

New Mexico Energy, Minerals and Natural Resources Department

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Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



May 16, 2011

Plantation Operating, LLC 4700 West Sam Houston Parkway N. Suite 140 Houston, TX 77041

DENIAL OF REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Re: Plantation Operating, LLC, OGRID #237788

Silver Oak #1, API #30-025-38642, Lea County, New Mexico

Dear Operator:

The Oil Conservation Division (OCD) <u>denies</u> your request for allowable and authorization to transport for the wells identified above because your company is out of compliance with 19.15.5.9(A) NMAC [Part 5.9(A)]. See 19.15.16.19(A)(4) NMAC.

Your company is out of compliance with Part 5.9(A) on the following ground(s):

xxxxx	assurances. Your company is in violation of the financial assurance requirements for well plugging set out in 19.15.8.9 NMAC. See 19.15.5.9(A)(1) NMAC. Specifically, your company has not posted the single-well financial assurances required for state or fee wells which have been inactive for more than two years. The wells requiring single-well financial assurances are identified in the attached sheet.
	Corrective action. Order, issued on after notice and hearing, found your company to be in violation of an order requiring corrective action. See 19.15.5.9(A)(2) NMAC.
	Unpaid penalties. Your company has not paid the penalties assessed against your company in, issued on More than 70 days have passed since the issuance of the order assessing the penalty. See 19.15.5.9(A)(3) NMAC.



addition,	has too many w NMAC) that are See 19.15.5.9(A may have no me	rells in violation of the not subject to an in A)(4) NMAC. As an	ne inactive well active well agroperator of	eed compliance order _ wells, your company ne inactive well rule.
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I have enclosed an information sheet explaining the requirements of Part 5.9. You may resubmit your request after your company has returned to compliance with Part 5.9.

Respectfully yours,

Daniel Sanchez

OCD Compliance and Enforcement Manager

Ec: Jami Bailey, Division Director, Santa Fe

Theresa Duran-Saenz, Legal Assistant, Santa Fe

Larry "Buddy" Hill, District 1 Supervisor Randy Dade, District 2 Supervisor Charlie Perrin, District 3 Supervisor

