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	[B]	( )	Offset Operators, 2	Leaseholders or Surfa	ace Owner			
	[C]		Application is One	e Which Requires Pul	olished Legal No	tice		
	[D]		Notification and/or J.S. Bureau of Land Manage	r Concurrent Approve ement - Commissioner of Public	al by BLM or SL Lands, State Land Office	0		
	[E]		For all of the abov	e, Proof of Notificati	on or Publicatior	n is Attached, an	nd/or,	
	[F]		Waivers are Attach	hed				

# [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	Konne	Downg
Print or Type Name	Signature	$\tau$
	1/4/08	

Coordinator, Regulatory Compliance Title

RYOUNG@ENERVEST.NET E-Mail Address

Date

January 4, 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. SD-04-10 Increased Well Density & Simultaneous Dedication Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

By Division Order No. SD-04-10 (also shown as SD-200410) reinstated on April 28, 2006, Plantation Operating, L.L.C. was authorized to drill the New Mexico "AA" State No. 7 (API No. 30-025-37955) as a new Jalmat Gas Pool (79240) producing well within an existing 160-acre non-standard gas proration unit ("GPU") comprising the NE/4 of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was approved by Division Order No. R-520, issued in Case No. 673 on August 12, 1954. Order No. SD-04-10 also stipulated that the New Mexico "AA" State No. 7 was to be a replacement well for the existing New Mexico "AA" State No. 4 (API No. 30-025-09377) located 660 feet from the North line and 1855 feet from the East line (Unit B), and that this well was to be abandoned upon completion of the New Mexico "AA" State No. 7. Order No. SD-04-10 also authorized the simultaneous dedication of the following-described wells to the subject GPU:

<u>Well Name &amp; Number</u>	<u>API Number</u>	Well Location
New Mexico "AA" State No. 1	30-025-09374	1980' FNL & 660' FEL, Unit H
New Mexico "AA" State No. 7	30-025-37955	660' FNL & 810' FEL, Unit A

Enervest Operating, L.L.C. ("Enervest"), the current operator of the subject GPU, hereby requests that Order No. SD-04-10 be amended:  $- APT M_{*} 30-025-3870$ 

- a) to authorize the drilling of an additional gas well within the subject GPU. Enervest proposes to drill the New Mexico "AA" State No. 8 at standard gas well location in the Jalmat Gas Pool 1980 feet from the North line and 1805 feet from the East line (Unit G) of Section 22;
- b) to authorize the continued production from the New Mexico "AA" State No.4, since this well was never abandoned by the previous operator, Plantation

Enervest Operating, L.L.C. Amendment of Order No. SD-04-10 Increased Well Density & Simultaneous Dedication Page 2

> Operating, L.L.C. It appears that Doyle Hartman, Oil Operator, the operator of the subject GPU prior to Plantation Operating, L.L.C., originally intended to drill the New Mexico "AA" State No. 7 within Unit B, the same quarterquarter section in which the New Mexico "AA" State No. 4 is located, however, since the well was ultimately drilled in a different quarter-quarter section, Enervest believes that it would be prudent to continue to produce the New Mexico "AA" State No. 4 in order to recover gas reserves that may be remaining within the NW/4 NE/4;

c) to authorize the simultaneous dedication of the subject GPU to the New Mexico "AA" State Wells No. 1, 4, 7 and 8.

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.

All of the wells within the subject GPU are located at standard gas well locations for the Jalmat Gas Pool.

In support of the application, Enervest states the following:

The New Mexico "AA" State No. 4 is currently shut-in. During the first half of 2007, the well produced at a marginal rate of approximately 8 MCF of gas per day. By allowing this well to continue to produce, additional gas reserves will be recovered, thereby preventing waste;

Production data for the New Mexico "AA" State No. 1, which was drilled in the 1950's, and the New Mexico "AA" State No. 7, which was drilled in 2006, show that during 2007, the wells produced at marginal rates of 94 MCF of gas per day and 80 MCF of gas per day, respectively, from the Jalmat Gas Pool;

During the first few months of production from the New Mexico "AA" State No. 7, no change in the rate of production from the New Mexico "AA" State Wells No. 1 and 4 was observed. This data suggests no interference between wells spaced on 40 acres. Consequently, Enervest believes that the drilling of the proposed New Mexico "AA" State No. 8 is necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the SW/4 NE/4 of Section 22;

The offset GPU located north and northeast of the subject GPU, which comprises the SE/4 of Section 15 and the SW/4 of Section 14 is currently being developed in the Jalmat Gas Pool on spacing equivalent to 53 acres (6 wells/320 acres). In addition, the GPU located east of the subject GPU, which comprises the N/2 of Section 23, is currently being developed in the Jalmat Gas Pool on spacing equivalent to 40 acres (8 wells/320

acres). This type of development lends support to Enervest's position that an additional well is necessary in order to recover additional reserves from the NE/4 of Section 22;

Due to the marginal producing rates exhibited by the existing wells in the NE/4 of Section 22 and inefficient drainage, approval of the subject application will not violate the correlative rights of offset operators, and will prevent waste by allowing Enervest to recover additional gas reserves underlying the NE/4 of Section 22 that may otherwise not be recovered;

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;

Attachment No. 2A is a compilation of all active Jalmat Gas Pool producing wells within the offsetting GPU's. There are currently four offset operators, BP America Production Company, Cimarex Energy Company of Colorado, Lanexco, Inc. and Petrohawk Operating Company;

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-04-10, and SD-04-10 (Reinstated).

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.

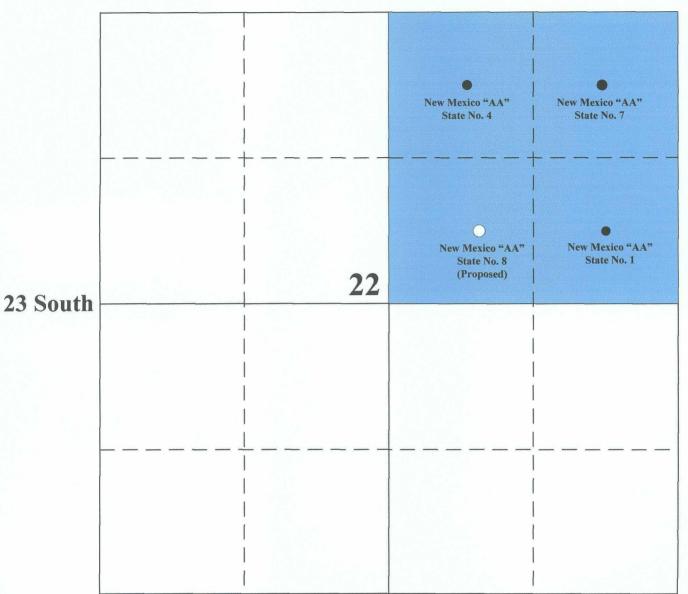
If you should have any questions, please call me at (713) 495-6530 or E-Mail me at RYOUNG@ENERVEST.NET.

Sincerely Romme L Lawry

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-04-10 Increased Well Density & Simultaneous Dedication Jalmat Gas Pool

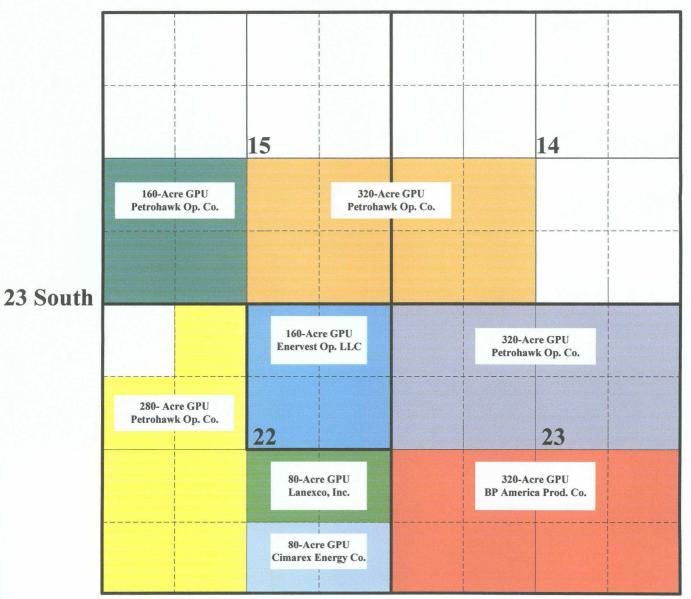


36 East

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

**Attachment 1** 

Enervest Operating, L.L.C. Application to Amend Order No. SD-04-10 Increased Well Density & Simultaneous Dedication



36 East

## **ATTACHMENT 2**

N/2 of Section 23, T-23S, R-36E Petrohaw	S/2 of Section 23, T-23S, R-36E BP Ameri	N/2 SE/4 of Section 22, T-23S, R-36E Lanexco, Inc	S/2 SE/4 of Section 22, T-23S, R-36E Cimarex I	SW/4, S/2 NW/4, NE/4 NW/4 of Petrohawl Section 22, T-23S, R-36E	SW/4 of Section 15, T-23S, R-36E Petrohawl	SE/4 of Section 15, SW/4 of Section 14, Petrohawl T-23S, R-36E	GPU Description Operator	OFFSE	Increased Well Density & Simultaneous Dedication Jalmat Gas Pool
Petrohawk Operating Co. State A A/C 1 No. 26 State A A/C 1 No. 27 State A A/C 1 No. 27 State A A/C 1 No. 72 State A A/C 1 No. 73 State A A/C 1 No. 84 State A A/C 1 No. 98 State A A/C 1 No. 105	BP America Prod. Co. Sinclair "A" State No. 1 Sinclair "A" State No. 10	Inc. El Paso State No. 1	Cimarex Energy Co. Shell State No. 3	Petrohawk Operating Co. State A A/C 1 No. 94 State A A/C 1 No. 97	Petrohawk Operating Co. Stevens "B" 15 No. 3	Petrohawk Operating Co. Matkins No. 1 Matkins No. 2 Matkins No. 3 Matkins No. 4 Matkins No. 5 Matkins No. 6	r Lease Name & Well Number	OFFSET JALMAT (GAS) OPERATORS	
Unit G, Section 23, T-23S, R-36E Unit F, Section 23, T-23S, R-36E Unit D, Section 23, T-23S, R-36E Unit E, Section 23, T-23S, R-36E Unit G, Section 23, T-23S, R-36E Unit B, Section 23, T-23S, R-36E Unit H. Section 23, T-23S, R-36E	Unit I, Section 23, T-23S, R-36E Unit M, Section 23, T-23S, R-36E	Unit J, Section 22, T-23S, R-36E	Unit P, Section 22, T-23S, R-36E	Unit C, Section 22, T-23S, R-36E Unit F, Section 22, T-23S, R-36E	Unit N, Section 15, T-23S, R-36E	Unit P, Section 15, T-23S, R-36E Unit I, Section 15, T-23S, R-36E Unit L, Section 14, T-23S, R-36E Unit K, Section 14, T-23S, R-36E Unit O, Section 15, T-23S, R-36E Unit J, Section 15, T-23S, R-36E	Well Location		

Enervest Operating, L.L.C. Application to Amend Order No. SD-04-10

# **ATTACHMENT 2A**

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

### 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 22, T-23 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-04-10, for authorization to dedicate its proposed New Mexico "AA" State Well No. 8, located at a standard gas well location 1980 feet from the North line and 1805 feet from the East line (Unit G) of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to an existing 160-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the NE/4 of Section 22. This unit is currently dedicated to Enervest Operating, L.L.C.'s New Mexico "AA" State Wells No. 1, 4 and 7 located respectively in Units H, B and A of Section 22.

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, Konne L. L. Joung

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-04-10 Increased Well Density & Simultaneous Dedication Jalmat Gas Pool

(Company Name)

Hereby waives objection to the application filed by Enervest Operating, L.L.C. to authorize the drilling of its New Mexico "AA" State 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 1805 feet from the East line (Unit G) of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, and to simultaneously dedicate this well and the New Mexico "AA" State Wells No. 1, 4, and 7 to an existing 160-acre non-standard GPU in the Jalmat Gas Pool comprising the NE/4 of Section 22.

(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-04-10 Increased Well Density & Simultaneous Dedication Jalmat Gas Pool

## Offset Operator Notification List

BP America Production Company Box 22048 Tulsa, Oklahoma 74121

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Cimarex Energy Company of Colorado 600 E. Las Colinas Blvd. Suite 1100 Irving, Texas 75038

Lanexco, Inc. Box 2730 Midland, Texas 79702-2730

Petrohawk Operating Company 1100 Louisiana Suite 4400 Houston, Texas 77002

## Attachment 3



## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

December 22, 2004

Mark E. Fesmire, P.E. Director Oil Conservation Division

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

Attention: Doyle Hartman

Telefax No. (432) 682-7616

Administrative Order SD-04-10

Dear Mr. Hartman:

Reference is made to the following: (i) your initial application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on March 29, 2004 (*administrative application reference No. pMES0-412735351*); (ii) the Division's response by letter from Mr. Michael E. Stogner, Engineer/Hearing Officer in Santa Fe, on May 6, 2004 denying this application; (iii) your re-submittal of an amended form of this application on July 14, 2004; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Order SD-80-12: all concerning Doyle Hartman's plans for additional development of the Jalmat Gas Pool (79240) within the existing non-standard 160-acre gas spacing unit comprising the NE/4 of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

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

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

(1) your New Mexico "AA" State Well No. 1 (API No. 30-025-09374), located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 22; and

(2) your New Mexico "AA" State Well No. 4 (API No. 30-025-09377), located at a standard infill gas well location 660 feet from the North line and 1855 feet from the East line (Unit B) of Section 22, which well was the subject of Division Administrative Orders SD-80-12, dated November 10, 1980. It is the Division's understanding that the above-described New Mexico "AA" State Well No. 4 in Unit "B" is to be replaced with your proposed New Mexico "AA" State Well No. 7 to be drilled at a standard infill gas well location, either: (i) 660 feet from the North line and 810 feet from the East line (Unit A) of Section 22; or (ii) 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 22. FURTHER, once Jalmat gas production is established in the New Mexico "AA" State Well No. 7, the New Mexico "AA" State Well No. 4 will be abandoned.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Doyle Hartman is hereby authorized to simultaneously dedicate Jalmat gas production to this 160-acre non-standard gas spacing unit from both the above-described New Mexico "AA" State Wells No. 1 and 7.

IT IS FURTHER ORDERED HOWEVER THAT the provisions of Division Administrative Order SD-80-12, as to the above-described New Mexico "AA" State Well No. 4, shall remain in affect until such time as the proposed New Mexico "AA" State Well No. 7 is successfully completed within the Jalmat Gas Pool and commences producing. At that time the provisions of Division Administrative Order SD-80-12 shall become null and void and that said order is hereby placed in abeyance 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,

Termin

Mark E. Fesmire, P. E. Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: SD-80-12



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

#### BILL RICHARDSON Governor

April 28, 2006

Mark E. Fesmire, P.E. Director Oil Conservation Division

Joanna Prukop Cabinet Secretary Plantation Operating, L.L.C. 2203 Timberloch Place – Suite 229 The Woodlands, Texas 77380

> Attention: John Allred, P.E. jallred@plantationpetro.com

#### **<u><b>REINSTATEMENT**</u> of Division Administrative Order SD-04-10

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 7, 2006 (administrative application reference No. pTDS0-610034251); and (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Orders SD-80-12 and SD-04-10 and in Division Case No. 673: all concerning Plantation Operating, L.L.C.'s ("Plantation") request to reinstate Division Administrative Order SD-04-10, dated December 22, 2004, which order permitted the Doyle Hartman's plans to develop the Jalmat Gas Pool (79240) within the existing (approved by Division Order No. R-520, issued in Case No. 673 on August 12, 1954) non-standard 160-acre gas spacing unit comprising the NE/4 of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

It is the Division's understanding that Doyle Hartman never drilled its proposed New Mexico "AA" State Well No. 7, which well was the subject of Division Administrative Order SD-04-10.

As the current operator of this unit, your request has been duly filed under the provisions of the "Special Pool Rules for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Division Administrative Order SD-04-10 is hereby reinstated in its entirety; however, this order shall be amended only to reflect Plantation as the operator of the existing 160-acre non-standard gas spacing unit and all three of the subject wells.

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

Sincerely,

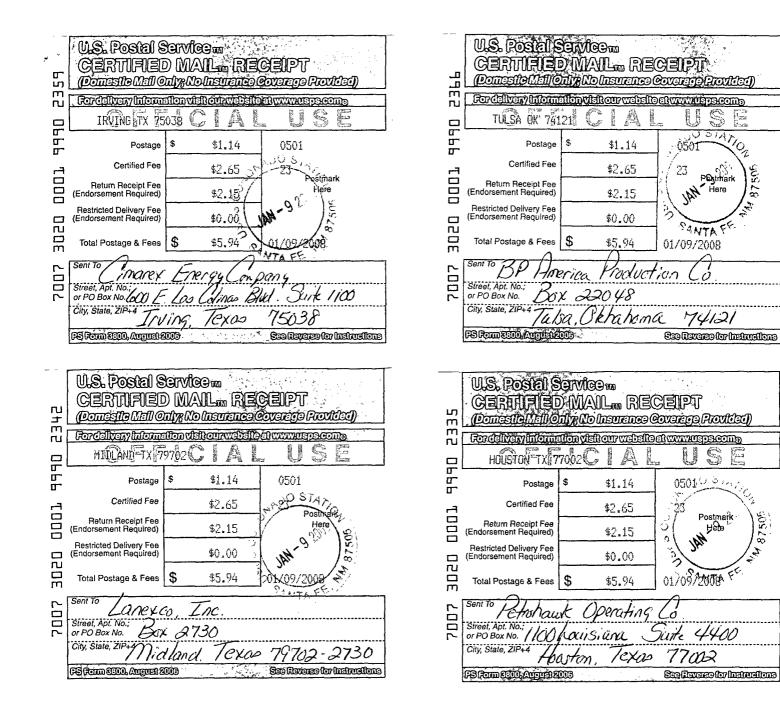
+ ennere Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs New Mexico State Land Office – Santa Fe File: SD-80-12 SD-04-10

> Oil Conservation Division \* 1220 South St. Francis Drive \* Santa Fe, New Mexico 87505 Phone: (505) 476-3440 \* Fax (505) 476-3462 \* <u>http://www.emnrd.state.nm.us</u>



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