

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 30 2014

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**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.5. Lease, Serial No.
Jicarilla Contract 1556. If Indian, Allottee or Tribe Name
Jicarilla Apache

SUBMIT IN TRIPLICATE - Other Instructions on page 2

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Enervest Operating, LLC3a. Address
1001 Fannin Street, Suite 800 Houston, Texas 770023b. Phone No. (include area code)
713-659-35004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1775' FSL & 1840' FEL (J) Section 20, Township 26 North, Range 5 West, NMPM.8. Well Name and No.
Jicarilla Contract 155 No. 19E9. API Well No.
30-039-2234510. Field and Pool or Exploratory Area
Basin-Dakota & Blanco-Mesaverde Gas Pools11. Country or Parish, State
Rio Arriba

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

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Change SurfaceCommingling Allocation

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 must 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 must be filed once testing has been completed. Final Abandonment Notices 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.)

By Order No. PC-1271 dated 4/2/14, the NMOCD authorized Enervest Operating, LLC ("Enervest") to surface commingle Basin-Dakota and Blanco-Mesaverde Gas Pool production from the Jicarilla Contract 155 No. 19E. Production was to be allocated to each zone on the basis of monthly well tests. Enervest now seeks to amend Order No. PC-1271 to authorize production allocation to each zone on the basis of a fixed percentage.

The E/2 of Section 29 is dedicated to the well in the Basin-Dakota Gas Pool. The SE/4 of Section 29 is dedicated to the well in the Blanco-Mesaverde Gas Pool. Ownership of the Mesaverde and Dakota zones is common throughout.

Based upon a Mesaverde production test conducted on the subject well April 5-17, 2014 which resulted in an average producing rate of 13 BOPD, 204 MCFGPD and 20 BWPD, and based upon a Dakota production test conducted on the subject well May 1-13, 2014 which resulted in an average producing rate of 1 BOPD, 173 MCFGPD and 2 BWPD, Enervest proposes to allocate production as follows:

Blanco-Mesaverde Gas Pool: Oil: 93% Gas: 54% Water: 91%

Basin-Dakota Gas Pool: Oil: 7% Gas: 46% Water: 9%

Attached is a surface commingling application (Form C-103) filed with the NMOCD. Notice is being provided to the BLM as per Division rules.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Jeanie McMillan

Title Sr. Regulatory Analyst

Signature

Date 05/28/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

P. B. Sig.

Date

6/17/14

Office

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 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)

NMOCD AV

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC* ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify Application to Amend PC-1271

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent-Enervest Operating, LLC
 Title

5/28/14
 Date

drcatanach@netscape.com
 E-Mail Address

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.
30-039-22345

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Jicarilla Contract 155

8. Well Number 19E

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, LLC

3. Address of Operator

1001 Fannin Street, Suite 800 Houston, Texas 77002

4. Well Location

Unit Letter J : 1775 feet from the South line and 1840 feet from the East line
Section: 29 Township 26 North Range 5 West NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,443'

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: Surface Commingling-Amend PC-1271 ☒

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.

By Order No. PC-1271 issued on 4/2/2014, Enervest Operating, LLC ("Enervest") was authorized to surface commingle Blanco-Mesaverde and Basin-Dakota Gas Pool production from its Jicarilla Contract 155 No. 19E. Production from each of the commingled zones was to be allocated on the basis of well tests to be conducted on a monthly basis on each zone. Enervest respectfully requests to amend PC-1271 to authorize a fixed production allocation in lieu of conducting monthly well tests.

In support of this request, Enervest states that: 1) The E/2 of Section 29 is dedicated to the Basin-Dakota Gas Pool, and the SE/4 of Section 29 is dedicated to the Blanco-Mesaverde Gas Pool. 2) Ownership of the two zones is common. (See attached landman statement)

Based upon a Mesaverde production test conducted on the subject well April 5-17, 2014 which resulted in an average producing rate of 13 BOPD, 204 MCFGPD and 20 BWPD, and based upon a Dakota production test conducted on the subject well May 1-13, 2014 which resulted in an average producing rate of 1 BOPD, 173 MCFGPD and 2 BWPD, Enervest proposes to allocate production as follows:

Blanco-Mesaverde Gas Pool:	Oil: 93%	Gas: 54%	Water: 91%
Basin-Dakota Gas Pool:	Oil: 7%	Gas: 46%	Water: 9%

The United States Bureau of Land Management has been sent a copy of this application (see attached certified mail receipt). Approval of the requested amendment will not result in waste and will not violate correlative rights.

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, LLC

DATE 5/28/14

Type or print name

David Catanach

E-mail address: drcatanach@netscape.com

PHONE: (505) 690-9453

For State Use Only

APPROVED BY:

Walter Hays

TITLE

Deputy Oil & Gas Inspector,
District #3

DATE

6/24/14

Conditions of Approval (if any):

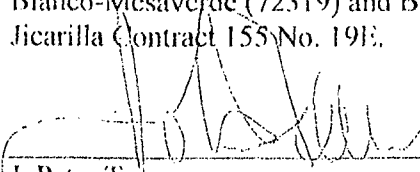
Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

<p style="text-align: center;">Jicarilla Contract 155 No. 19E</p> <p style="text-align: center;">1840'</p> <p style="text-align: center;">1775'</p>	<h3 style="margin-top: 0;">OPERATOR CERTIFICATION</h3> <p><i>I hereby certify that the information contained 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 borehole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i></p> <hr/> <p style="font-size: 1.2em;"><i>David Catanach</i> 1/28/14</p> <p>Signature _____ Date _____</p> <p>David Catanach-Agent</p> <p>Printed Name _____</p> <p>drcatanach@netscape.com</p> <p>E-mail Address _____</p> <h3 style="margin-top: 0;">SURVEYOR CERTIFICATION</h3> <p><i>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.</i></p> <hr/> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p style="text-align: center;">Originally surveyed by Fred B. Kerr Jr. on January 23, 1980. Certificate No. 3950</p> <hr/> <p>Certificate Number _____</p>
--	---

ENERVEST OPERATING LLC.
1001 Fannin Street, Suite 800
Houston, Texas 77002-6707

Surface Commingling Application
Enervest Operating, LLC
Jicarilla Contract 155 No. 19E
API No. 30-039-22345
1775' FSL & 1840' FEL (J) Section 29, T-26N, R-5W

I hereby certify that the working, royalty and overriding royalty interest is common between the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Gas Pools within the above-described Jicarilla Contract 155 No. 19E.



J. Peter Tower
Director-San Juan Permian-Land