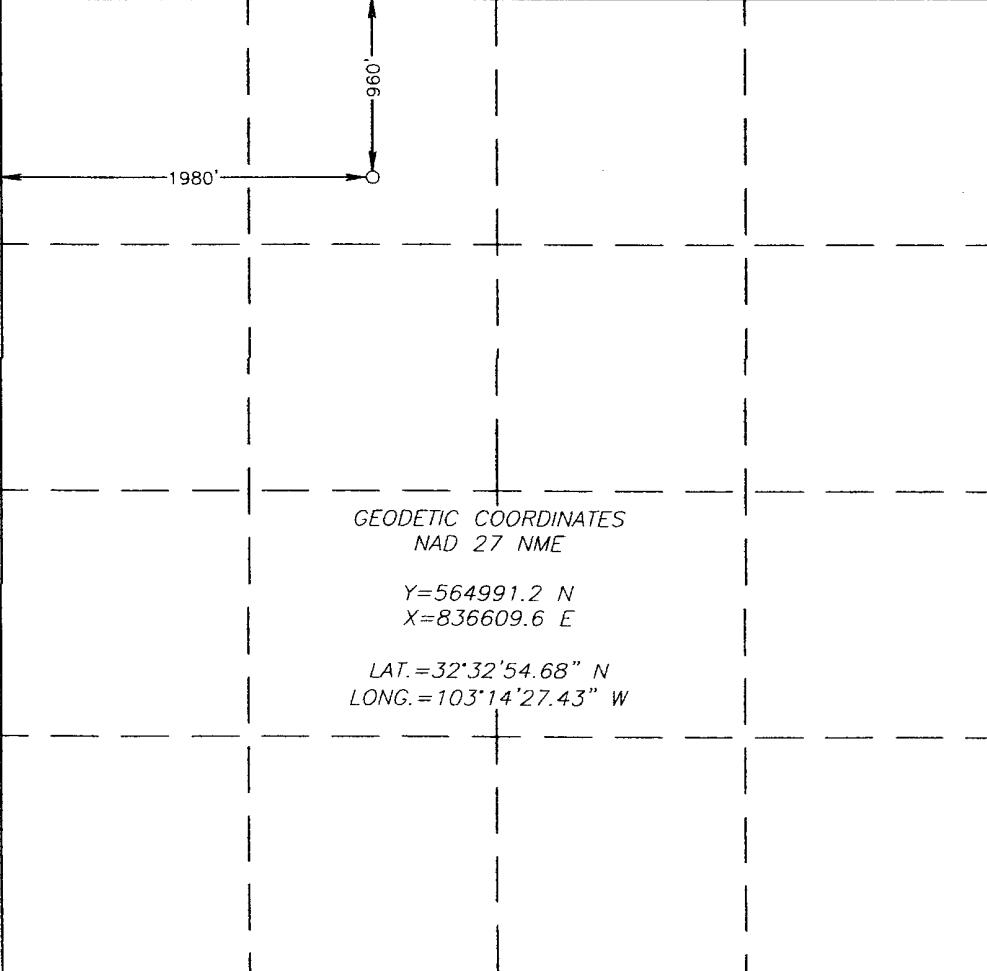
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	20-S	37-E		960	NORTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p>GEODETIC COORDINATES NAD 27 NME Y=564991.2 N X=836609.6 E LAT.=32°32'54.68" N LONG.=103°14'27.43" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> Signature Date 8/24/06 JOHN ALLRED Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 09, 2006</p> <p>Date Surveyed MR Signature & Seal of Professional Surveyor <i>[Signature]</i> 3/17/06 06.11.0468 Certificate No. GARY EIDSON 12641</p>
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PLANTATION OPERATING, LLC
DRILLING PROGNOSIS

I. WELL IDENTIFICATION

Well No.: **Meyer B-27 # 2**

Location: 960' FNL & 1980' FWL
 Unit C, Section 27, T-20-S, R-37-E

County: Lea

State: New Mexico

Elevations: GL 3513' / 3525' KB

II. DRILLING OBJECTIVE

Zone: Yates-Seven Rivers-Queen

Total Depth: 3800'

Pool Name: Eumont (Y-7R-Q) Gas

Productive Interval: Yates-Seven Rivers-Queen

III. FORMATION TOPS

<u>ZONE</u>	<u>DRILLING DEPTH (KB)</u>	<u>SUBSEA DEPTH</u>	<u>GROSS INTERVAL DRILLED</u>	<u>PROBABLE FLUID PRODUCTION</u>
Rustler	1223	2302		
Salado Salt	1326	2199		
Cowden Anhydrite	--	--	--	
Tansill	2585	940		
Yates	2918	830		GAS
Seven Rivers		607		GAS
CUQ Marker				
Queen	3418	107		GAS
Penrose				
Grayburg				
TOTAL DEPTH	3825		---	

IV. HOLE SIZE

<u>Hole</u>	<u>Bit Size</u>	<u>T.D.</u>	<u>Gross Interval</u>
Surface	9-7/8"	1200'	1200' 1260
Production	6-1/8"	3800'	3800'

V. CASING PROGRAM

A. Casing Design

<u>String</u>	<u>Casing Size</u>			<u>Grade</u>
	<u>O.D.</u>	<u>Wt.</u>	<u>Amt.</u>	
Surface	7"	20	1200 1260	J-55- STC
Production	4-1/2"	11.6	3800'	J-55- STC

B. Float Equipment

Surface Casing: 7-inch Texas Pattern guide shoe and 7-inch float collar. Wiper wooden plug to displace cement.

Production Casing: 4-1/2-inch super seal float shoe with latch down plug and baffle.

C. Centralizers

Surface Casing: One centralizer at the float collar and five centralizers every other joint thereafter.

Production Casing: Run a total of 20 centralizers. Place one centralizer at the guide-shoe with fifteen (17) centralizers being placed every 80 to 90 feet apart or every other joint in the case of 40-foot joint lengths thereafter. One centralizer inside the bottom of the surface casing and one near surface.

D. Wellhead Equipment

Larkin 7" x 4-1/2" slip type casinghead with bowl, slips and packoff. B & M Oil Tools 4-1/2" x 2 3/8" Type MR male-tubinghead complete with Mandrel, 3 inch outlets, stripper bowl and rubber and slip casing collar.

VI. MUD PROGRAM

- A. Drill the surface hole with a fresh water gel spud mud & paper (approximately 8.5 lb./gal) while maintaining a high enough viscosity to adequately clean the hole. Circulate through working pits and sweep for surface casing. Add paper as needed to control excess seepage.

Before drilling below the surface pipe, jet cuttings out of working pit into auxiliary pit and then switch from circulating through the working pit to circulating through the reserve pit with 10.1 ppg brine.

B. Production Hole

Prior to drilling the cement plug, add ASP-725 through the hopper over 1 to 2 circulations at the rate of 20 gallons per 1000 barrels of fluid. Make certain to mix and agitate ASP 725 prior to adding to brine. ASP-725 is a cationic, liquid polyacrylamide designed to prevent hydration and migration of clays. Due to its cationic nature, bentonite and attapulgite will not hydrate and are useless in this fluid. If additional viscosity is required, use XCD, or Drispac plus.

