

January 9, 2008

Mr. David Brooks  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED

2008 JAN 11 PM 2 14

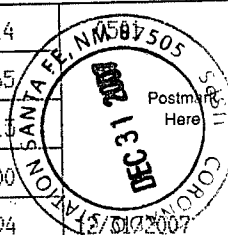
Enclosed please find the proof of notice for the simultaneous dedication application that was recently filed by EnerVest Operating, L.L.C. for the State "E" Com No. 6 located in Unit J of Section 16, T-21 South, Range 36 East, NMPM, Lea County, New Mexico

Ronnie L. Young  
EnerVest Operating L.L.C.  
1001 Fannin Street  
Suite 800  
Houston, Texas 77002-6707

7007 3020 0001 9988 6932

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1/3/08 DATE IN	SUSPENSE	Brooks ENGINEER	1/3/08 LOGGED IN	SD TYPE	PKVR0800356348 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Ener Vest Operating  
State E Com #16  
199902-B*

**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** \_\_\_\_\_

**[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.**

Ronnie L. Young

Print or Type Name

*Ronnie L. Young*  
Signature

12/26/07  
Date

Coordinator, Regulatory Compliance

Title

RYOUNG@ENERVEST.NET  
E-Mail Address

RECEIVED  
2008 JAN 3 PM 12:50

December 26, 2007

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Attention: Mr. Mark E. Fesmire, P.E.  
Director

Re: Amendment of Division Order No. SD-89-2-A  
Increased Well Density & Simultaneous Dedication  
Eumont (Yates-Seven Rivers-Queen) Gas Pool ("Eumont Gas Pool")

Dear Mr. Fesmire:

By Division Order No. SD-89-2-A (also shown as SD-198902-A) dated May 11, 2006, Plantation Operating, L.L.C. was authorized to drill the State "E" Com No. 5 (API No. 30-025-37956) as a new Eumont Gas Pool (76480) producing well within an existing 160-acre non-standard gas proration unit ("GPU") comprising the SE/4 of Section 16, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was approved by Division Order No. R-520 dated August 12, 1954. Order No. SD-89-2-A also authorized the simultaneous dedication of the following-described wells to the subject GPU:

<u>Well Name &amp; Number</u>	<u>API Number</u>	<u>Well Location</u>
State "E" Com No. 2	30-025-04668	660' FSL & 660' FEL (Unit P)
State "E" Com No. 4	30-025-30619	990' FSL & 1960' FEL (Unit O)
State "E" Com No. 5	30-025-37956	1780' FSL & 660' FEL (Unit I)

30-025-38671

Enervest Operating, L.L.C. ("Enervest"), the current operator of the subject GPU, hereby requests that Order No. SD-89-2-A be amended to authorize the drilling of an additional gas well within the subject GPU. Enervest proposes to drill the State "E" Com No. 6 at a standard gas well location in the Eumont Gas Pool 1860 feet from the South line and 1770 feet from the East line (Unit J) of Section 16. Enervest also requests authorization to simultaneously dedicate the State "E" Com Wells No. 2, 4, 5 and 6 to the subject GPU.

The wells and GPU are located within the Eumont Gas Pool. This pool is currently governed by special pool rules established by Order No. 8170-P effective December 14, 2001. Well location requirements and well density provisions are contained within Rule No. (3) of the special pool rules.

All of the wells within the subject GPU, including the proposed State "E" Com No. 6, are located at standard gas well locations for the Eumont Gas Pool.

In support of the application, Enervest states the following:

Current (July, 2007) production data shows that the State "E" Com No. 2, which was drilled in the 1930's, and the State "E" Com No. 4, which was drilled in 1989, are producing at marginal rates of 76 MCFG per day and 122 MCFG per day, respectively, from the Eumont Gas Pool;

The State "E" Com No. 5, which was drilled and completed in the Eumont Gas Pool in November, 2006, is currently producing at a rate of approximately 400 MCFG per day. The relatively high producing rate obtained from this well suggests that the NE/4 SE/4 of Section 16 has not been adequately drained by the existing wells;

During the first few months of production from the State "E" Com No. 5, no change in the rate of production from the State "E" Com Wells No. 2 and 4 was observed. This data suggests no interference between wells spaced on 40 acres. Consequently, Enervest believes that the drilling of the proposed State "E" Com No. 6 is necessary in order to effectively and efficiently drain the gas reserves from the Eumont Gas Pool within the NW/4 SE/4 of Section 16;

Due to the inefficient drainage from the existing wells, Enervest believes that no offset operator will be adversely affected by the approval of this application;