Ed Martin, District 4 Supervisor

Cindy Herrera, Geological Petroleum Technician

Submit 3 Copies To Appropriate District Office	State of New Me Energy, Minerals and Natu		Form C-103 May 27, 2004
District I 1625 N. French Dr., Hobbs, NM 88240	Energy, withorais and water		WELL API NO.
District II 1301 W. Grand Ave., Artesia, NAGBBS C	CD OIL CONSERVATION	DIVISION	30-025-38642 5. Indicate Type of Lease
District III 1000 Rio Brazos Rd. Aztec. NM 87410	1220 South St. Fran	cis Dr.	STATE STATE FEE
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	2011 Santa Fe, NM 87	505	6. State Oil & Gas Lease No.
SUNDRYNQUE	ES AND REPORTS ON WELLS		7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR TROPUS.) DIFFERENT RESERVOIR. USE "APPLICATION OF THE PROPERTY OF TH			Silver Oak
PROPOSALS.)	Gas Well Other		8. Well Number 1
2. Name of Operator	Jas Well Other		9. OGRID Number 237788
Plantation Operating, LLC	The second secon		
3. Address of Operator 4700 West Sam Houston Parkwa	ry, N., Suite 140, Houston, TX 77	7041	10. Pool name or Wildcat DHC Scharb; Bone Spring (55610); Scharb;
1700 West Sain Houston Larkwa	iy, iv., build 140, Houston, 120 77	041	Wolfcamp (55640); Delaware; Wildcat (97771)
4. Well Location			
Unit Letter B: 660	feet from the North li		
Section 6	Township 19S Rang		NMPM Lea County
	11. Elevation (Show whether DR, 3938' GR	KKB, K1, GK, etc.)	
Pit or Below-grade Tank Application 🗌 or			1 mag in the contraction of a first address to the second the distribution of the dist
	er Distance from nearest fresh	water well Dis	stance from nearest surface water
Pit Liner Thickness: mil	Below-Grade Tank: Volume		struction Material
12. Check A ₁	opropriate Box to Indicate N	ature of Notice, I	Report or Other Data
NOTICE OF INT			SEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐ TEMPORARILY ABANDON ☐	PLUG AND ABANDON CHANGE PLANS	REMEDIAL WORK	
PULL OR ALTER CASING	MULTIPLE COMPL	COMMENCE DRIL CASING/CEMENT	
OTUER		071155	
OTHER: 13. Describe proposed or comple	eted operations. (Clearly state all n	OTHER: ertinent details, and	DHC ☐ give pertinent dates, including estimated date
of starting any proposed wor	k). SEE RULE 1103. For Multipl	e Completions: Atta	ach wellbore diagram of proposed completion
or recompletion.			
3/14/2011: Well was producing in the	e Delaware; Wildcat formation from	n perforations 6730	-6736'. Administrative Order <u>DHC-4302</u> was
approved on 7/30/2010 to commingle	the Scharb; Bone Spring, Scharb;	Wolfcamp and Dela	ware; Wildcat formations. Plantation
Operating drilled out the cement and b	ortage plug to DHC well in these to	ormations that were	previously perforated as noted below:
POOH w/tubing, rods and pump. RIF	I and tag at 9595'. Worked bit and	scraper across perf	s. Acidized perfs 6730-6736' w/ 500 gals
358 jts 2-7/8" 6.5# L80 EUE tbg set a	mt and CIBP at 9630'. Start to btr t 11.452'. RIH w/rods and pump a	n at 11,475'. Circula and place on product	ate hole clean. PBTD at 11,475'. RIH with
perforations are 6730-6736', 9672-96	89', 10,132-10,175', 10,932-10,93	8', and 11,320-11,3	50'. Well is now down-hole commingled in
the Scharb; Bone Spring, Scharb:Wol	fcamp and Wildcat;Delaware form	ations.	
I hereby certify that the information al	pove is true and complete to the be	st of my knowledge	and belief. I further certify that any pit or below-
			r an (attached) alternative OCD-approved plan .
SIGNATURE KILLING	taldyn TITLE	Engineering Tec	h DATE 4/29/2011
		1611	npetro.com Telephone No. 281-296-7222
Type or print name Kimberl Faldy For State Use Only	<u>yn</u> E-mail address:	ktaldyn@plantation	npetro.com Telephone No. 281-296-7222
APPROVED BY: Conditions of Approval (if any):	TITLE		DATE
or ripprovar (ir airy).			

State of New Mexico

DISTRICT 1 1625 N. FRENCH DE., HOBBS. NM 60240

Energy, Minerals and Notural Resources Department

DISTRICT II

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

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

DISTRICT III

Santa Fe, New Mexico 87505 1000 Rio Brozos Rd., Aztec. NM 87410

4.0

DISTRICT IV	WELL LOCATION AND	ACREAGE DEDICATION PLAT	O AMENDED REPORT
APT Number 30-025-38642	Pool Code 55610	Scharb; Bone Spring	
Property Code 36892	-	erly Name ER OAK	Well Number
OGRID NO. 237788		ator Name OPERATING, ILC	Elevation 3938'

Surface Location UL or lot No. Section Township Range Feet from the North/South line Feet from the Enst/West line County 2 6 19-S 35-E 660 NORTH 1980 **EAST** LEA Bottom Hole Location If Different from Surface

1	Ut or lot No.	Section	Township	Range	Lot ldn	Foot from the	North/South line	Feet from the	Enst/Fest line	County
	Dedicated Acres	Joint of	r Infill. Co	nolidation (ode Ore	der No.		\	·	
Ĺ	79.40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