Since ASP-725 is depleted from the system, some maintenance is required. Recommended maintenance is 5-6 gallons per tour through the mud hopper.

Lime should be used to control pH at 9.0. Paper may be used to control seepage losses.

Water flows while drilling the Rustler, Salt, and Yates formations may require deviation from this program.

Depth: 2300'-3550'. Weight: 10.0-10.1. Viscosity: 30-31. Filtrate: 6 or less.

At **2300'** begin to lower the fluid loss with starch. **Fluid loss to be 10 cc's or less at 2300'.**

Continue to add ASP-725 to the system at the rate of 5-6 gallons per tour. Caustic soda should be used to control pH at 9.0. Use paper and LCM to control seepage losses below 3000'.

At TD, sweep the hole using a high viscosity 100 barrel pill with Dynasweep and/or XCD or as recommended.

VII. **CEMENTING PROGRAM**

A. Surface Pipe

Cement surface pipe with approximately 220 sacks (or as required to circulate cement to surface) of API Class-C cement containing 2% Calcium Chloride. Before resuming drilling operations, allow cement to set for a sufficient time to gain a 500-psi compressive strength (18 hours). Nipple up 3000# 12" Shaffer Type E Double Ram BOP and test rams. Also before drilling the surface cementing plug, the pipe shall be tested to 1000 psi for 15 minutes.

B. Production String

Cement the long string with approximately 270 sacks (or as required) of API Class-C cement containing 3% Halliburton Econolite, 5 lbs/sx Gilsonite and 1/2 lb./sx Floseal mixed to a slurry weight of 11.2 lb./gal followed by 120 sacks of a 50-50 blend of Pozmix "A" and API Class-C cement containing 18% salt, 2% gel, 1/4 lb./gal Floseal and a slurry weight of 14.1 lb./gal. Pump 30 barrels of water ahead of the cement to help remove the mud filter cake.

Once the plug has been bumped and latched, pressure test the casing to 1500 psig.

The total estimated cement volume of 300 sacks provides for an excess that should be sufficient to bring the cement top back to the surface. Before the cement job is actually performed, the required cement volume shall be checked against the open hole caliper log to determine the actual amount of cement necessary to bring the cement back to the surface.

VIII. FORMATION EVALUATION

A. Drilling Rate

1. The drilling rate shall be monitored with a geolograph from the surface to total depth.
2. Operator requires that the penetration rate be tabulated in 10 feet increments over the entire hole.

B. Well Cutting Samples

One set of wet cutting samples shall be gathered every ten (10) feet from 940' to total depth. Five foot (5') samples may be required during the Queen-Penrose interval as specified. **Two sets of dried cuttings** cleaned, bagged, tagged, and then grouped into bundles of ten samples per bundle with one bundle representing each 100 feet drilled.

After the cutting samples have been reviewed by the well site geologist, they shall be delivered to the Midland Sample Cut, 704 S. Pecos Street, Midland, Texas.

If required by the well site geologist, a second set of samples shall be gathered over the entire Seven Rivers-Queen.

C. Mud Logging

On at 2300' prepared to catch samples and monitor gas with instruments calibrated. Logs will be distributed as noted with Electric Logs. **Need two (2) sets of dry samples. E-mail or fax field mud logs by segments twice (2) daily, morning and evening by 5:30 PM Central time.**

E-Mail: twingate@plantationpetro.com , ddotson@plantationpetro.com & jallred@plantationpetro.com.

Fax: 281-298-2333

D. Drill-Stem Testing None

E. Coring None

F. Well Logging

Well Logging information is now available on CD. CD formats are to be requested on all work performed or E-Mail to list above.

Open Hole Logs

<u>Log</u>	<u>Interval</u>	
	<u>2" = 100'</u>	<u>5" = 100'</u>
SDL-DSN-GR*	T.D. - Surface	T.D. - 1800
Dual Laterlog-	T.D. - 1800	T.D. - 1800
Microguard-GR-MST	As Instructed	

*Log and process on both lime and dolomite matrix base

Cased Hole Logs

<u>Log</u>	<u>Interval</u>	
GR-Neutron/Sonic	T.D. - 2100	T.D. - 2100

Log Distribution

	<u>No. of Copies</u>				
	<u>Field</u> <u>Prints</u>	<u>Final</u> <u>B/W</u> <u>Prints</u>	<u>Final</u> <u>Color</u> <u>Prints</u>	<u>Field</u> <u>Mud</u> <u>Logs**</u>	<u>Final</u> <u>Mud</u> <u>Logs</u>
Plantation Operating, LLC 2203 Timberloch Place, Suite 229 The Woodlands, TX 77380	5	3	6	3	3
Email: twingate@plantationpetro.com ddotson@plantationpetro.com jallred@plantationpetro.com	5	0	5	3	3
NMOCD District I Office 1625 N. French Dr. Hobbs, New Mexico 88240	0	1	0	0	0

**** Modern field mud logs by segments twice (2) daily, morning and evening by 5:30 PM Central time.**

IX. BLOWOUT PREVENTER SYSTEM

Before drilling out from under the surface pipe, the well will be equipped with a 3000-psi 10 inch series 900 double-ram hydraulic blowout preventer. The blowout preventer shall be used through the running of the production string.

X. HAZARDOUS ZONES

Note: Be cautious of water flows while drilling below the Rustler formation. Check for water flows on each connection, during surveys and monitor pit gain/loss. Do not leave drill string on bottom and/or stationary while drilling through the porosity zones in the Queen-Penrose. This is to avoid differential sticking. Be cautious of lost circulation while drilling the Grayburg-SA formation at TD. Should circulation cease pump a standby 50 bbl LCM/XCD mix to regain circulation.

XI. AUXILIARY EQUIPMENT

Upper Kelly cock, full opening stabbing valve, rotating head as required.

XII. COMPLETION

Perforations, acid job, and additional stimulation to be determined after completion.

XIII. DURATION OF OPERATIONS

The total elapsed time required for drilling and completing the subject well is expected to be fifteen (15) days.

Distribution

DD
JA
GL
File



Plantation Petroleum Companies

Plantation Petroleum Holdings III, LLC; Plantation Operating, LLC

2203 Timberloch Place, Ste. 229
The Woodlands, TX 77380
Tel: (281) 296-7222
Fax: (281) 298-2333

August 22, 2006

Carlsbad Field Office
Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88200-6292

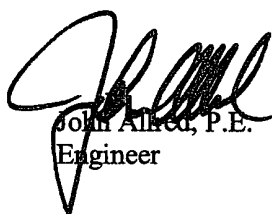
**RE: Restoration of Surface
Meyer B-27 #2
960' FNL & 1980' FWL
C-27, T-20S, R-37E
Lea County, New Mexico**

Dear Sir or Madam:

We have notified Tim Wolters, Millard Deck Trust, owners of the surface land, of our intention to drill a well to be located 960' FNL and 1980' FWL of Section 27, T-20S, R-37E. We have agreed that once drilling and completion operations are finished at the proposed well site, all pits will be backfilled and leveled, all junk and unnecessary equipment will be removed, and any unneeded access road and drill pad area will be ripped to promote vegetation.