Attachment No. 1 is a plat that identifies the subject GPU, and the wells that are to be simultaneously dedicated to this unit. All of the acreage within Section 16 is currently dedicated to a Eumont Gas Pool GPU. In addition to the subject GPU, there is a 320-acre non-standard GPU that comprises the N/2 of Section 16, and a 160-acre non-standard GPU that comprises the SW/4 of Section 16;

Attachment No. 2 is a plat that identifies the subject GPU, and all offsetting GPU's in the Eumont Gas Pool;

Attachment No. 2A is a compilation of all active Eumont Gas Pool producing wells within the offsetting GPU's. There are only three offset operators, ConocoPhillips Company, Occidental Permian Ltd., and OXY USA WTP Limited Partnership;

A copy of the notice letter that has been sent to all offset operators is enclosed, as is Attachment No. 3, which is a list of the parties to whom notice has been

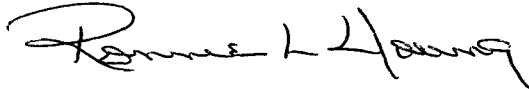
provided. Upon obtaining the signed receipts, they will be forwarded to the Oil Conservation Division; and

Also enclosed is a copy of Order No. SD-89-2-A.

In summary, Enervest Operating, L.L.C. believes that approval of the application is in the best interest of conservation, prevention of waste and protection of correlative rights.

If you should have any questions, please call me at (713) 495-6530 or E-Mail me at RYOUNG@ENERVEST.NET.

Sincerely

A handwritten signature in black ink, appearing to read "Ronnie L. Young". The signature is fluid and cursive, with the first name "Ronnie" and last name "Young" clearly distinguishable.

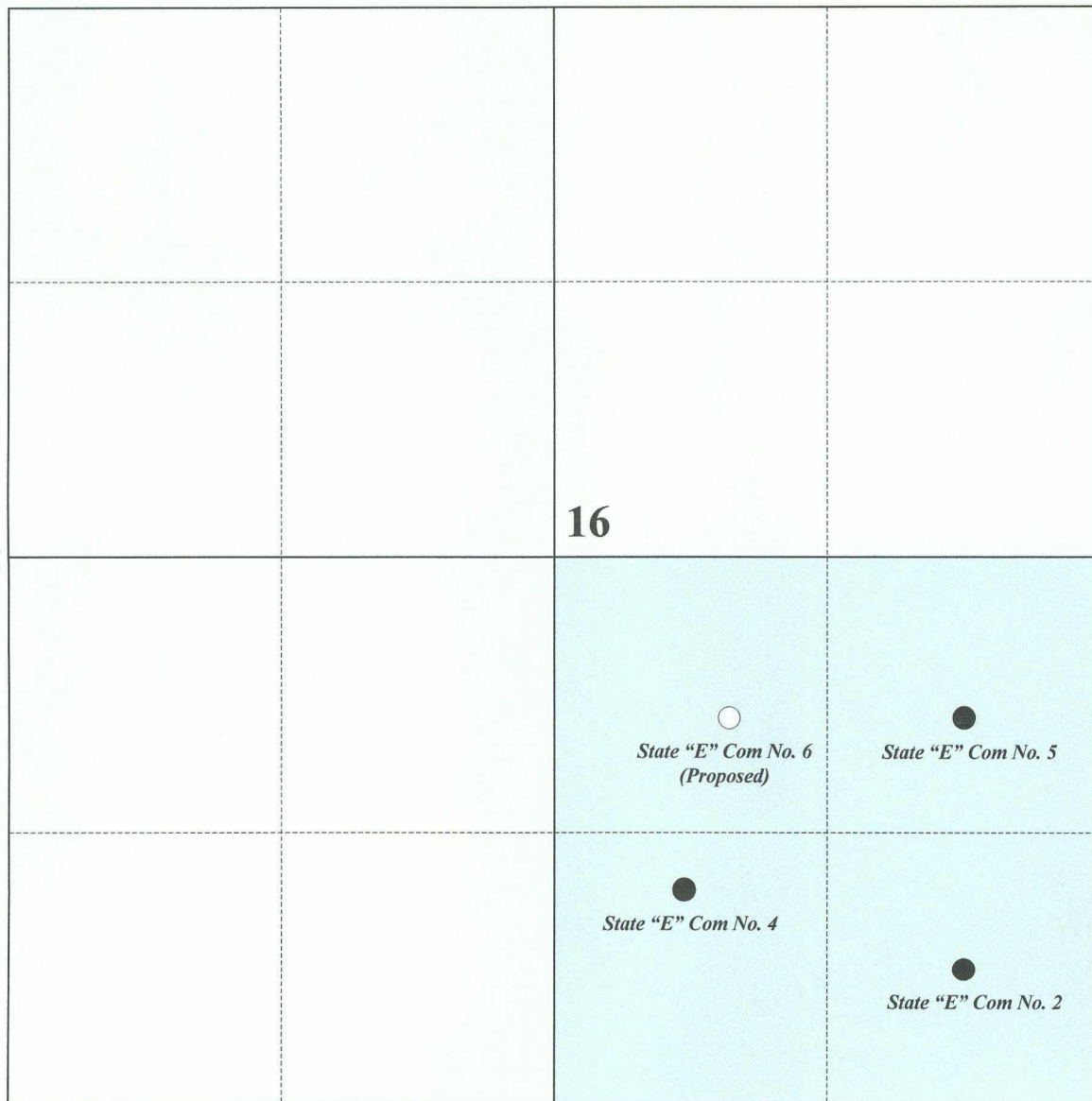
Ronnie L. Young  
Enervest Operating, L.L.C.  
1001 Fannin Street  
Suite 800  
Houston, Texas 77002-6707