	OR A NON-STANDARD UNIT HAS BEEN APPROVI	ED BY THE DIVISION
LOT 4	LOT 3 LOT 2 LOT	OPERATOR CERTIFICATION A hereby certily that the information hereby 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 drift this well at this location with an experience with an
38.62 AC	39.85 AC 39.75 AC 39.75 AC 39.85 AC 39.75 AC 39.85 AC 39.75 AC 39.	or to a voluntary pouling agreement or a compulsory pooling agreement or a compulsory pooling order beretofure entered by the division. 6/30/2010 Signature Date
38.78 AC LOT 6	LONG. = 103.494111 W	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.
38.90 AC		NOVEMBER LIE 2007 Date Surveyed Signature & Seal of E. Professional Surveyor 3230 Certificate No. Garry Hoson 12641
39.02 AC		RONALD EIDSON 3230

State of New Mexico

DISTRICT 1 1625 N. FRENCH DE, HOBBS. Nº 60240

Energy, Minerals and Natural Resources Department

DISTRICT II

DISTRICT III 1000 Rio Brazos Rd., Aztec. NM 87410 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 Stale Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT 1220 S. ST. PRANCES BR., SANTA FE, NE 07505

C AMENDED REPORT

API Number	Pool Code	Pool Name	
30-025-38642	55640	Scharb; Wolfcamp	
Property Code 36892		roperty Name LVER OAK	Well Number
OGRID No. 237788		perator Name N OPERATING, LLC	Elevation 3938'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
2	6	19-S	.35-E		660	NORTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot idn	Foot from the	North/South line	Feet from the	Enst/West line	County
-	Dedicated Acres	Joint o	r Infill Co	usolidation (ode Ore	ier Na.				
	79.40					•				

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

	OR A NON-STANDARD ONLY	EEN AFFROVED BI (
LOT 4	LOT 3 LOT 2	1980'	OPERATOR CERTIFICATION I hereby certily that the information herein is true and complete to the best of my knowledge and belief, and that this organisation either owns a working interest or unleased mineral interest in the load including the proposed bottom hole location or has a right to drill this well at this Jocation pursuant to a contract with an owner of such mineral or working interest,
38.52 AC	39.85 AC 39.75 AC	. 39.65 AC,	or to a voluntary pooling agreement or a compulsory pooling order heretofore entered
LOT 5	GEODETIC COORDINATES NAD 27 NME Y=617576.1 N X=758176.9 E LAT.=32.695007 N		Signature Date Kimberty Faldyn Printed Name
30.70 40	LONG.=103.494111 W	!	CURVEYOR CRYMING
38.78 AC LOT 6			SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was pictied from field notes of actual surveys made by me ar under my supervision, and that the same is true and correct to the best of my belief.
38.90 AC LOT 7			NOVEMBER DE 2007 Date Surveyed Signature & Sent of E Professional Surveyor 101-11-17.51
39.02 AC			Certificate No. CART EDBON 12641 RONALD EDSON 3239

DISTRICT 1 LORS N. FRENCH DR., MOBRS, NW 60240

Energy, Minerals and Notural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESTA, Nº 60210

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

DISTRICT IV

WELL LOCATION AND ACREAGE DEDICATION PLAT

O AMENDED REPORT

1220 S. ST. PRANCES DR., SANTA PE, NE 07505	WELL LOCATION AND	ACREAGE DEDICATION PLAT	AMENDED REPORT
APT Number 30-025-38642	Pool Code 97771	Delaware; Wildcat	
Property Code 36892	PI SIL	Well Number	
OGRID No. 237788		erator Name I OPERATING, LLC	Elovation 3938

Surface Location

UL or lat No.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feel from the	Bast/West line	County
2	6	19-5	35-E		660	NORTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

UL or tot No.	Section	Township	Rauge	Lot Idn	Foot from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	Infill Co	naolidation (ode Or	der No.			L	l
39.75									