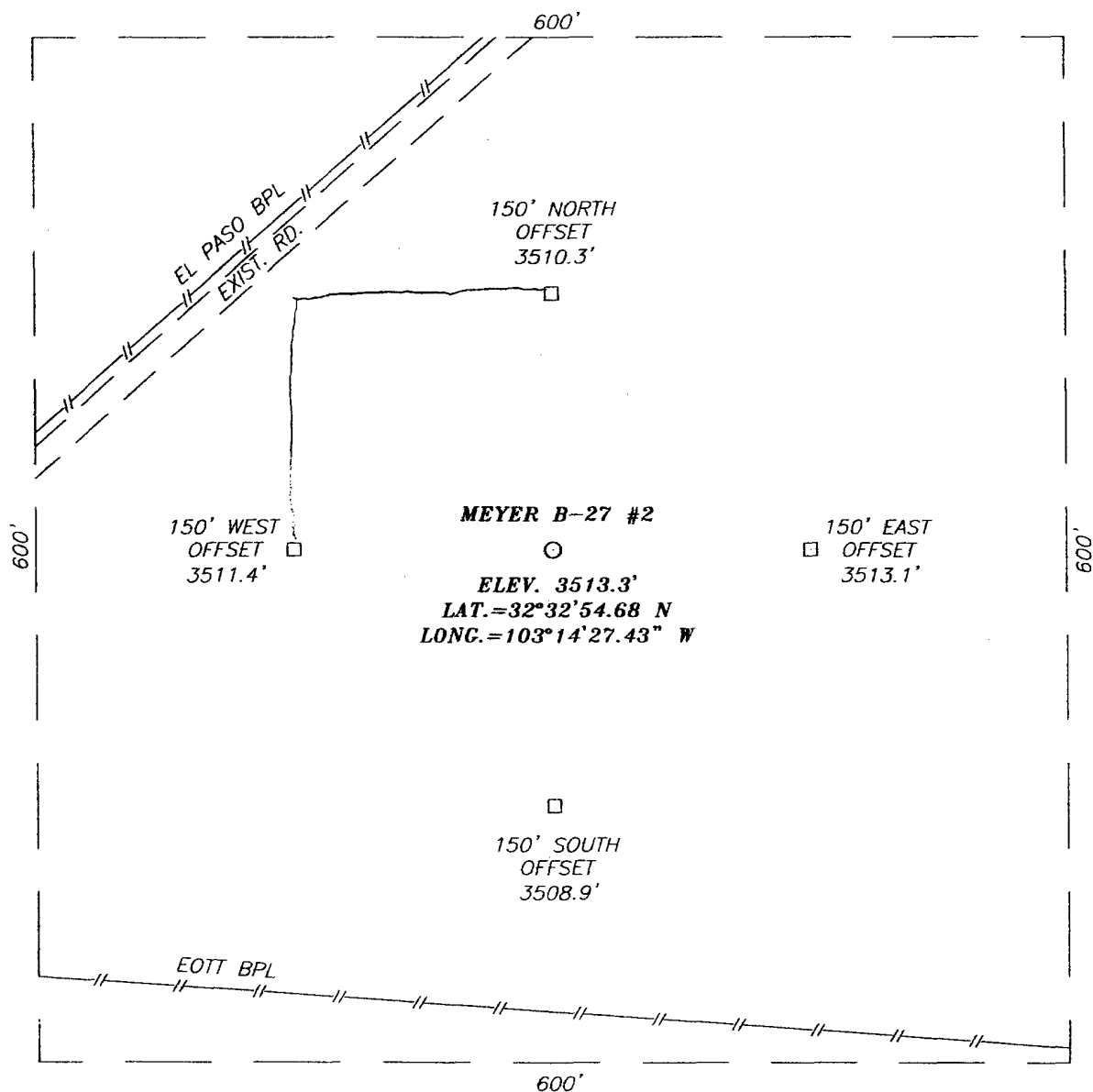
Very truly yours,

PLANTATION OPERATING, LLC



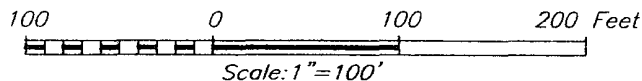
John Alford, P.E.
Engineer

SECTION 27, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

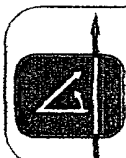
FROM THE INTERSECTION OF ST. HWY. 8 AND CO. RD. H-41 (HILL RD.). GO EAST ON HILL RD. APPROX. 0.36 MILES. TURN LEFT AND GO NORTH APPROX. 0.43 MILES. TURN RIGHT AND GO NORTHEAST ON A PIPELINE ROAD APPROX. 0.63 MILES. THIS LOCATION IS APPROX. 250 FEET SOUTHEAST.



PLANTATION OPERATING, LLC

MEYER B-27 #2
 LOCATED 960 FEET FROM THE NORTH LINE
 AND 1980 FEET FROM THE WEST LINE OF SECTION 27,
 TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 03/09/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0468	Dr By: M.R.
Date: 03/15/06	Disk: CD#1
06110468	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
PLANTATION OPERATING, LLC
Meyer B-27 # 2
960' FNL & 1980' FWL
Section C-27 - T20S - R37E

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved, and the procedures to be followed in restoring the surface so that a complete appraisal can be made of the environmental impact associated with the proposed operations.

1. **Existing Roads:**
 - A. A topographic map showing the location of the proposed well and access road is attached.
 - B. (See Surveyor's directions on Plat).
2. **Proposed Access Road:**
 - A. A short section of new road will be needed. The road will enter location on the SE corner.
 - B. The access to the location will be limited to 16' in width and will adequately drain runoff and control erosion as presently constructed.
3. **Location of Nearest Public Dwelling:**

The distance to the nearest public dwelling from the Meyer B-27 # 2 is greater than 1,000'.
4. **Location of Existing and/or Proposed Facilities:**
 - A. There are no production facilities on this lease at the present time.
 - B. In the event that the well is productive, production facilities will be located on the well pad.
5. **Blowout Preventer:**
 - A. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
 - B. Blowout preventer and all fittings must be in good condition with a minimum 3000 psi working pressure.
 - C. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 3000 psi working pressure.
 - D. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN**PLANTATION OPERATING, LLC**