Enclosures

*Enervest Operating, L.L.C.*  
*Amendment of Order No. SD-89-2-A*  
*Increased Well Density & Simultaneous Dedication*  
*Eumont Gas Pool*

**21South**

**36 East**



*Existing 160-acre Non-standard GPU*  
*Approved by Division Order No. R-520*



*Enervest Operating, L.L.C.*

## Increased Well Density & Simultaneous Dedication

# 21South

[illegible]

## 36 East



*Enervest Operating, L.L.C.  
Application to Amend Order No. SD-89-2-4  
Increased Well Density & Simultaneous Dedication  
Eumont Gas Pool*

## OFFSET EUMONT (GAS) OPERATORS

<u>GPU Description</u>	<u>Operator</u>	<u>Lease Name &amp; Well Number</u>	<u>Well Location</u>
NW/4 Section 22, T-21S, R-36E	Occidental Permian Ltd.	State "T" Com No. 2 State "T" Com No. 3	Unit C, Section 22, T-21S, R-36E Unit E, Section 22, T-21S, R-36E
W/2 Section 15, T-21S, R-36E	ConocoPhillips Company	Bell Janda Gas Com No. 1 Bell Janda Gas Com No. 2	Unit L, Section 15, T-21S, R-36E Unit E, Section 15, T-21S, R-36E
N/2 Section 16, T-21S, R-36E	ConocoPhillips Company	Skelly "B" State Com No. 2 Skelly "B" State Com No. 3 Skelly "B" State Com No. 4 Skelly "B" State Com No. 5 Skelly "B" State Com No. 7	Unit G, Section 16, T-21S, R-36E Unit A, Section 16, T-21S, R-36E Unit C, Section 16, T-21S, R-36E Unit D, Section 16, T-21S, R-36E Unit E, Section 16, T-21S, R-36E
SW/4 Section 16, T-21S, R-36E	OXY USA WTP LP	State "C" No. 3 State "C" No. 5	Unit K, Section 16, T-21S, R-36E Unit M, Section 16, T-21S, R-36E
All of Section 21, T-21S, R-36E	ConocoPhillips Company	Arnott Ramsay NCT-C No. 5 Arnott Ramsay NCT-C No. 13 Arnott Ramsay NCT-C No. 15 Arnott Ramsay NCT-C No. 16 Arnott Ramsay NCT-C No. 17 Arnott Ramsay NCT-C No. 18 Arnott Ramsay NCT-C No. 19	Unit N, Section 21, T-21S, R-36E Unit F, Section 21, T-21S, R-36E Unit P, Section 21, T-21S, R-36E Unit H, Section 21, T-21S, R-36E Unit L, Section 21, T-21S, R-36E Unit J, Section 21, T-21S, R-36E Unit D, Section 21, T-21S, R-36E

ATTACHMENT 2A

December 26, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: Enervest Operating, L.L.C.  
Application for Increased Well Density &  
Simultaneous Dedication  
Eumont (Yates-Seven Rivers-Queen) Gas Pool (76480)  
Section 16, T-21 South, R-36 East, NMPM,  
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Enervest Operating, L.L.C. to amend Division Order No. SD-89-2-A, for authorization to dedicate its proposed State "E" Com Well No. 6, located 1860 feet from the South line and 1770 feet from the East line (Unit J) of Section 16, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to an existing 160-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SE/4 of Section 16. This unit is currently dedicated to Enervest Operating, L.L.C.'s State "E" Com Wells No. 2, 4, and 5 located respectively in Units P, O and I of Section 16.