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

LOT 4	LOT 3 LOT 2	LOT I	OPERATOR CERTIFICATION
	1 0999	1980'	I hereby certify that the information berein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unlessed mineral interest in the land
38.62 AC	39.85 AC 39.75 AC) 	including the proposed bottom hole location or has a right to drift 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 committee that the surface when the surface well as the surface when the surface well as the sur
LOT 5			compulsory pooling order berelofure entere
<u> </u>	GEODETIC COORDINATES NAD 27 NME Y=617576.1 N	d	Signature July 6/30/2010
'	X=758176.9 E	1	Kimberly Faldyn Printed Name
	LAT. = 32.695007' N		
38.78 AC	LONG.=103.494111' W		SURVEYOR CERTIFICATION
1			I hereby certify that the well location this plat was picited from field botes of actual stream made by me or under my supervision, and that the same it frue and correct to the best of my belief.
3H.90 AC			NOVEMBER LE 2007 Date Supposed LA Signature & Seal of Professional Supreyor
			Ronald Edwardoup
			Certificate No. CART FIDEON 1264 RONALD EIDSON 3239
39.02 AC		1	1

Rule 19.15.5.9.(A) (1)

State of New Mexico Energy, Minerals & Natural Resources Form C-104

District II 1301 W. Grand Avenue, Artesia, NM 88210 Revised June 10, 2003

	District III 1000 Rio Brazos Ro District IV 1220 S. St. Francis			7505		20 South S	St. Franc	is Dr.			omit to App	5 C	opie	
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	Operator name			1.0			RECOMED	Numbe						
				May										
		ston, T	X 77041								DHC / 3/28	3/2011		
1							· •							
⁷ Property Code ⁸ Property Name				-										
	36892				Silv	ver Oak				<u> </u>		1		
	14 10 Surfac		Township	Range	Lot Idn	Feet from t	he North	/South Lin	e Feet from	the	East/West lin	County		
	B	6	198		Lot.iuii	į.			The state of the s					
			e Location								- 3			
	UL or lot no. S	Section 6	Township 19S		Lot Idn				28 1 1 2	he I		•		
					D.									
	12 Lse Code S		cing Method Code			C-129 F	ermit Num	ber 100	C-129 Effecti	ive Da	ite 1'C	-129 Expiration Date	;	
	III 011	C 7	P			L				:			<u></u>	
	III. Oil and 18 Transporter				Name	<u> </u>	²⁰ POD	.21)/G		22 POD III S	TP I ocation		
	OGRID		an	d Addres	S		100		5/10					
	5108	S		ntinel Transportation LLC			0			B 6-19S-35E				
3				•										
	045504		DCF	Midstre:	am									
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	1 E		Midlan	id, TX 7	9705									
								222						
												V-7-2		
	IV. Produce	ed Wa	²⁴ POD			and Descripti	on					· · · · · · · · · · · · · · · · · · ·		
l	V. Well Co.	mpleti												
	25 Spud Date	Î	26 Ready L					2.77				³⁰ DHC, MC		
-	1/15/2008			<u> </u>	100			and the first		11,350'				
ŀ	³¹ Hole S					g Size		33 Depth S	et		³⁴ Sac	cks Cement		
	17.5"	•		1	3.375"			425'			•	440 sx		
-	11"			8	3.625"			3450'			1	100 sx		
	7.875	n	5.5"				11,500'				2550 sx			
ł		,		. 2	2-7/8"									
		real five		-				11,451'						
٢	VI. Well Te 35 Date New Oil			- D .	37.00									
	3/28/2011		3/28/201						in 3"	Tbg.	Pressure			
	41 Choke Size		42 Oil 8		1 (44 TH 96 TH 30 TH					45 A	OF	46 Test Method		
l a	nave been complie	ed with	and that the	informati edge and	on given	Division above is true	Approx	On Or APD re For me call Cir	ED BY Oil (5-/6-/) eviewed by ore information and Herrer	Cons	servation E see atta DH on this ma 575-393-6	Division ched letter atter,please 6161 ext 118		
L	E-mail Address:	Eng	ineering Te	ch			F.F	or Ema	ail Cindy.H	lerre	ra@state.ı	nm.us		
ıΙ			the second second second	1.00			H ·							

kfaldyn@plantationpetro.com

Date:

4/29/2011

Denied because of Financial assurance per Rule 19.15.5.9.(A) (1)

State of New Mexico Energy, Minerals & Natural Resources

Form C-104 Revised June 10, 2003

MOBBS OCD Submit to Appropriate District Office

District III 1000 Rio Brazos	Rd., Aztec	, NM 87410		Oi 123	1 Conservat 20 South St	tion Divis	OH ·		Submit to Ap	ppropriate District Office 5 Copies		
District IV 1220 S. St. France	cis Dr., Sat	nta Fe, NM 8	7505	122	Santa Fe, N	NM 87505	MAY	U Z 2011		AMENDED REPORT		
	I.		JEST F	OR AL	LOWABL	E AND A	UTHO	RIZATION	TO TRAN	ISPORT		
¹ Operator na		ddress Operating, L	LC					Country Nun		7788		
	700 W. Sa louston, T	m Houston	Parkway	N., Suite	140	³ Reason for Filing Code/ Effective Date DHC / 3/28/2011						
⁴ API Numbe			Name				l	<u> </u>	6 Pool Co			
30 – 025-38642 Wildcat Delaware						97771						
7 Property Code 8 Property Name Silver Oak 14 Surface Location					er Oak	⁹ Well Number						
Ul or lot no.		Township	Range	Lot.Idn	Feet from the	e North/Sc	uth Line	Feet from the	East/West	line County		
В	6	19S	35E		660'	No	rth	1980'	East	Lea		
UL or lot no.	tom Hol Section	e Location Township		Lot Idn	Feet from the	e North/So	uth line	Feet from the	East/West 1	line County		
B	6	19S	35E	LOUIGH	660'	No		1980'	East	Lea		
12 Lse Code S		cing Method Code P		nection Date /2011	¹⁵ C-129 Pe	rmit Number	16 C	-129 Effective	Date 17	C-129 Expiration Date		
III. Oil a	nd Gas T		TS.		<u> </u>							
18 Transport		19 Tra	nsporter N		20	POD	·21 O/0	G		LSTR Location		
OGRID	S	an Sentinel Tr	d Addres		C					Description		
5108		1406 N	M County	Road			0		В 6	i-19S-35E		
246624			Midstre						n 6	100 250		
240024		10 Desta D Midlar	rive, Ste				G		О	-19S-35E		
					THE STATE OF THE S							
IV. Prod	uced Wa		ULSTR	Location a	and Description	n						
			B 6-198									
V. Well			D		²⁷ TD	28 PD		29.70		30 DVG 1/G		
²⁵ Spud Dat 1/15/2008		²⁶ Ready 1 3/28/20			11,500	²⁸ PB 11,4		²⁹ Perforati 6,730-11,3		³⁰ DHC, MC DHC-4302		
³¹ Ho	le Size		32 Casing	& Tubin	g Size	33	Depth Ser	t	34	Sacks Cement		
17	'.5"		1	13.375"			425'			440 sx		
. 1	1"			8.625"			3450'		1100 sx			
7.8	375"			5.5"		11,500' 2550 sx			2550 sx			
				2-7/8"			11,451'					
VI. Well					<u> </u>		7, .					
³⁵ Date New 3/28/2011		Gas Delive 3/28/20			Test Date 14/2011	1 1 1 1 1 1 1	st Length 4 hr.	1 39 Tb	g. Pressure	40 Csg. Pressure 39 psi		
41 Choke Siz	ze	⁴² Oil 8		43	Water 100	-4	⁴ Gas		¹⁵ AOF N/A	46 Test Method Pumping		
⁴⁷ I hereby cert								OIL CONSERV	ATION DIV	ISION		
have been com and complete to					above is true	D	 ENIED	BY Oil Cor	servation	Division		
Signature:	Kim	lul	Ja	Min		Appr O	n <u> 05</u>	-16-11	see att	ached letter		
Printed name:								iewed by <u></u>		and the same of th		
Kimberly Faldyn Title:						For more information on this matter, please call Cindy Herrera @ 575-393-6161 ext 118						
E-mail Address		gineering T	ech			or	Email	Cindy.Herre	era@state	.nm.us		
Date:		ıldyn@plant	ationpetro	o.com		Der	ied be	cause of F	inancial a	assurance per		

Rule 19.15.5.9. (A) (1)