



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



September 2, 2011

Enervest Operating, LLC
Attn: Mr. David Catanach

Administrative Order NSL-5397-B

Re: Jicarilla A Well No. 8M
API No. 30-039-29848
750 feet FNL & 2240 feet FEL
Unit B, Section 17-26N-5W
Rio Arriba County, New Mexico

Jicarilla A Well No. 8N
API No. 30-039-29839
1420 feet FSL & 2475 feet FEL
Unit J, Section 17-26N-5W
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-21633505**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 4, 2011, and

(b) the Division's records pertinent to this request, including the Division's records pertinent to Administrative Order NSL-5397, issued on June 9, 2006 and Administrative Order NSL-5397-A, issued on May 4, 2011.

Enervest Operating, LLC (Enervest) has requested to produce the above-referenced wells at unorthodox locations, described above in the caption of this letter. The proposed locations were approved as unorthodox gas well locations in the Blanco Mesaverde and Basin Dakota Pools in Order

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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NSL-5397. By Order NSL-5397-A, these unorthodox locations were also approved in the Tapacito Gallup Associated Pool (58090).

By this application Enervest seeks to complete the Jicarilla A Well No. 8N in the Blanco Mesaverde Gas Pool (73219) and the Basin Dakota Gas Pool (71599) at an unorthodox bottom hole location 1420 feet from the South line and 2475 feet from East line (Unit J) of Section 17. This location is unorthodox in both said pools under applicable special pool rules.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking these locations in order to conform the Division's approval to the actual bottom hole location of the Jicarilla A Well No. 8N, as drilled.

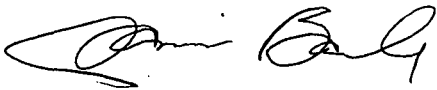
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox locations are hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management