Meyer B-27 #2

Page 2

- E. A kelly cock shall be installed on the kelly at all times.
 - F. Blowout preventer closing equipment to include an accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.
6. **Location and Type of Water Supply:**
The well will be drilled with a combination of fresh water and brine water based mud systems. The water will be obtained from commercial suppliers in the area and/or hauled to the location by transport trucks over existing and proposed roads as indicated on the Location Verification Map.
7. **Source of Construction Materials:**
All material required for construction of the drill pad and access roads will be obtained from private, state, or federal pits. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.
8. **Methods of Handling Waste Disposal:**
 - A. Drill cuttings and drilling fluids not retained for evaluation will be disposed of in a closed-loop system.
 - B. Water produced during operations will be disposed of in the closed-loop system.
 - C. If any liquid hydrocarbons are produced during the operations, those liquids will be stored in suitable tanks until sold.
 - D. Current regulations regarding the proper disposal of human waste will be followed.
 - E. All trash, junk, and other waste materials will be stored in proper containers to prevent dispersal and will be removed to an appropriate facility within one week of cessation of drilling and completion activities.
9. **Ancillary Facilities:**
There are no ancillary facilities within the immediate vicinity of the proposed well site.
10. **Well Site Layout:**
 - A. A diagram of the drill pad is shown in Exhibit #1. Dimensions of the pad, closed-loop system, and location of major rig components are shown.
 - B. The pad dimension of 400' X 250' has been staked and flagged.
 - C. An archaeological survey has been conducted on the proposed access road and location pad.
11. **Plans for Restoration of Surface:**
 - A. Upon cessation of the proposed operations, if the well is abandoned, the location and road will be ripped and re-seeded per guidelines. The entire

MULTI-POINT SURFACE USE AND OPERATIONS PLAN**PLANTATION OPERATING, LLC**

Meyer B-27 # 2

Page 3

location will be restored to the original contour as much as reasonably possible. All trash and garbage will be hauled to the appropriate disposal site to assure the location is aesthetically pleasing as reasonably possible. All restoration work will be completed within 180 days of cessation of activities.

- B. The disturbed area will be restored by re-seeding during the proper growing season.
- C. Upon cessation of the proposed operations, if the well is not abandoned, the drilling site area will be restored as per OCD guidelines. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.

12. Contingency Plan:

Our Contingency plan will be provided upon request.

13. Surface Ownership:

The surface is owned by:

Millard Deck Trust
C/O Bank of America
Tim Wolters, VP
303 W. Wall Street
Midland, TX 79702
(432) 685-2064

14. Other Information:

The primary use of the surface at the location is for grazing of livestock.

15. Operator's Representative:

Through APD approval, drilling operations, completion and production operations:

Donald P. Dotson
COO
Plantation Operating, LLC
2203 Timberloch Place, Suite 229
The Woodlands, TX 77380
281-296-7222

16. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations

MULTI-POINT SURFACE USE AND OPERATIONS PLAN**PLANTATION OPERATING, LLC**

Meyer B-27 # 2

Page 4

proposed herein will be performed by Plantation Operating, LLC, its contractors and subcontractors, in accordance with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: September 7, 2006

Signature: Donald Dotson / KJ

Donald P. Dotson
Plantation Operating, LLC
2203 Timberloch Place, Suite 229
The Woodlands, TX 77380
281-296-7222

Plantation Operating, LLC
Meyers "B-27" Lease
NW/4, Section 27
T-20-S, R-37-E
Lea County, New Mexico
(160 acres)

20S-37E

Meyer B-27 No. 2
C-27-208-37E
960' FNL & 1980' FEL
Proposed Eumont Gas Well
Plantation Operating

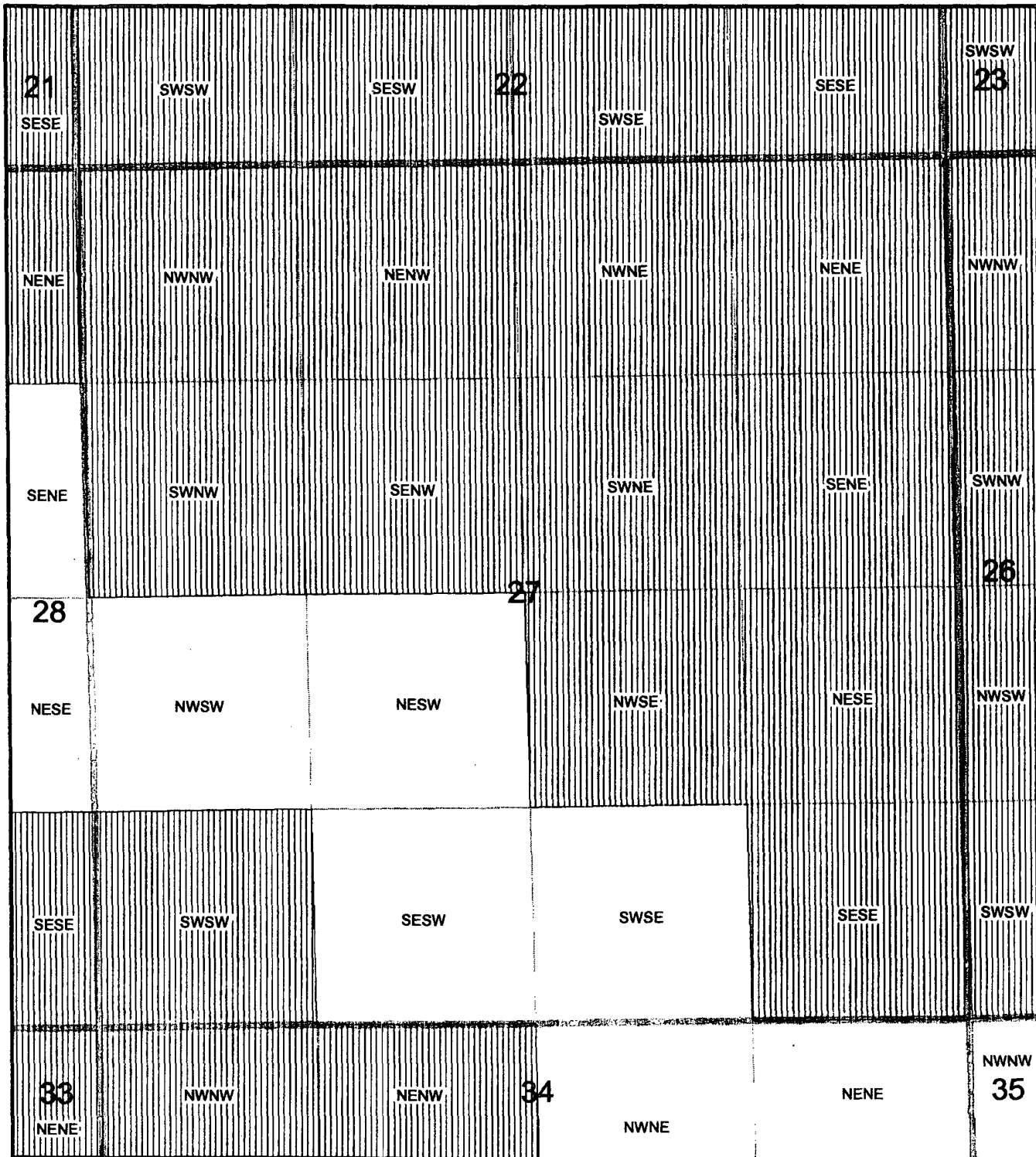
20S-37E

Acreage Ownership Plat
T-20-S, R-37-E
Lea County, New Mexico
Scale: 1" = 2000'

