

RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 20 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jicarilla Contract 155
2. Name of Operator Enervest Operating, L.L.C.		6. If Indian, Allottee or Tribe Name Jicarilla Apache
3a. Address 1001 Fannin Street, Suite 800 Houston, Texas 77002	3b. Phone No. (include area code) 713-659-3500	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1840' ENL & 1520' FEL (Unit G) Section 30, Township 26 North, Range 5 West, NMPM		8. Well Name and No. Jicarilla Contract 155 No. 16E
		9. API Well No. 30-039-22346
		10. Field and Pool or Exploratory Area Basin-Dakota and Blanco-Mesaverde Gas Pools
		11. Country or Parish, State Rio Arriba

12. CHECK THE 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 <u>Change Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingling Allocation</u>
	<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 recomplete 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/BLA. 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 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-1274 dated 4/8/14, the NMOCDA authorized Enervest Operating, L.L.C. ("Enervest") to surface commingle Basin-Dakota and Blanco-Mesaverde Gas Pool production from the Jicarilla Contract 155 No. 16E. Production was to be allocated to each zone on the basis of monthly well tests. Enervest now seeks to amend Order No. PC-1274 to authorize production allocation to each zone on the basis of a fixed percentage.

The N/2 of Section 30 is dedicated to the well in both the Basin-Dakota and Blanco-Mesaverde Gas Pools. Ownership of the Mesaverde and Dakota zones is common throughout.

Based upon a Mesaverde production test conducted on the subject well May 23-June 11, 2014 which resulted in an average producing rate of 4 BOPD, 125 MCFGPD and 1 BWPD, and based upon a Dakota production test conducted on the well December 1-31, 2013 which resulted in an average producing rate of 26 BOPD, 68 MCFGPD and 1 BWPD, Enervest proposes to allocate production as follows:

Blanco-Mesaverde Gas Pool Oil: ¹³14% Gas: 65% Water: 50%
Basin-Dakota Gas Pool Oil: ⁸⁷86% Gas: 35% Water: 50%

OIL CONS. DIV DIST. 3

JUL 21 2014

Attached is a surface commingling application (Form C-103) filed with the NMOCDA. 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 <i>Jeanie McMillan</i>	Date 06/16/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title <i>Petr. Eng</i>	Date <i>7/17/14</i>
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.	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)

NMOCDA

5

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-1274

[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

6/19/14
 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

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

Form C-103
Revised July 18, 2013

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.)		WELL API NO. 30-039-22346
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Enervest Operating, L.L.C.		6. State Oil & Gas Lease No.
3. Address of Operator 1001 Fannin Street, Suite 800 Houston, Texas 77002		7. Lease Name or Unit Agreement Name Jicarilla Contract 155
4. Well Location Unit Letter <u>G</u> : <u>1840</u> feet from the <u>North</u> line and <u>1520</u> feet from the <u>East</u> line Section: <u>30</u> Township <u>26 North</u> Range <u>5 West</u> NMPM Rio Arriba County		8. Well Number <u>16E</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,680'		9. OGRID Number 143199
		10. Pool name or Wildcat Blanco-Mesaverde & Basin-Dakota

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Surface Commingling-Amend PC-1274 <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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-1274 issued on 4/8/2014, Enervest Operating, L.L.C. ("Enervest") was authorized to surface commingle Blanco-Mesaverde and Basin-Dakota Gas Pool production from its Jicarilla Contract 155 No. 16E. 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-1274 to authorize a fixed production allocation in lieu of conducting monthly well tests.

In support of this request, Enervest states that: 1) The N/2 of Section 30 is dedicated to both the Basin-Dakota and Blanco-Mesaverde Gas Pools; 2) Ownership of the two zones is common. (See attached landman statement)

Based upon a Mesaverde production test conducted on the subject well May 23-June 11, 2014 which resulted in an average producing rate of 4 BOPD, 125 MCFGPD and 1 BWPD, and based upon a Dakota production test conducted on the subject well December 1-31, 2013 which resulted in an average producing rate of 26 BOPD, 68 MCFGPD and 1 BWPD, Enervest proposes to allocate production as follows:

Blanco-Mesaverde Gas Pool:	Oil: <u>13%</u>	Gas: 65%	Water: 50%
Basin-Dakota Gas Pool:	Oil: <u>87%</u>	Gas: 35%	Water: 50%

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, L.L.C.

DATE

6/19/14

Type or print name David Catanach

E-mail address: drcatanach@netscape.com PHONE: (505) 690-9453

For State Use Only

APPROVED BY:

Walt Horn

TITLE

DATE

7/23/14

Conditions of Approval (if any):

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 S. First Street, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

JUN 20 2014

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-039-22346		Pool Code 72319 & 71599	Pool Name Blanco-Mesaverde & Basin-Dakota Gas Pools
Property Code 306758	Property Name Jicarilla Contract 155		Well Number 16E
OGRID No. 143199	Operator Name Enervest Operating, LLC		Elevation 6680'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	30	26 North	5 West		1840	North	1520	East	Rio Arriba

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 319.57: N/2		Joint or Infill		Consolidate 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

	OPERATOR CERTIFICATION 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 released mineral interest in the land including the proposed bottomhole 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.
	Signature _____ Date _____ David Catanach-Agent Printed Name drcatanach@netscape.com E-mail Address
	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.
	Date of Survey _____ Signature and Seal of Professional Surveyor: Originally surveyed by Fred B. Kerr Jr. on January 23, 1980. Certificate No. 3950 Certificate Number _____

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

Surface Commingling Application
Enervest Operating, LLC
Jicarilla Contract 155 No. 16E
API No. 30-039-22346
1840' FNL & 1520' FEL (G) Section 30, 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. 16E.

A handwritten signature in dark ink, appearing to read "J. Peter Tower", is written over a horizontal line.

J. Peter Tower
Director, San Juan Permian-Land