

OCD-HOBBS

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS***Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LCO30556B
2. Name of Operator Plantation Operating, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 2203 Timberloch Place, St 229, The Woodlands, TX 77380	3b. Phone No. (include area code) 281-296-7222	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 330' FWL Unit E, Section 7, T-23-S, R-37-E		8. Well Name and No. Stevens B #13
		9. API Well No. 30-025-10657
		10. Field and Pool, or Exploratory Area Jalmat (T-Y-7R) Gas
		11. County or Parish, State Lea Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Off-Lease Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This sundry notice serves as our request for approval to combine and measure gas production from the Stevens B #13 to our off lease Emery King Compressor. Production from the Stevens B #13 flows to our low pressure gas compressor, the Emery King Compressor located off-lease approximately 3700 feet NW of the Stevens B #13, then discharges to a common collection point for Southern Union Gas Services (Lease Number 3720101, Meter # 59966). A detailed map showing all the wells and location of the compressor is attached. Approval for combining production from various sources to our common collection point is extending the economic life of these leases.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****APPROVED**

JUN 14 2007

LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Kimberly Faldyn		
Signature <i>Kimberly Faldyn</i>	Title: Production Tech Date: 06/01/2007	

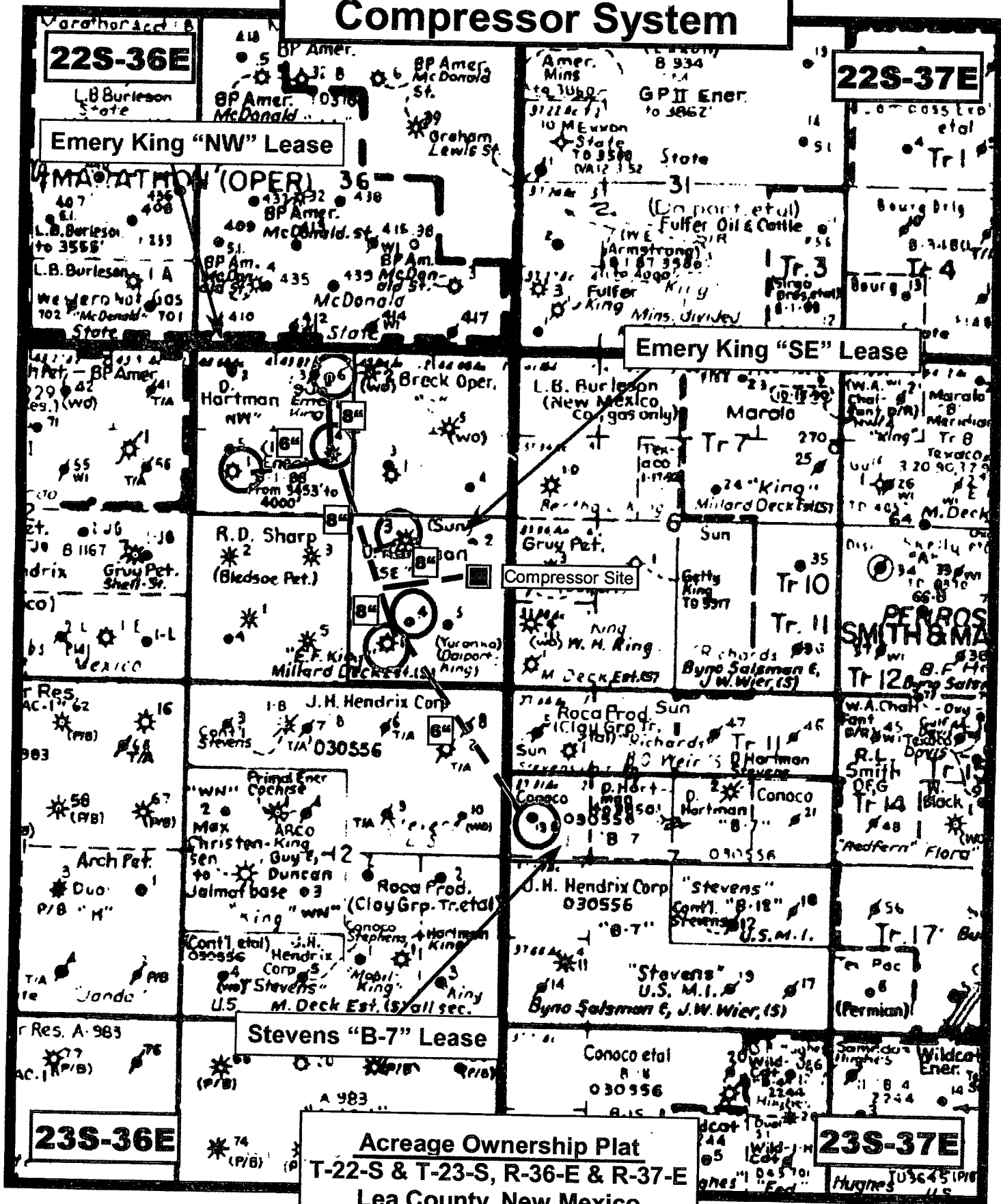
(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by _____ Conditions of approval, if any, are attached. Approval of this notice 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.	Title _____	Date _____
	Office _____	

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)

Emery King Compressor System



<input checked="" type="checkbox"/>	Certified Mail - Return Receipt Requested 70051820000474843230
<input type="checkbox"/>	Hand Delivered Received by

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
ID	
Lease	NMLC030556B
CA	
Unit	
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE				Operator PLANTATION OPERATING LLC			
Address 414 WEST TAYLOR HOBBS NM 88240				Address 2203 TIMBERLOCH, SUITE 229 THE WOODLANDS TX 77380			
Telephone 505.393.3612				Attention			
Inspector PARKER				Attn Addr			
Site Name (FACILITY)	Well or Facility A	1/4 1/4 Section NESE 1	Township 23S	Range 36E	Meridian NMP	County LEA	State NM
Site Name (SEE ATTACHED)	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
05/18/2007	14:50	OOGO35 III C.22	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
06/18/2007			43 CFR 3163.1)

Remarks

Gas produced from this lease is being measured off-lease without prior approval. -- Submit a request for off-lease measurement approval on Form 3160-5 Sundry Notice along with all the required information on the "Guidelines for Off-Lease Measurement, Storage and Surface Commingling Approvals". Submit 1 original and 5 copies to this office.

When violation is corrected, sign this notice and return to above address

Company Representative Title Kimberly Faldyn/Prod Tech Signature Kimberly Faldyn Date 6/1/2007
Company Comments Attached please find Form 3160-5 Sundry Notice requesting Off-Lease surface commingling.

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2) All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>Stephen C. Coffey</u>		Date <u>5/21/07</u>	Time <u>0700</u>
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FOR OFFICE USE ONLY			
Number 24	Date	Assessment	Penalty
Type of Inspection PI	Termination		

Wells and/or Facilities, continued

Site Name	Well or Facility	1/4	1/4	Sec	Twn	Range	Mer	Lease	State	County
(FACILITY) STEVENS B	B 13	SWNW	7	23S	37E	NMP	NMP	NMLC030556B	NM NM	LEA LEA