	Primary API	Lease Name	Well Num	Operator Name	Sec	Sec	Twp	Rng	Field Name	Status Name	Last Prod Date
1	30025258650000	GILLULLY B FEDERAL RA A	18	BP AMERICA PRODUCTION COMPANY	A	21	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1978/12
2	30025125720000	GILLULLY B FEDERAL RA A	6Y	BP AMERICA PRODUCTION COMPANY	A	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1984/09
3	30025258650001	GILLULLY B FEDERAL RA A	18	OCCIDENTAL PERMIAN LIMITED	A	21	20	37	MONUMENT	ACTIVE	2006/03
4	30025062010001	GILLULLY B FEDERAL RA A	6Y	OCCIDENTAL PERMIAN LIMITED	A	21	20	37	EUMONT	ACTIVE	2005/12
5	30025062020000	GILLULLY B FEDERAL RA A	2	BP AMERICA PRODUCTION COMPANY	B	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1990/04
6	30025258640000	GILLULLY B FEDERAL RA A	17	BP AMERICA PRODUCTION COMPANY	B	21	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1978/07
7	30025258640000	GILLULLY B FEDERAL RA A	17	OCCIDENTAL PERMIAN LIMITED	B	21	20	37	EUMONT	INACTIVE-PRIOR YEAR	2001/07
8	30025258640000	GILLULLY B FEDERAL RA A	17	BP AMERICA PRODUCTION COMPANY	B	21	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1985/08
9	30025266890000	W C ROACH	6	BP AMERICA PRODUCTION COMPANY	C	21	20	37	EUMONT	ACTIVE	2006/03
10	30025062040000	EUNICE MONUMENT UNIT	10	BURGUNDY OIL & GAS OF NEW MEXICO INC	C	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1983/11
11	30025062030001	EUNICE MONUMENT UNIT	9	BURGUNDY OIL & GAS OF NEW MEXICO INC	D	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1984/02
12	30025062030002	W C ROACH	1	ARCO PERMIAN	D	21	20	37	EUMONT	INACTIVE-PRIOR YEAR	1992/06
13	30025062310000	EUNICE MONUMENT UNIT	19	BURGUNDY OIL & GAS OF NEW MEXICO INC	E	21	20	37	EUNICE MONUMENT	ACTIVE	2006/03
14	30025244180000	W C ROACH	5	ARCO OIL & GAS CORPORATION	F	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1993/01
15	30025244180000	W C ROACH	5	BP AMERICA PRODUCTION COMPANY	F	21	20	37	EUMONT	INACTIVE-PRIOR YEAR	2002/11
16	30025244180000	W C ROACH	5	ARCO PERMIAN	F	21	20	37	EUMONT	INACTIVE-PRIOR YEAR	1994/06
17	30025259370000	GILLULLY B FEDERAL RA A	20	BP AMERICA PRODUCTION COMPANY	H	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1984/12
18	30025259370000	GILLULLY B FEDERAL RA A	20	BP AMERICA PRODUCTION COMPANY	H	21	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1979/02
19	30025259370000	GILLULLY B FEDERAL RA A	20	OCCIDENTAL PERMIAN LIMITED	H	21	20	37	EUMONT	ACTIVE	2006/03
20	30025268730001	W C ROACH	7	BP AMERICA PRODUCTION COMPANY	K	21	20	37	EUMONT	ACTIVE	2006/03
21	30025268730000	W C ROACH	7	ARCO PERMIAN	K	21	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1987/07
22	30025328360000	W C ROACH	8	BP AMERICA PRODUCTION COMPANY	M	21	20	37	EUMONT	ACTIVE	2006/03
23	30025331700000	EUMONT 21 FEDERAL	1	MEWBOURNE OIL COMPANY	O	21	20	37	EUMONT	ACTIVE	2006/03
24	30025206540000	SEMU-SKAGGS B	84	CONOCO INCORPORATED	A	22	20	37	WEIR	INACTIVE-PRIOR YEAR	1999/11
25	30025206540000	SEMU TUBB	84	CONOCO INCORPORATED	A	22	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1999/11
26	30025206540001	SEMU EUMONT	84	CONOCOPHILLIPS COMPANY	A	22	20	37	EUMONT	ACTIVE	2006/03
27	30025203930001	GILLULLY B FEDERAL RA A	10	OCCIDENTAL PERMIAN LIMITED	B	22	20	37	WEIR	ACTIVE	2006/03
28	30025203930000	GILLULLY B FEDERAL RA A	10	OCCIDENTAL PERMIAN LIMITED	B	22	20	37	MONUMENT	ACTIVE	2006/03
29	30025062370000	GILLULLY B FEDERAL RA A	8	BP AMERICA PRODUCTION COMPANY	C	22	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1974/05
30	30025062370001	GILLULLY B FEDERAL RA A	8	BP AMERICA PRODUCTION COMPANY	C	22	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1984/02
31	30025062350000	GILLULLY B FEDERAL RA A	5	BP AMERICA PRODUCTION COMPANY	C	22	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1989/09
32	30025062370000	GILLULLY B FEDERAL RA A	8	BP AMERICA PRODUCTION COMPANY	C	22	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1990/04
33	30025062340000	GILLULLY B FEDERAL RA A	4	BP AMERICA PRODUCTION COMPANY	D	22	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1977/05
34	30025062340000	GILLULLY B FEDERAL RA A	4	OCCIDENTAL PERMIAN LIMITED	D	22	20	37	EUMONT	ACTIVE	2006/03
35	30025062380000	GILLULLY B FEDERAL RA A	9	BP AMERICA PRODUCTION COMPANY	D	22	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1985/07
36	30025062380000	GILLULLY B FEDERAL RA A	9	BP AMERICA PRODUCTION COMPANY	D	22	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1985/10
37	30025207670000	GILLULLY B FEDERAL RA A	11	BP AMERICA PRODUCTION COMPANY	F	22	20	37	WEIR	INACTIVE-PRIOR YEAR	
38	30025207670000	GILLULLY B FEDERAL RA A	11	OCCIDENTAL PERMIAN LIMITED	F	22	20	37	EUMONT	INACTIVE-PRIOR YEAR	
39	30025207670003	GILLULLY B FEDERAL RA A	11	BP AMERICA PRODUCTION COMPANY	F	22	20	37	EUNICE MONUMENT	INACTIVE-PRIOR YEAR	1983/11
40	30025227070000	GILLULLY B FEDERAL	13	PAN AMERICAN CORPORATION	G	22	20	37	WEIR	INACTIVE-PRIOR YEAR	1970/03
41	30025311780000	SEMU SKAGGS B	123	CONOCOPHILLIPS COMPANY	H	22	20	37	WEIR	ACTIVE	2006/03
42	30025226110000	GILLULLY B FEDERAL	12	PAN AMERICAN CORPORATION	J	22	20	37	CASS	INACTIVE-PRIOR YEAR	
43	30025062360000	GILLULLY B FEDERAL RA A	7	OCCIDENTAL PERMIAN LIMITED	K	22	20	37	EUMONT	ACTIVE	2006/03
44	30025256030000	GILLULLY B FEDERAL RA A	16	OCCIDENTAL PERMIAN LIMITED	M	22	20	37	EUMONT	INACTIVE-PRIOR YEAR	1998/05
45	30025228370000	SEMU EUMONT	90	CONOCOPHILLIPS COMPANY	P	22	20	37	EUMONT	INACTIVE-PRIOR YEAR	1996/11
46	30025247600000	SEMU EUMONT	93	CONOCO INCORPORATED	B	23	20	37	EUMONT	INACTIVE-PRIOR YEAR	1989/05
47	30025062470000	SKAGGS B	8	CONTINENTAL OIL COMPANY	C	23	20	37	WEIR	INACTIVE-PRIOR YEAR	
48	30025357740001	SEMU	162	CONOCOPHILLIPS COMPANY	C	23	20	37	WEIR	ACTIVE	2006/03
49	30025357740002	SEMU	162	CONOCOPHILLIPS COMPANY	C	23	20	37	MONUMENT	ACTIVE	2006/03
50	30025304290001	SEMU TUBB	122	CONOCOPHILLIPS COMPANY	D	23	20	37	MONUMENT	ACTIVE	2006/03

