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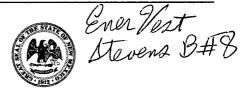
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTRATIVE APPLI	CATION CHECKLIST	
TH	HIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATI WHICH REQUIRE PROCESSING AT THI		ND REGULATIONS
Applic	cation Acronym		DIVISION LEVEL IN SANTA FE	
	[DHC-Dow	ndard Location] [NSP-Non-Standard Pr nhole Commingling] [CTB-Lease Com ol Commingling] [OLS - Off-Lease Sto [WFX-Waterflood Expansion] [PMX-P [SWD-Salt Water Disposal] [IPI-I lified Enhanced Oil Recovery Certificat	nmingling] [PLC-Pool/Lease Commorage] [OLM-Off-Lease Measuremoressure Maintenance Expansion] njection Pressure Increase]	ingling] ent]
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	Checl [B]	Cone Only for [B] or [C] Commingling - Storage - Measuremen DHC CTB PLC		
	[C]	Injection - Disposal - Pressure Increase	•	2068
	[D]	Other: Specify		É M
[2]	NOTIFICAT [A]	TION REQUIRED TO: - Check Those Working, Royalty or Overriding R		CEIV
	[B]	Offset Operators, Leaseholders or	Surface Owner	12 CT
	[C]	Application is One Which Require	es Published Legal Notice	
	[D]	Notification and/or Concurrent Ap U.S. Bureau of Land Management - Commissioner of), — 9.
	[E]	For all of the above, Proof of Not	fication or Publication is Attached, an	nd/or,
	[F]	☐ Waivers are Attached		
[3]		CURATE AND COMPLETE INFORMATION INDICATED ABOVE.	MATION REQUIRED TO PROCES	SS THE TYPE
	val is accurate a	TION: I hereby certify that the informate and complete to the best of my knowledge equired information and notifications are	e. I also understand that no action w	
	Note	Statement must be completed by an individual	with managerial and/or supervisory capacit	y.
	ie L. Young r Type Name	Signature L	Coordinator, Regulatory Title	Compliance
		Date	RYOUNG@ENERVEST.NE E-Mail Address	<u>r</u>

January 9, 2008

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. NSP-1632(L)(SD)
Increased Well Density & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

By Division Order No. NSP-1632(L)(SD) dated August 21, 1991, a 157.31-acre non-standard gas spacing and proration unit comprising Lot 2, S/2 NE/4, and the SE/4 NW/4 (S/2 N/2 equivalent) of Section 7, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, was established for production from the Jalmat Gas Pool. Doyle Hartman, Oil Operator, the operator of the gas proration unit ("GPU") at that time, was also authorized to simultaneously dedicate two existing wells to the subject GPU, the Stevens "B" No. 13 (API No. 30-025-10657) located at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Lot 2, Unit E) of Section 7, and the Stevens "B" 7 Com Well No. 2 (API No. 30-025-10662) also located at an unorthodox gas well location 1650 feet from the North and East lines (Unit G) of Section 7. Order No. NSP-1632(L)(SD) also approved both unorthodox gas well locations.

EnerVest Operating, L.L.C. ("EnerVest"), the current operator of the subject GPU, hereby requests that Order No. NSP-1632(L)(SD) be amended:

- a) to authorize the drilling of an additional gas well within the subject GPU. EnerVest proposes to drill the Stevens "B" No. 8 at a standard gas well location in the Jalmat Gas Pool 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7;
- b) to delete the Stevens "B" 7 Com No. 2 from the simultaneous dedication provisions of the order; and
- c) to authorize the simultaneous dedication of the existing Stevens "B" No. 13 and the proposed Stevens "B" No. 8 to the subject GPU.

The wells and GPU are located within the Jalmat 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.

The proposed Stevens "B" No. 8 is located at a standard gas well location for the Jalmat Gas Pool.

In support of the application, EnerVest states the following:

The Stevens "B" 7 Com No. 2 was plugged and abandoned by Doyle Hartman, Oil Operator, in February, 1994. The proposed Stevens "B" No. 8 will essentially be a replacement well for the plugged and abandoned Stevens "B" 7 Com No. 2;

The existing Stevens "B" No. 13 is marginally productive. During January-August, 2007 the Stevens "B" No. 13 produced at an average rate of approximately 65 MCF of gas per day from the Jalmat Gas Pool;

The subject wells and GPU are located on the eastern edge of the Jalmat Gas Pool in an area of decreased porosity and permeability in the reservoir;

EnerVest believes that the drilling of the proposed Stevens "B" No. 8 is necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the SE/4 NW/4 of Section 7;

Due to the marginally productive nature of the existing well, 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.

Attachment No. 2 is a plat that identifies the subject GPU, and all offsetting GPU's in the Jalmat Gas Pool. Within Section 7, there are two additional 160-acre non-standard GPU's in the Jalmat Gas Pool comprising respectfully, the N/2 N/2 equivalent, operated by Roca Production, Inc., and the SW/4 operated John H. Hendrix Corporation. To the west in Section 12, Township 23 South, Range 36 East, there are three non-standard GPU's in the Jalmat Gas Pool comprising: i) the NE/4 operated by John H. Hendrix Corporation; ii) the S/2 NW/4 and N/2 SW/4 operated by Primal Energy Corporation; and iii) the S/2 SW/4 operated by John H. Hendrix Corporation;

Attachment No. 2A is a compilation of all active Jalmat Gas Pool producing wells within the offsetting GPU's. In addition, Attachment No. 2A shows the offset

operators and/or interest owners that operate wells in other formations and/or pools.

Notice of this application has been provided to Roca Production, Inc., John H. Hendrix Corporation and Primal Energy Corporation. Notice to Primal Energy Corporation was provided even though their GPU is not adjacent to the subject GPU.

Notice of this application was also provided to the operator of the SE/4 of Section 12, Roca Production, Inc., to the operators and/or interest owners within the SE/4 of Section 7, John H. Hendrix Corporation, Apache Corporation and Chevron USA, Inc., and to the operators and/or interest owners in Section 8, Chevron USA, Inc., Whiting Oil & Gas Corporation, Chesapeake Operating, Inc., Oxy USA, Inc., and Celero Energy, LP.

A copy of the notice letter that has been sent to all parties is enclosed, as is Attachment No. 3, which is a list of the parties to whom notice has been provided. Upon obtaining the signed return receipt cards, they will be forwarded to the Oil Conservation Division; and

Also enclosed is a copy of Order No. NSP-1632(L)(SD) and a Form C-102 for the proposed Stevens "B" No. 8.

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

Ronnie L. Young

EnerVest Operating, L.L.C.

Come L Houng

1001 Fannin Street

Suite 800

Houston, Texas 77002-6707

Enclosures

EnerVest Operating, L.L.C.

Application to Amend Order No. NSP-1632(L)(SD)

Simultaneous Dedication

Jalmat Gas Pool

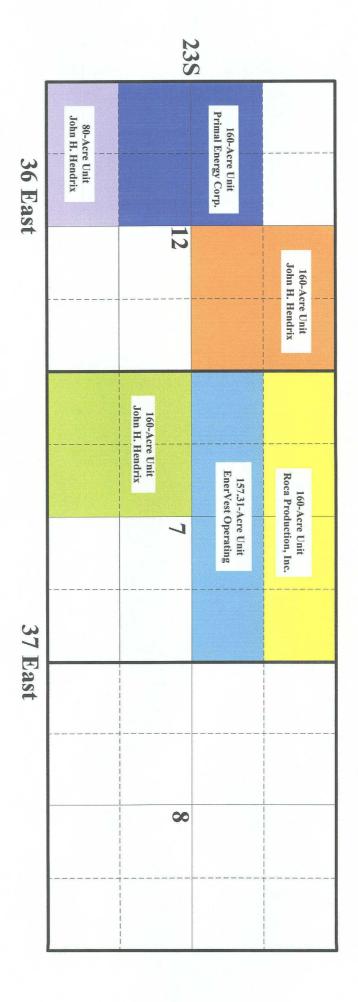
23 South

37 East

		Last	
Lot 1			7
Lot 2 Stevens "B" No. 13	Stevens "B" No. 8 (Proposed)		
Lot 3			
Lot 4			

Existing 157.31-acre Non-Standard GPU
Approved by Order No. NSP-1632(L)(SD)

Attachment 1



Offsetting GPU's in the Jalmat Gas Pool
Attachment 2

EnerVest Operating, L.L.C.

Application to Amend Order No. NSP-1632(L)(SD)

Increased Well Density & Simultaneous Dedication/Jalmat Gas Pool

OFFSET JALMAT (GAS) OPERATORS

GPU Description	Operator	Lease Name & Well Number	Well Location
Lot 1, NE/4 NW/4, N/2 NE/4 Section 7, T-23S, R-37E	Roca Production, Inc.	Stevens "B" 7 No. 1	Unit D, Section 7, T-23S, R-37E
SW/4 Section 7, T-23S, R-37E	John H. Hendrix Corp.	Stevens "B" No. 11	Unit M, Section 7, T-23S, R-37E
NE/4 Section 12, T-23S, R-36E	John H. Hendrix Corp.	Stevens "B" No. 2 Stevens "B" No. 10	Unit A, Section 12, T-23S, R-36E Unit H, Section 12, T-23S, R-36E
S/2 SW/4 Section 12, T-23S, R-36E	John H. Hendrix Corp.	Stevens "B" No. 4	Unit M, Section 12, T-23S, R-36E
S/2 NW/4, N/2 SW/4 Section 12 T-23S, R-36E	Primal Energy Corp.	Cochise King Gas Com No. 2	Unit F, Section 12, T-23S, R-36E

OFFSET OPERATORS AND/OR INTEREST OWNERS OTHER FORMATIONS/POOLS

Acreage Description	Operator and/or interest Owner
SE/4 Section 12, T-23S, R-36E	Roca Production, Inc.
SE/4 Section 7, T-23S, R-37E	John H. Hendrix Corp., Apache Corporation, Chevron USA, Inc.
Section 8, T-23S, R-37E	Chevron USA, Inc., Whiting Oil & Gas Corporation, Chesapeake Operating, Inc., Oxy USA, Inc., Celero Energy, LP

ATTACHMENT 2A

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: EnerVest Operating, L.L.C.

Application for Increased Well Density & Simultaneous Dedication

Jalmat (Tansil-Yates-Seven Rivers) Gas Pool (79240)

Section 7, T-23 South, R-37 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. NSP-1632(L)(SD), for authorization to dedicate its proposed Stevens "B" No. 8, located at a standard gas well location 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, to an existing 157.31-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising Lot 2, the SE/4 NW/4 and the S/2 NE/4 of Section 7. This unit is currently dedicated to EnerVest Operating, L.L.C.'s Stevens "B" No. 13, located in Lot 2 of Section 7.

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

Coordinator, Regulatory Compliance

EnerVest Operating, L.L.C.

Konne L Houng

1001 Fannin Street

Suite 800

Houston, Texas 77002-6707

Enclosure

EnerVest Operating, L.L.C.

Amendment of Order No. NSP-1632(L)(SD)

Increased Well Density & Simultaneous Dedication

Jalmat Gas Pool

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Hereby waives objection to the application filed by EnerVest Operating, L.L.C. to authorize the drilling of its Stevens "B" No. 8 as an infill gas well in the Jalmat Gas Pool (79240) at a standard gas well location 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, and to simultaneously dedicate this well and the Stevens "B" No. 13 to an existing 157.31-acre non-standard GPU in the Jalmat Gas Pool comprising Lot 2, SE/4 NW/4 and the S/2 NE/4 of Section 7.

(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. NSP-1632(L)(SD) Increased Well Density & Simultaneous Dedication Jalmat Gas Pool

Offset Operator Notification List

Oxy USA, Inc. Box 50250 Midland, Texas 79710

Celero Energy, LP 400 W. Illinois Suite 1300 Midland, Texas 79701

Chesapeake Operating, Inc. Box 18496 Oklahoma City, Oklahoma 73154-0496

Whiting Oil & Gas Corporation 1700 Broadway Suite 780 Denver, Colorado 80290

Chevron USA, Inc. Box 4791 Houston, Texas 77210-4791

John H. Hendrix Corporation Box 3040 Midland, Texas 79702-3040

Apache Corporation 2000 Post Oak Blvd. Suite 100 Houston, Texas 77056-4400

Roca Production, Inc. Box 10139 Midland, Texas 79702

Primal Energy Corp. 211 Highland Cross Suite 227 Houston, Texas 77073

Attachment 3

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico Energy, Minerals and Natural Resources Department

DISTRICT II 1801 W. GRAND AVENUE, ARTESIA, NM 88210 OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III

Santa Fe, New Mexico 87505 1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT ☐ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Pool Code API Number Pool Name Property Code Property Name Well Number STEVENS B 8 OGRID No. Operator Name Elevation EnerVest Operating 3370 Surface Location UL or lot No. Lot Idn Feet from the North/South line East/West line Section Feet from the Township Range County F 7 23-S 37-E 1980 NORTH 1980 WEST LEA Bottom Hole Location If Different From Surface UL or lot No. Lot Idn Section Township Range Feet from the North/South line Feet from the East/West line County Consolidation Code Dedicated Acres Joint or Infill 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 LOT 1 OPERATOR CERTIFICATION I hereby certify that the information 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

or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 37.44 AC. LOT 2 3373.7 3368.3 Signature Date 600 - 1980 Printed Name 3367.4 3366.1 SURVEYOR CERTIFICATION 37.51 AC. LOT 3 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. GEODETIC COORDINATES NAD 27 NME Y = 482201.2 NX=849017.6 E LAT.=32.320629° N **DECEMBER 18. 2007** LONG. = 103.203533° W Date Surveyed DSS 37.59 AC. Signature & Seal of LOT 4 Professional Surveyor 07.11.1711 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239 37.66 AC

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT



OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR August 21, 1991

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

Doyle Hartman, Oil Operator P.O. Box 10426 Midland, Texas 79702

Attention: Patrick K. Worrell, Engineer

Administrative Order NSP-1632(L)(SD)

Dear Mr. Worrell:

Reference is made to your application dated May 29, 1991 for a 157.31-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Gas Pool:

Lea County, New Mexico
Township 23 South, Range 37 East, NMPM
Section 7: Lot 2, S/2 NE/4 and SE/4 NW/4 (S/2 N/2 equivalent)

It is my understanding that this unit it to be simultaneously dedicated to the existing Stevens "B" Well No. 13 located at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) of said Section 7, and the existing Stevens B-7 Com Well No. 2 located at an unorthodox gas well 1650 feet from the North and East lines (Unit G) of said Section 7.

By authority granted me under the provisions of Rule 2(a)9 and 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above-described non-standard gas proration unit and resulting unorthodox gas well locations are hereby approved:

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the Stevens "B" Well No. 13 and Stevens B-7 Com Well No. 2 and produce the allowable assigned to said non-standard unit from both wells in any proportion.

Sincerely,

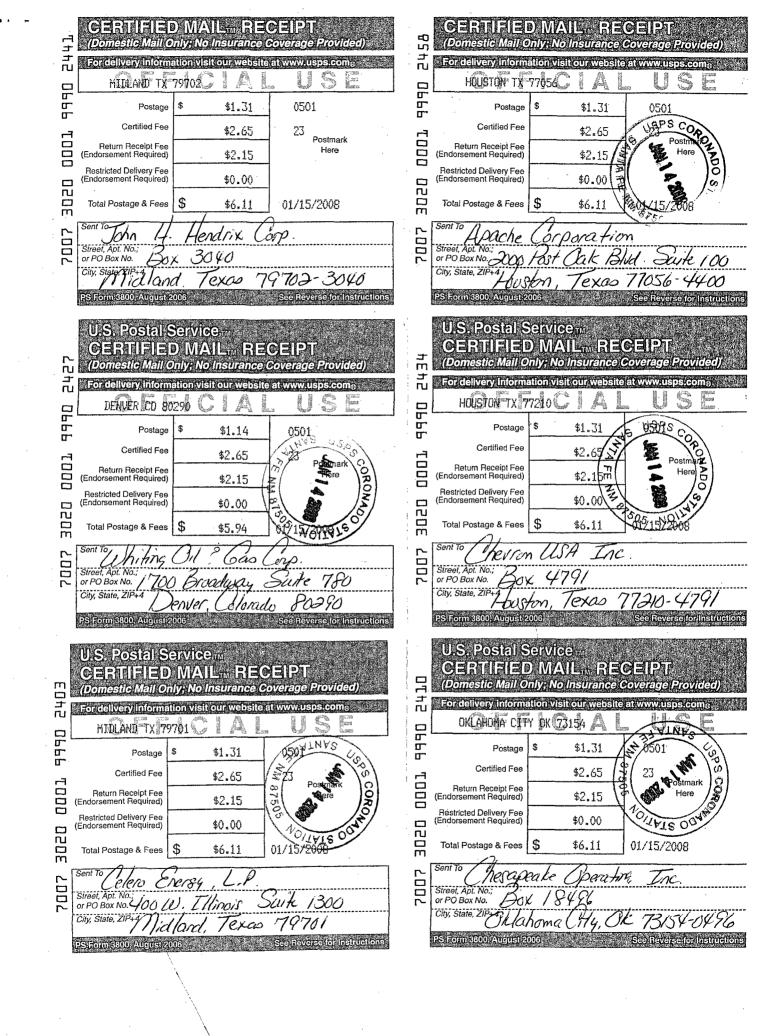
WILLIAM J. LEMAN

Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs

U.S. BLM - Carlsbad Case No. 10349



CERTIFIED MAIL, REC

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