As the owner of an interest that may be affected by the proposed simultaneous dedication, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (713) 495-6530.

Sincerely,

*Ronnie L. Young /bmh*

Ronnie L. Young  
Coordinator, Regulatory Compliance  
Enervest Operating, L.L.C.  
1001 Fannin Street  
Suite 800  
Houston, Texas 77002-6707

Enclosure

***Enervest Operating, L.L.C.***  
***Amendment of Order No. SD-89-2-A***  
***Increased Well Density & Simultaneous Dedication***  
***Eumont Gas Pool***

---

(Company Name)

Hereby waives objection to the application filed by Enervest Operating, L.L.C. to authorize the drilling of its State "E" Com No. 6 as an infill gas well in the Eumont Gas Pool (76480) at a standard gas well location 1860 feet from the South line and 1770 feet from the East line (Unit J) of Section 16, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, and to simultaneously dedicate this well and the State "E" Com Wells No. 2, 4 and 5 to an existing 160-acre non-standard GPU in the Eumont Gas Pool comprising the SE/4 of Section 16.

---

(Signature)

---

(Date)

Please mail this waiver of objection to:

Enervest Operating, L.L.C.  
1001 Fannin Street  
Suite 800  
Houston, Texas 77002-6707

Attn: Mr. Ronnie L. Young

*Enervest Operating, L.L.C.*  
*Application to Amend Order No. SD-89-2-A*  
*Increased Well Density & Simultaneous Dedication*  
*Eumont Gas Pool*

Offset Operator Notification List

Occidental Permian, Ltd.  
OXY USA WTP Limited Partnership  
Box 4294  
Houston, Texas 77210-4294

ConocoPhillips Company  
Box 2197  
WL3 6106  
Houston, Texas 77252-2197



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**May 11, 2006**

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**Plantation Operating, L.L.C.  
2203 Timberloch Place, Suite 229  
The Woodlands, Texas 77380**

**Attention: John Allred, P.E.**

## **Division Administrative Order SD-89-2-A**

Dear Mr. Allred:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 20, 2006 (**administrative application reference No. pMES0-611856090**); and (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Order SD-89-2 and in Division Case No. 673: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 160-acre gas spacing unit comprising the SE/4 of Section 16, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

The subject 160-acre unit was established by Division Order No. R-520, issued in Case No. 673 on August 12, 1954, and currently has dedicated thereon the two following described wells:

- (1) State "E" Com. Well No. 2 (**API No. 30-025-04668**), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 16; and
- (2) State "E" Com. Well No. 4 (**API No. 30-025-30619**), located at a standard infill gas well location (**approved by Division Administrative Order SD-89-2, dated June 5, 1989**) 990 feet from the South line and 1960 feet from the East line (Unit O) of Section 16.

It is the Division's understanding that Plantation, as the current operator of these two wells and 160-acre unit, now intends to drill its proposed State "E" Com. Well No. 5 at a standard infill gas well location 1780 feet from the South line and 660 feet from the East line (Unit I) of Section 16.

Plantation Operating, L. L. C.  
May 11, 2006  
Page 2

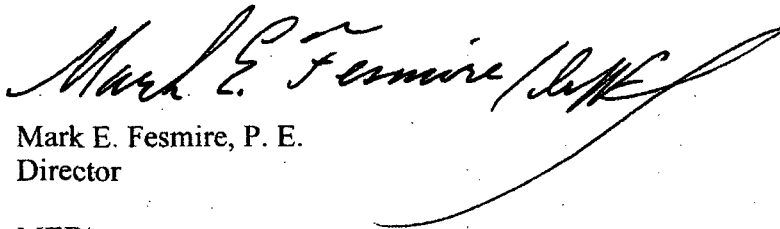
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Division Administrative Order SD-89-2-A

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Eumont Gas Pool, Plantation is hereby authorized to simultaneously dedicate Eumont gas production to this 160-acre non-standard gas spacing unit from the three above-described State "E" Com. Wells No. 2, 4, and 5. Furthermore, all provisions applicable to the subject unit in Division Order No. R-520 and Division Administrative Order SD-89-2 shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire". The signature is written in dark ink and is positioned above the printed name and title.

Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office – Santa Fe  
File: Division Administrative Order SD-89-2

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