	Primary API	Lease Name	Well Num	Operator Name	Sec	Sub	Sec	Twp	Rng	Field Name	Status Name	Last Prod Date
51	30025304290000	SEMU DRINKARD WEIR	122	CONOCO INCORPORATED	D		23	20	37	WEIR	INACTIVE-PRIOR YEAR	1994/03
52	30025062410000	SEMU PENN	2	CONTINENTAL OIL COMPANY	E		23	20	37	CASS	INACTIVE-PRIOR YEAR	1970/11
53	30025062410000	SEMU TUBB	2	CONOCO INCORPORATED	E		23	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1993/08
54	30025062410000	SEMU TUBB	2	CONOCO INCORPORATED	E		23	20	37	WEIR	INACTIVE-PRIOR YEAR	1991/03
55	30025247650000	SEMU EUMONT	94	CONOCO INCORPORATED	E		23	20	37	EUMONT	INACTIVE-PRIOR YEAR	1995/01
56	30025062460000	SEMU PENN	7	CONTINENTAL OIL COMPANY	F		23	20	37	CASS	INACTIVE-PRIOR YEAR	1971/07
57	30025062460000	SEMU-SKAGGS B	7	CONOCO INCORPORATED	F		23	20	37	WEIR	INACTIVE-PRIOR YEAR	1991/05
58	30025062460000	SEMU TUBB	7	CONOCO INCORPORATED	F		23	20	37	MONUMENT	INACTIVE-PRIOR YEAR	1995/05
59	30025062440001	SEMU DRINKARD WEIR	4	CONOCO INCORPORATED	G		23	20	37	WEIR	INACTIVE-PRIOR YEAR	1986/06
60	30025062440000	SEMU PENN	4	CONOCO INCORPORATED	G		23	20	37	CASS	INACTIVE-PRIOR YEAR	1976/08
61	30025251000001	SEMU TUBB	96	CONOCOPHILLIPS COMPANY	I		23	20	37	MONUMENT	ACTIVE	2006/03
62	30025251000000	SEMU TUBB	96	CONOCOPHILLIPS COMPANY	I		23	20	37	WEIR	ACTIVE	2006/03
63	30025251000000	SEMU PENN	96	CONTINENTAL OIL COMPANY	I		23	20	37	CASS	INACTIVE-PRIOR YEAR	1975/11
64	30025062390000	SEMU EUMONT	68	CONOCOPHILLIPS COMPANY	J		23	20	37	EUMONT	ACTIVE	2006/03
65	30025249180000	SEMU SKAGGS B	95	CONOCOPHILLIPS COMPANY	J		23	20	37	SWD	ACTIVE	
66	30025249180000	SEMU DRINKARD WEIR	95	CONOCO INCORPORATED	J		23	20	37	WEIR	INACTIVE-PRIOR YEAR	1982/02
67	30025249180000	SEMU PENN	95	CONOCO INCORPORATED	J		23	20	37	CASS	INACTIVE-PRIOR YEAR	1980/06
68	30025062420000	SEMU PENN	3	CONTINENTAL OIL COMPANY	K		23	20	37	CASS	INACTIVE-PRIOR YEAR	1972/09
69	30025254190002	SEMU SKAGGS B	97	CONOCOPHILLIPS COMPANY	K		23	20	37	MONUMENT	ACTIVE	2006/03
70	30025254190001	SEMU SKAGGS B	97	CONOCOPHILLIPS COMPANY	K		23	20	37	WEIR	ACTIVE	2006/03
71	30025267460000	SEMU EUMONT	110	CONOCOPHILLIPS COMPANY	K		23	20	37	EUMONT	ACTIVE	2006/03
72	30025254190000	SEMU DRINKARD TUBB	97	CONOCO INCORPORATED	K		23	20	37	CASS	INACTIVE-PRIOR YEAR	1978/05
73	30025266410000	SEMU	115	CONOCOPHILLIPS COMPANY	L		23	20	37	MONUMENT	ACTIVE	2006/03
74	30025266410000	SEMU DRINKARD WEIR	115	CONOCO INCORPORATED	L		23	20	37	WEIR	INACTIVE-PRIOR YEAR	1985/08
75	30025266410000	SEMU	115	CONOCOPHILLIPS COMPANY	L		23	20	37	WEIR	ACTIVE	2006/03
76	30025062430000	SEMU PENN	9	CONTINENTAL OIL COMPANY	O		23	20	37	WEIR	INACTIVE-PRIOR YEAR	
77												

	Primary API	Lease Name	Well Num	Operator Name	Sec	Surf	Sec	Twp	Rng	Field Name	Status Name	Last Prod Date
1	30025247430000	SEMU EUMONT	91	CONOCOPHILLIPS COMPANY	C		26	20	37	EUMONT	ACTIVE	2006/03
2	30025062670000	SEMU EUMONT	64	CONOCO INCORPORATED	G		26	20	37	EUMONT	INACTIVE-PRIOR YEAR	1992/04
3	30025349780000	SEMU	147	CONOCOPHILLIPS COMPANY	I		26	20	37	HARDY NORTH	ACTIVE	2006/03
4	30025267150000	SEMU EUMONT	111	CONOCOPHILLIPS COMPANY	K		26	20	37	EUMONT	ACTIVE	2006/03
5	30025062680000	SEMU EUMONT	65	CONTINENTAL OIL COMPANY	L		26	20	37	EUMONT	INACTIVE-PRIOR YEAR	1973/12
6	30025255310000	PHILLIPS HOOPER FED COM	2	CONOCOPHILLIPS COMPANY	B		27	20	37	EUMONT	ACTIVE	2006/03
7	30025062710000	MEYER B 27	1	PLANTATION OPERATING LLC	E		27	20	37	EUMONT	ACTIVE	2006/03
8	30025269830000	SEMU EUMONT	118Y	CONOCO INCORPORATED	H		27	20	37	EUMONT	INACTIVE-PRIOR YEAR	1987/12
9	30025062700000	TURLAND FEDERAL	1	ZACHARY OIL OPERATING COMPANY	K		27	20	37	EUMONT	ACTIVE	2006/03
10	30025062690000	PHILLIPS HOOPER	1	CONTINENTAL OIL COMPANY	O		27	20	37	EUMONT	INACTIVE-PRIOR YEAR	1976/08
11	30025268990000	MEYER B 28 A A C 1	4	BURGUNDY OIL & GAS OF NEW MEXICO INC	C		28	20	37	EUMONT	ACTIVE	2006/03
12	30025062720000	MEYER B 28 A AC1	1	CONOCO INCORPORATED	G		28	20	37	EUMONT	INACTIVE-PRIOR YEAR	1994/07
13	30025062740000	BELL RAMSAY NCT B	3	XTO ENERGY INCORPORATED	L		28	20	37	EUMONT	INACTIVE-PRIOR YEAR	2001/03
14	30025062730000	MEYER B 28 A COM AC2	2	PLANTATION OPERATING LLC	O		28	20	37	EUMONT	ACTIVE	2006/03
15												



