

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: March 28th, 2014

Application Type:

☐ P&A ☐ Drilling/Casing Change ☒ Recomplete/DHC
☐ Location Change ☐ Other:

Well information:

| frmWellFilterSub | | | | | | | | | | | | | |
|--------------------|-------------|--------|---------------------------|------|------|------------|-------------|----|-----|-----|-----|-----|-----|
| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf. Owner | UL | Sec | Twp | N/S | Rng | W/E |
| 30-039-31172-00-00 | JICARILLA A | 001M | ENERVEST OPERATING L.L.C. | G | N | Rio Arriba | J | K | 18 | 26 | N | 5 | W |

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Hold C-104 for NSL

NMOCD Approved by Signature

4-1-2014
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 31 2014

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an on Field Office
abandoned well. Use Form 3160-3 (APD) for such proposals and management.

5. Lease Serial No.

Jicarilla Contract 110

6. If Indian, Allottee, or Tribe Name

Jicarilla Apache

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

7. If Unit or CA/Agreement Name and/or No.

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

8. Well Name and No.

Jicarilla A #1M

2. Name of Operator

EnerVest Operating, L.L.C.

9. API Well No.

30-039-31172

3a. Address

1001 Fannin Street, Suite 800 Houston, TX 77002

3b. Phone No. (include area code)

713-659-3500 ; 713-970-1847

10. Field and Pool, or Exploratory Area

Blanco Mesaverde/Basin Dakota

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1807' FSL & 2527' FWL (UL K), Sec. 18 T26N R5W

11. County or Parish, State

Rio Arriba, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒

Notice of Intent

☐

Acidize

☐

Deepen

☐

Production (Start/ Resume)

☐

Water Shut-Off

☐

Subsequent Report

☐

Alter Casing

☐

Fracture Treat

☐

Reclamation

☐

Well Integrity

☐

Final Abandonment Notice

☐

Casing Repair

☐

New Construction

☐

Recomplete

☐

Other

☒

Change Plans

☐

Plug and Abandon

☐

Temporarily Abandon

☐

Convert to Injection

☐

Plug Back

☐

Water Disposal

DHC

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 recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notice must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

RCVD APR 2 14
OIL CONS. DIV.
DIST. 3

* DHC 3869 A2 *

EnerVest Operating, L.L.C. respectfully request permission to downhole commingle production in this well. The well will be completed in the Blanco-Mesaverde and Basin-Dakota Gas Pools. This well has not been drilled yet.

Interest Ownership between the Mesaverde and Dakota is common. Attached is a copy of the Form C-103 filed with the NMOCD.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Jeanie McMillan

Title

Sr. Regulatory Analyst

Signature

Jeanie McMillan

Date

March 28, 2014

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

620

Date

3-31-14

Office

FFD

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 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)

NMOCD

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-039-31172

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Jicarilla "A"

8. Well Number 1M

9. OGRID Number
143199

10. Pool name or Wildcat
Blanco-Mesaverde & Basin-Dakota

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Enervest Operating, L.L.C.

3. Address of Operator
1001 Fannin Street, Suite 800 Houston, Texas 77002

4. Well Location
Unit Letter K : 1807 feet from the South line and 2527 feet from the West line
Section 18 Township 26 North Range 5 West NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,616' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Enervest Operating, L.L.C. ("Enervest") is proposing to drill the Jicarilla "A" Well No. 1M and complete the well as a downhole commingled completion in the Blanco-Mesaverde and Basin-Dakota Gas Pools.

Order No. Authorizing Pre-Approved Downhole Commingling: R-11363 dated 4/26/2000

Pools to be Downhole Commingled: Blanco-Mesaverde (Prorated Gas-72319) and Basin-Dakota (Prorated Gas-71599) Pools

Perforated Intervals (Estimated): Basin-Dakota: 7,320'-7,615'; Blanco-Mesaverde: 3,995'-5,471'

Allocation Method: Based upon the 2013 average production from seven wells offsetting the Jicarilla "A" No. 1M (See Attached Table)
Enervest proposes to allocate production to the well as follows:

Blanco-Mesaverde Gas Pool: Oil: 37% Gas: 65% Water: 53%

Basin-Dakota Gas Pool: Oil: 63% Gas: 35% Water: 47%

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Interest Ownership between the Mesaverde and Dakota is common. The well is dedicated to the W/2 of Section 18 in both pools. No notification required.

The composition of the commingled fluids is such that commingling will not reduce the total remaining production's value

A Copy of this Form C-103 has been provided to the United States Bureau of Land Management.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

David Catanach

TITLE Agent-Enervest Operating, L.L.C.

DATE

3/27/14

Type or print name David Catanach

E-mail address: drcatanach@netscape.com

PHONE: 505-690-9453

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

DHC Application
Jicarilla A No. 1M
Offset Well Production

| Offset Well Name & Number | Well Location | 2013 Avg. Mesaverde Oil Production | 2013 Avg. Mesaverde Gas Production | 2013 Avg. Mesaverde H2O Prod. | 2013 Avg. Dakota Oil Production | 2013 Avg. Dakota Gas Production | 2013 Avg. Dakota H2O Prod. |
|--|----------------------|---|---|--|--|--|---|
| | | | | | | | |
| Jicarilla A No. 7E | D-17-26N-5W | 0.142 BOPD | 24 MCFGD | 1.5 BWPD | 0.17 BOPD | 29 MCFGD | 1.8 BWPD |
| Jicarilla A No. 1 | L-18-26N-5W | 0.0 BOPD | 3 MCFGD | 0.0 BWPD | 0.7 BOPD | 82 MCFGD | 0.8 BWPD |
| Jicarilla A No. 2 | B-18-26N-5W | 0.67 BOPD | 144 MCFGD | 2.14 BWPD | 0.27 BOPD | 60 MCFGD | 0.86 BWPD |
| Jicarilla A No. 2F | H-18-26N-5W | 3.01 BOPD | 397 MCFGD | 12 BWPD | 3.67 BOPD | 0 MCFGD | 9.8 BWPD |
| Jicarilla A No. 2M | I-18-26N-5W | 0.62 BOPD | 100 MCFGD | 0.71 BWPD | 0.76 BOPD | 122 MCFGD | 0.87 BWPD |
| Jicarilla A No. 3 | A-19-26N-5W | 1.39 BOPD | 136 MCFGD | 0.47 BWPD | 0.18 BOPD | 35 MCFGD | 0.19 BWPD |
| Jicarilla A No. 3N | C-19-26N-5W | 1.9 BOPD | 136 MCFGD | 5.0 BWPD | 7.13 BOPD | 185 MCFGD | 4.68 BWPD |
| Well Average | | 1.10 BOPD | 134 MCFGD | 3.1 BWPD | 1.84 BOPD | 73 MCFGD | 2.7 BWPD |
| Recommended Allocation | | 37% | 65% | 53% | 63% | 35% | 47% |