Section 27; T20S.R37E



No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data, or for purposes not intended by BLM. Spatial information may not meet National Map Accuracy Standards. This information may be updated without notification. Map created 06/2/2006

Legend

Mineral Ownership

- All US Minerals
- Coal Only
- Oil, Gas and Coal Only
- No US Minerals
- Oil and Gas Only
- Other Minerals

Surface Ownership

- Bureau of Land Management
- Private
- State

Plantation Operating, LLC

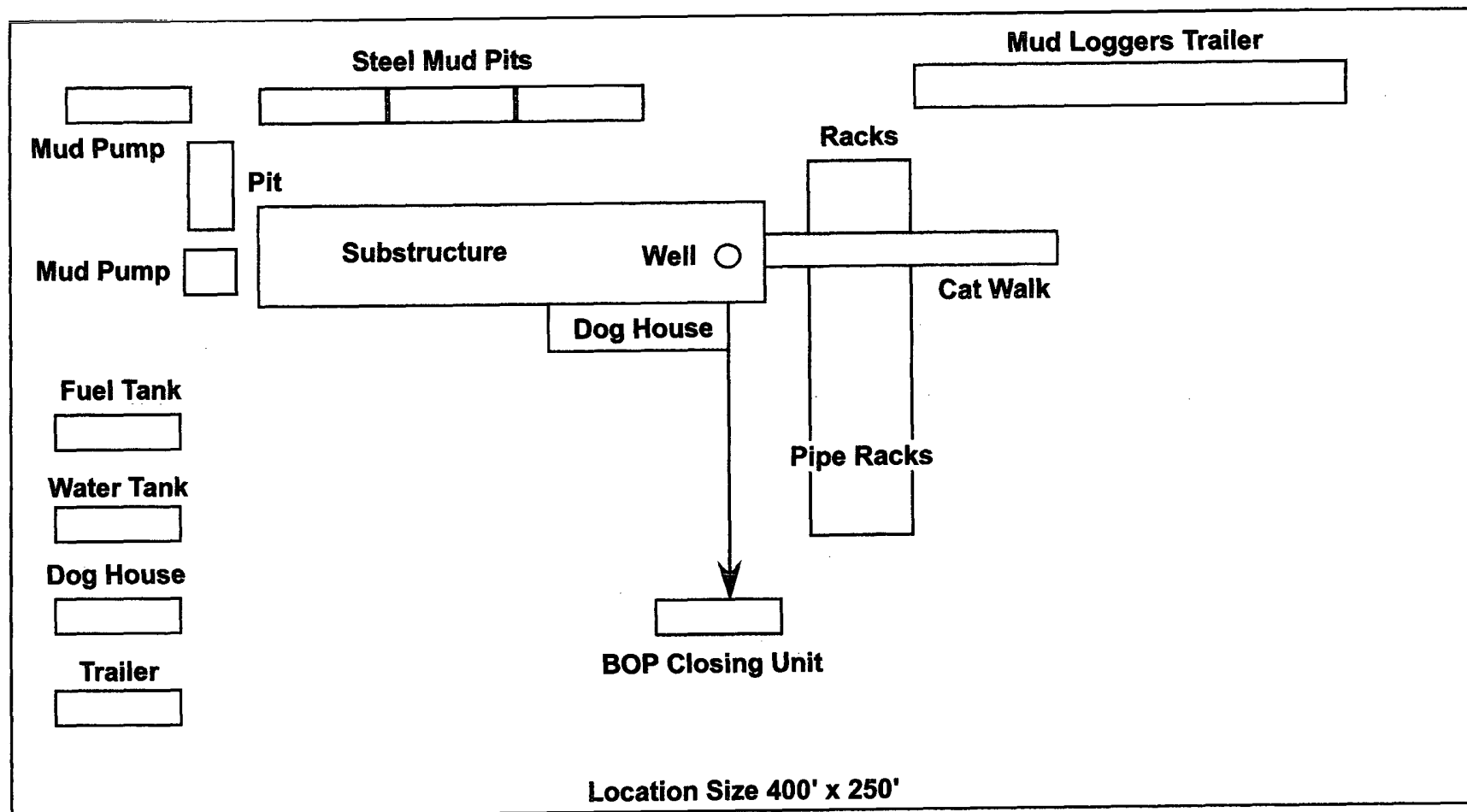
Drilling Schematic



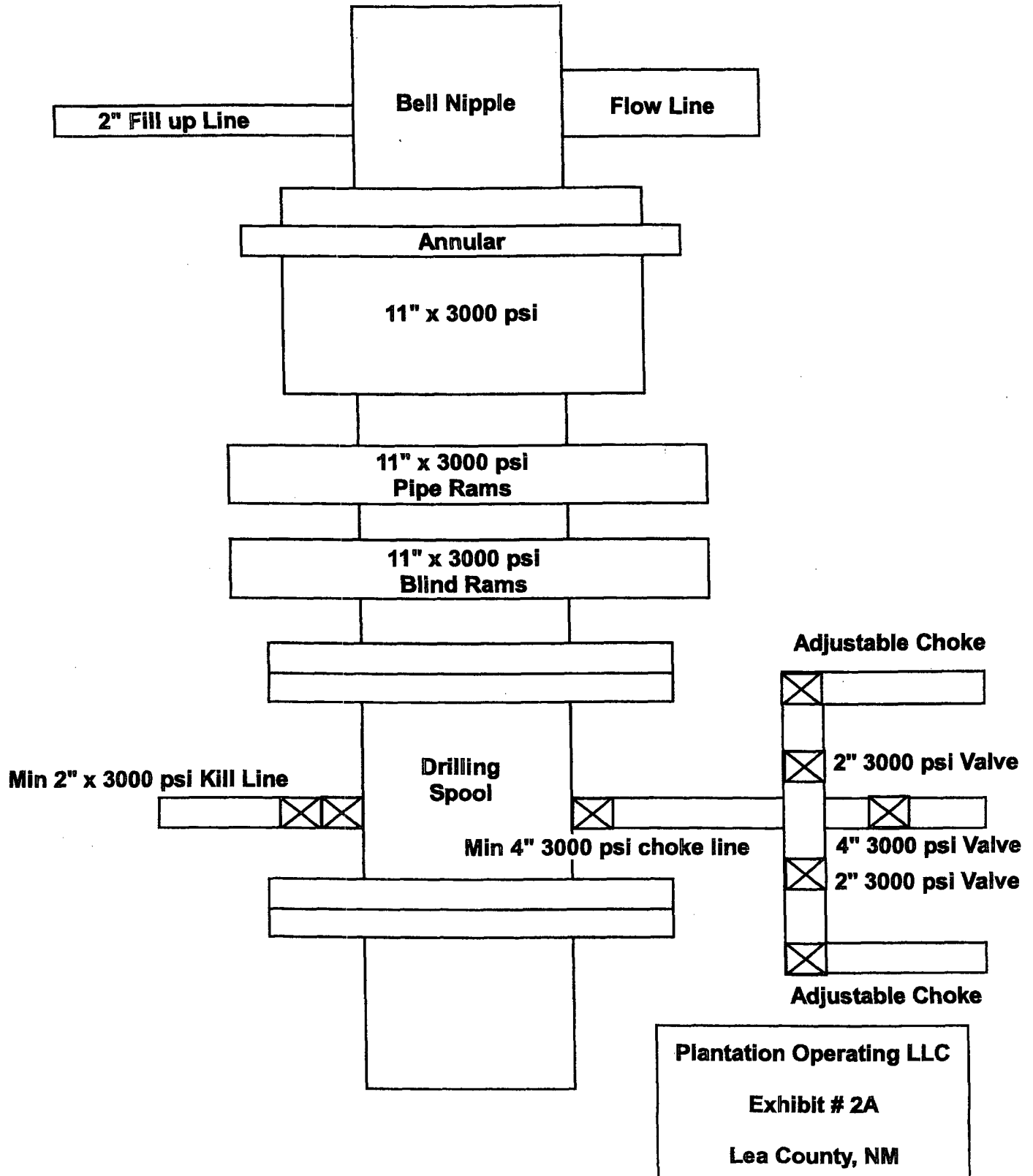
Closed Loop System

Plantation Operating LLC
Exhibit # 1

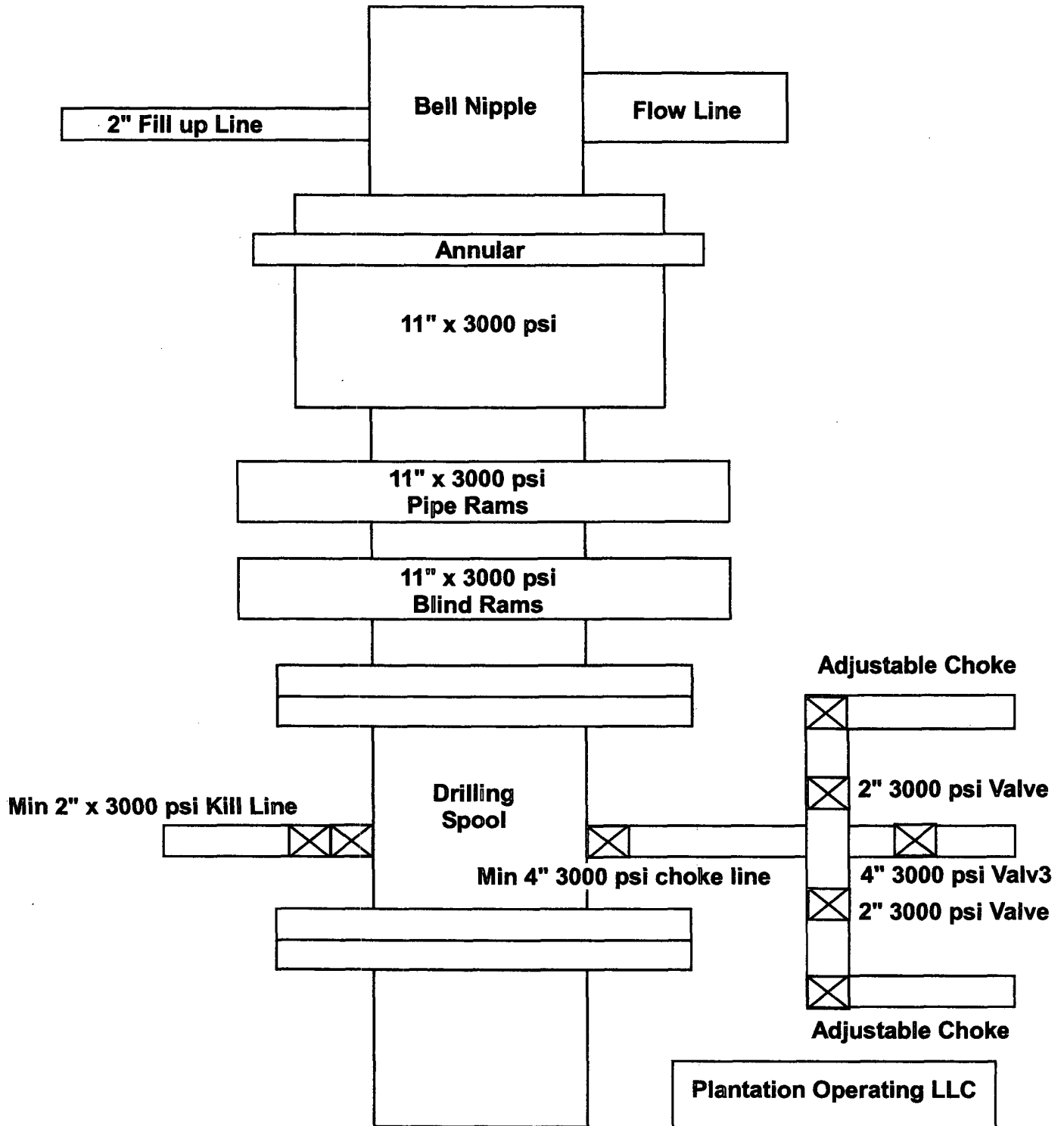
Lea County, NM



Plantation Operating, LLC
BOP Schematic for 6-1/8 or- 7-7/8" Hole



Plantation Operating, LLC
BOP Schematic for 9-3/4 or 7-7/8" Hole



Plantation Operating LLC

Exhibit # 2B

Lea County, NM

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 2-Meyer B-27
Operator's Name: Plantation Operating, LLC
Location: 960FNL, 1980FWL, Section 27, T-20-S, R-37-E
Lease: NM-2511

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5972 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 7 inch 4-1/2 inch

C. BOP tests

2. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated prior to drilling into the Yates Formation. A copy of the plan shall be posted at the drilling site. **Hydrogen Sulfide has been reported in the surrounding sections at measured values from 300-700 ppm.**

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

7. Gamma-Ray/Neutron logs shall be run from the base of the Salado Formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. The 7 inch surface casing shall be set **a minimum of 25' into the Rustler Anhydrite approximately 1260 feet**, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string. **Centralizers are to be installed according to Onshore Order 2.B.1.f.**

2. The minimum required fill of cement behind the 4-1/2 inch production casing is **cement shall circulate to surface.**

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 7 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 3M psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
 - The tests shall be done by an independent service company.
 - The results of the test shall be reported to the appropriate BLM office.
 - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
 - Testing must be done in a safe workman-like manner. Hard line connections shall be required.

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Approval: