

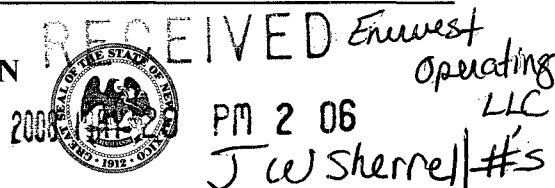
5/20/08 DATE IN	SUSPENSE	Brooks ENGINEER	5/21/08 LOGGED IN	NSL TYPE SD	NSL-PRVRO814258340 APP NO. SD-PRVRO814258073
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

5, 10, 11

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]**

NSL-5855
SD-200818

[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

Ripe 6/10/09

[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

5/15/08
Date

Coordinator, Regulatory Compliance

Title

RYOUNG@ENERVEST.NET

E-Mail Address

May 15, 2008

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

Hand Delivered

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

Re: Application for Unorthodox Gas Well Location,
Increased Well Density & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

By Division Order No. NSL-5044 (SD) dated April 27, 2004, Doyle Hartman, Oil Operator, was authorized to simultaneously dedicate the following-described wells to an existing 159.90-acre non-standard gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NE/4 NW/4 (Lot 3) and NW/4 NE/4 (Lot 2) of Section 6, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. This order also approved an unorthodox gas well location in the Jalmat Gas Pool for the J. W. Sherrell No. 5:

<u>Well Name & No.</u>	<u>API Number</u>	<u>Well Location</u>
J. W. Sherrell No. 5	30-025-11300	990' FSL & 2172' FWL, Unit N Section 31, T-24S, R-37E
J. W. Sherrell No. 10	30-025-26704	660' FNL & 2000' FWL, Unit C/Lot 3, Section 6, T-25S, R-37E

EnerVest Operating, L.L.C. ("EnerVest"), the current operator of the subject GPU, hereby requests approval:

- a) to drill an additional infill gas well within the subject GPU. EnerVest proposes to drill the J. W. Sherrell Well No. 11 at an unorthodox gas well location 1980 feet from the South line and 2130 feet from the West line (Unit K) of Section 31; and
- b) to simultaneous dedicate the existing J. W. Sherrell Wells No. 5 and 10 and the proposed J. W. Sherrell No. 11 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 J. W. Sherrell No. 11 was originally staked at a standard gas well location 1980 feet from the South and West lines (Unit K) of Section 31, but had to be moved 150 feet to the east to avoid a pipeline that runs north-south through the NE/4 SW/4 of Section 31. This pipeline is shown on the attached survey plat. EnerVest is the operator and 100% working interest owner within the only affected offset acreage, being the SE/4 of Section 31. Accordingly, EnerVest respectfully requests that the Division approve the proposed unorthodox gas well location.

In support of the application, EnerVest states the following:

The existing J. W. Sherrell Wells No. 5 and 10 are currently marginally productive. During 2007 the J. W. Sherrell No. 5 produced at an average rate of approximately 67 MCF of gas per day, and the J. W. Sherrell No. 10 produced at an average rate of approximately 65 MCF of gas per day;

Recent drilling in this area by EnerVest and other operators has demonstrated that there is little or no interference between gas wells spaced on 40 acres within the Jalmat Gas Pool. Consequently, EnerVest believes that the drilling of the proposed J. W. Sherrell No. 11 is necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the NE/4 SW/4 of Section 31;

Due to inefficient drainage and the marginally productive nature of 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;

Attachment No. 2 is a plat that identifies the subject GPU and all offsetting GPU's in the Jalmat Gas Pool. As shown on Attachment No. 2, there are three offsetting GPU's that are operated by EnerVest. **Please be advised that EnerVest owns 100% of the working interest in these three offsetting GPU's. Consequently, there are no additional working interest owners to notify;**

Attachment No. 2 also shows two 160-acre GPU's in the Jalmat Gas Pool that are no longer active. One GPU comprised the SW/4 NW/4, W/2 SW/4 and the SE/4 SW/4 of Section 6, and was previously dedicated to the Phillips Petroleum Company C. D. Woolworth Group 3 Well No. 1 (API No. 30-025-11477) located in Unit M, and the other GPU comprised the SE/4 NE/4, E/2 SE/4 and the SW/4 SE/4 of Section 6 and was previously dedicated to the Phillips Petroleum Company C. D. Woolworth Group

3 Well No. 2 (API No. 30-025-11478) located in Unit H. Both of these wells were plugged and abandoned in July 1996. EnerVest has undertaken a preliminary investigation to determine the ownership within these GPU's and has found that: i) all the tracts within these GPU's are fee tracts; ii) there is currently no operator of Jalmat Gas Pool production within these GPU's; and iii) it will take an extensive search of the county records, at considerable expense, to determine the ownership within these GPU's. **Accordingly, EnerVest requests that notice to the owners within these GPU's be waived for the following reasons:**

- 1) Presuming that these wells drain 40-acres or less, the drilling of the proposed J. W. Sherrell No. 11, which is located at least ½ mile from the northern boundaries of these GPU's, will have no adverse affect on that acreage;
- 2) Since the only producing wells on these GPU's have been plugged and abandoned and no subsequent development of this acreage has occurred, it appears that the GPU's have been depleted of Jalmat Gas Pool reserves; and
- 3) Due to the marginal nature of drilling infill wells within the Jalmat Gas Pool, a costly search to determine ownership within these GPU's may adversely affect the economics of drilling the proposed well.

Attachment No. 2A is a compilation of all active and inactive Jalmat Gas Pool producing wells within the offsetting GPU's;

Notice of this application has been provided to Lewis B. Burleson, Inc., Herman L. Loeb, and McRae & Henry, Ltd.;

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.

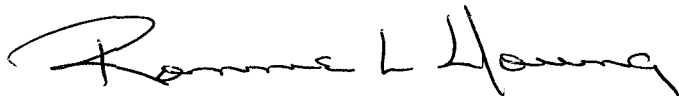
Also enclosed is a copy of Order No. NSL-5044 (SD) and a Form C-102 for the proposed J. W. Sherrell No. 11.

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.

EnerVest Operating, L.L.C.
Application for Unorthodox Gas Well Location,
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool
Page 4

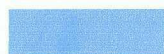
Sincerely

A handwritten signature in black ink, appearing to read "Ronnie L. Young". The signature is fluid and cursive, with the first name "Ronnie" being more prominent and the last name "Young" following in a similar style.

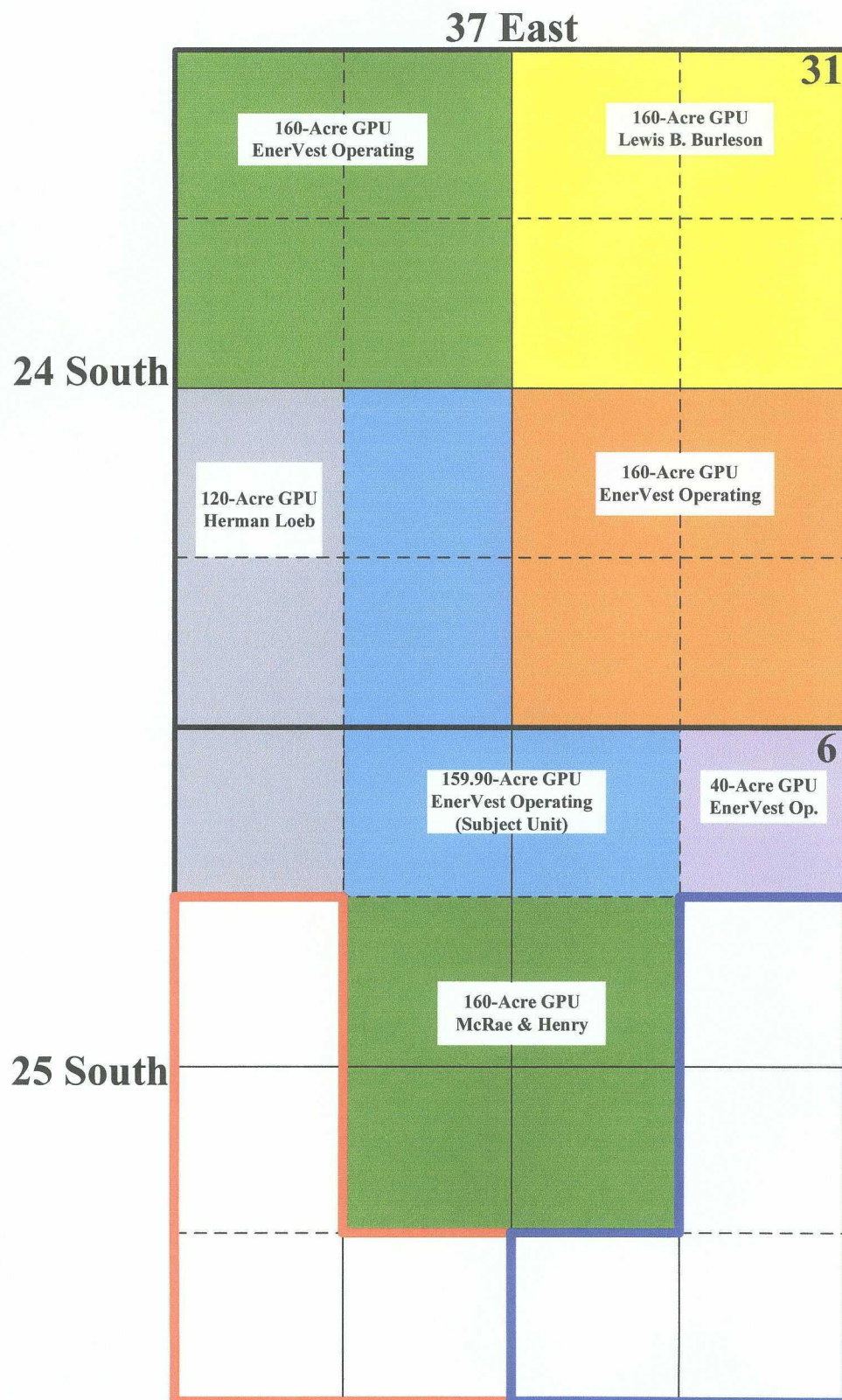
Ronnie L. Young
EnerVest Operating, L.L.C.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

Enclosures

EnerVest Operating, L.L.C.
Application for Unorthodox Gas Well Location,
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool



Existing 159.90-Acre Non-Standard GPU
Approved by Order No. R-6259



EnerVest Operating, L.L.C.
Application for Unorthodox Gas Well Location,
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool

EnerVest Operating, L.L.C.
Application for Unorthodox Gas Well Location, Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool

OFFSET JALMAT OPERATORS

<u>GPU Description</u>	<u>Operator</u>	<u>Lease Name & Well Number</u>	<u>Well Location</u>
SE/4 Section 31, T-24S, R-37E	EnerVest Operating, L.L.C.	J. W. Sherrell No. 9 J. W. Sherrell No. 12 (Proposed)	Unit J, Section 31, T-24S, R-37E Unit O, Section 31, T-24S, R-37E
NE/4 Section 31, T-24S, R-37E	Lewis B. Burleson, Inc.	Martin "A" No. 2	Unit A, Section 31, T-24S, R-37E
NW/4 Section 31, T-24S, R-37E	EnerVest Operating, L.L.C.	Martin "B" No. 1 Martin "B" No. 3 Martin "B" No. 4 (Proposed)	Unit F, Section 31, T-24S, R-37E Unit C, Section 31, T-24S, R-37E Lot 1, Section 31, T-24S, R-37E
Lots 3 & 4 Section 31, T-24S, R-37E NW/4 NW/4 Section 6, T-25S, R-37E	Herman L. Loeb	Jalmat Federal Com No. 1	Unit D, Section 6, T-25S, R-37E
NE/4 NE/4 Section 6, T-25S, R-37E	EnerVest Operating, L.L.C.	Wells B-6 No. 1	Unit A, Section 6, T-25S, R-37E
SW/4 NE/4, SE/4 NW/4, NE/4 SW/4, NW/4 SE/4 Section 6, T-25S, R-37E	McRae & Henry Ltd.	W. N. Wells No. 1	Unit G, Section 6, T-25S, R-37E
SW/4 NW/4, W/2 SW/4, SE/4 SW/4 Section 6, T-25S, R-37E	Phillips Petroleum Company	C.D. Woolworth Group 3 No. 1 (PA'd)	Unit M, Section 6, T-25S, R-37E
SE/4 NE/4, E/2 SE/4, SW/4 SE/4 Section 6, T-25S, R-37E	Phillips Petroleum Company	C.D. Woolworth Group 3 No. 2 (PA'd)	Unit H, Section 6, T-25S, R-37E

ATTACHMENT 2A

May 15, 2008

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: EnerVest Operating, L.L.C.
Application for Unorthodox Gas Well Location,
Increased Well Density & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool (79240)
Section 31, T-24 South, R-37 East, NMPM,
Lea County, New Mexico

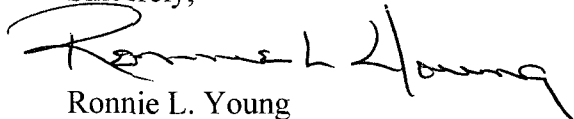
Ladies and Gentlemen:

Enclosed please find a copy of the application filed by EnerVest Operating, L.L.C. for authorization to dedicate its proposed J. W. Sherrell Well No. 11, located at an unorthodox gas well location 1980 feet from the South line and 2130 feet from the West line (Unit K) of Section 31, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, to an existing 159.90-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NE/4 NW/4 (Lot 3) and NW/4 NE/4 (Lot 2) of Section 6, Township 25 South, Range 37 East, NMPM. Pursuant to the authority granted by Division Order No. NSL-5044 (SD) dated April 27, 2004, this unit is currently dedicated to EnerVest Operating, L.L.C.'s J. W. Sherrell Wells No. 5 and 10 located, respectively, in Unit N of Section 31 and Unit C/Lot 3 of Section 6.

As the owner of an interest that may be affected by the proposed unorthodox gas well location and 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.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

Enclosure

*EnerVest Operating, L.L.C.
Application for Unorthodox Gas Well Location,
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool*

Offset Operator Notification List

Lewis B. Burleson, Inc.
Box 2479
Midland, Texas 79702

Herman L. Loeb
Rte. 2, Country Club Road
Lawrenceville, IL 62439

McRae & Henry Ltd.
580 Hudson's Bay Centre
1600 Stout Street
Suite 580
Denver, Colorado 80202

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

DISTRICT II
1301 W. GRAND AVENUE, 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 and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38881	Pool Code	Pool Name
Property Code	Property Name JW SHERRELL	Well Number 11
OGRID No.	Operator Name ENERVEST OPERATING	Elevation 3235'

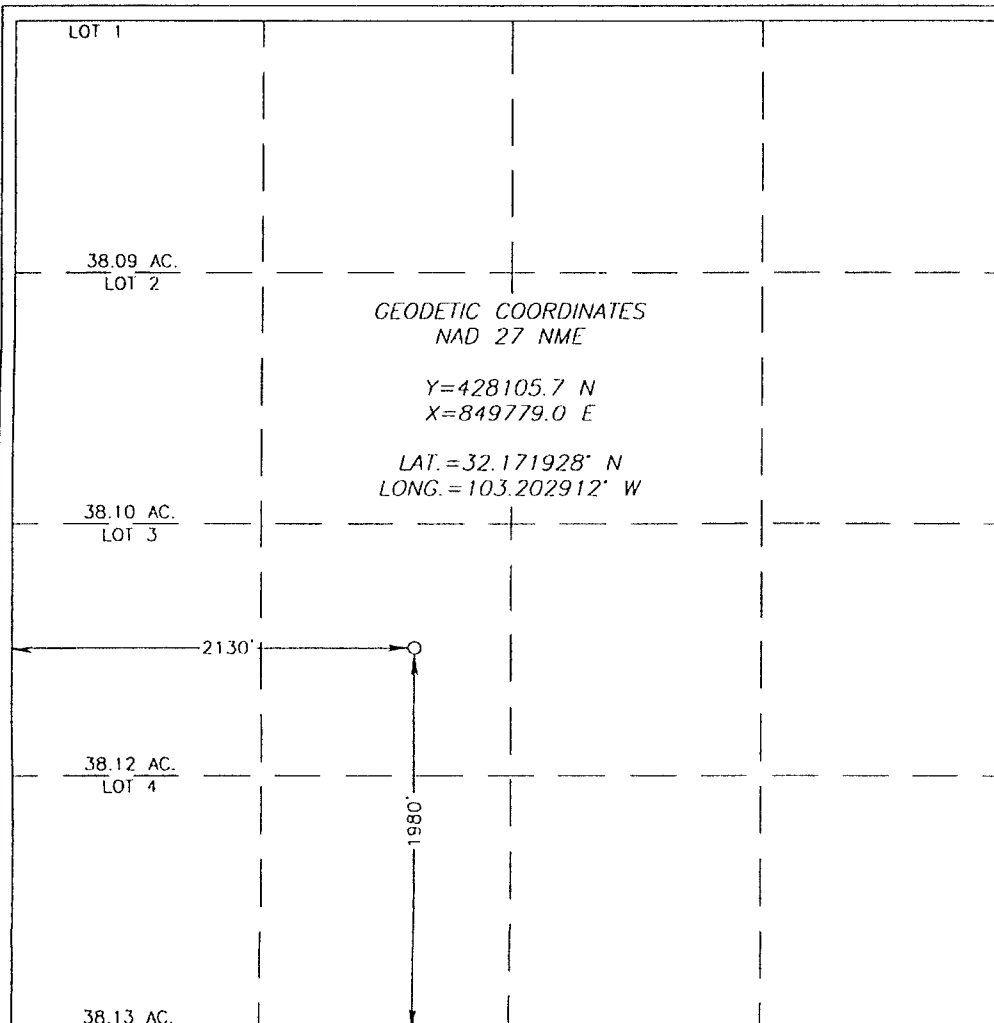
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	31	24-S	37-E		1980	SOUTH	2130	WEST	LEA

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	Joint or Infill	Consolidation 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 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 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.

Signature _____ Date _____

Printed Name _____

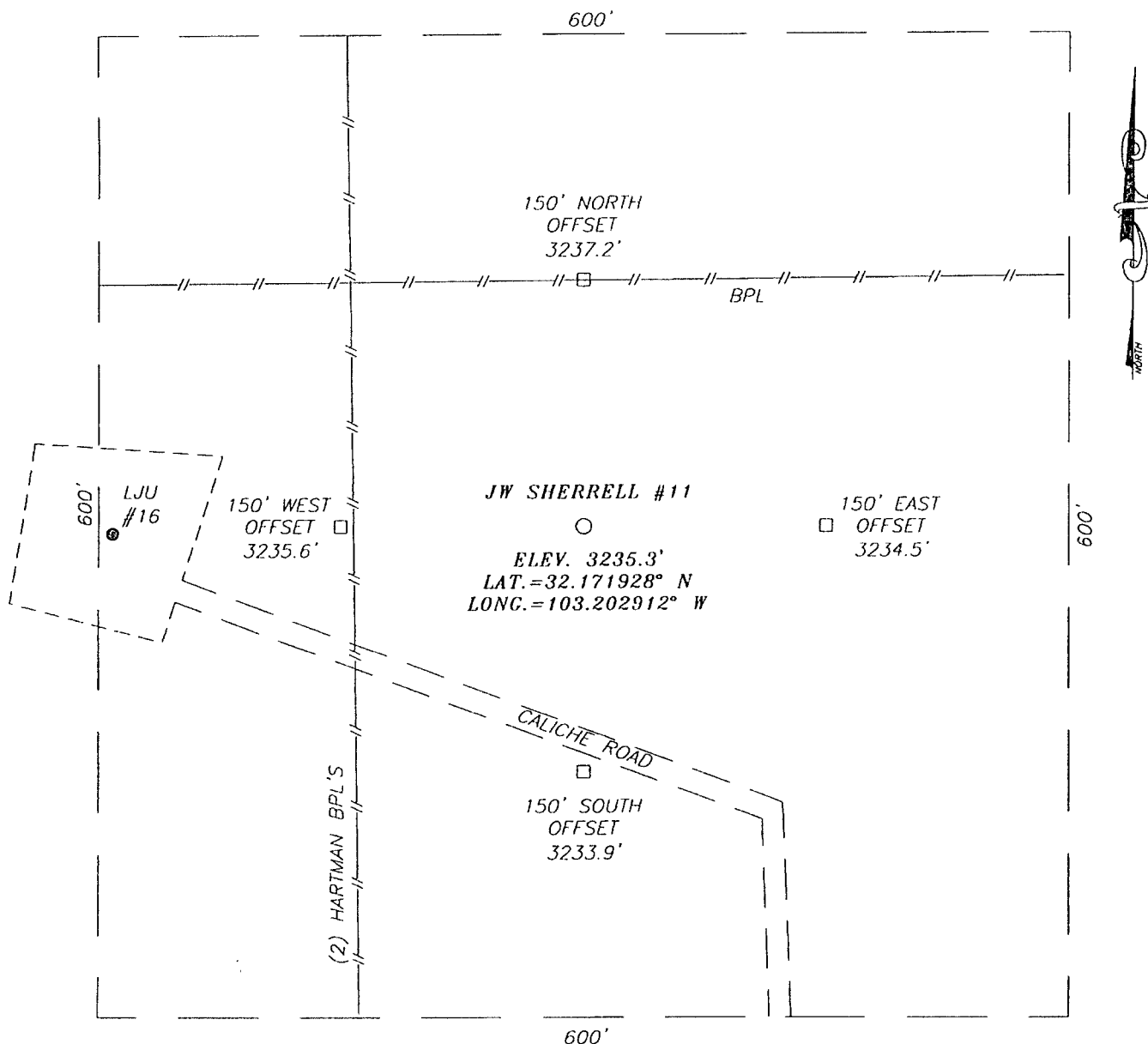
SURVEYOR CERTIFICATION

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.

RONALD J. EIDSON
MARCH 27, 2008
Date Surveyed
Signature & Seal of Professional Surveyor
07.11.17.10

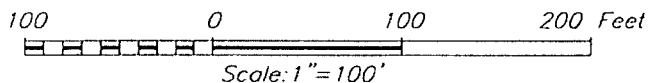
Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

SECTION 31, TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

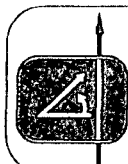
FROM THE INTERSECTION OF 3RD ST. AND PHILLIPS HILL RD, GO WEST-NORTHWEST ON PHILLIPS ROAD APPROX. 0.8 MILES. TURN RIGHT AND GO NORTH APPROX. 0.5 MILES. THIS LOCATION IS APPROX. 125 FEET NORTH.



ENERVEST OPERATING

J.W. SHERRELL #11 WELL
1980 FEET FROM THE SOUTH LINE AND
2130 FEET FROM THE WEST LINE OF SECTION 31,
TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

Survey Date: 3/27/08	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1710	Dr By: LA
Date: 4/3/08	07111710
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
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JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 27, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Telefax No. (432) 682-7616

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

Attention: Steve Hartman

Administrative Order NSL-5044 (SD)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted by telefax to the New Mexico Oil Conservation Division ("Division") on October 30, 2003 (*administrative application reference No. pMES0-330734111*); (ii) your telephone enquiry on March 10, 2004 checking on the status of this application; and (iii) the Division's records in Santa Fe, including the file in Division Case No. 6771: all concerning your request for an unorthodox infill Jalmat gas well location within an existing 159.90-acre non-standard gas spacing unit comprising the E/2 SW/4 (Units K and N) of Section 31, Township 24 South, Range 37 East, NMPM, and Lots 2 and 3 (Units B and C) of Section 6, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool (79240), 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 non-standard 159.90-acre gas spacing unit was initially established by Division Order No. R-6259, issued in Case No. 6771 on February 7, 1980 for Doyle Hartman's existing J. W. Sherrell Well No. 10 (API No. 30-025-26704), located 660 feet from the North line and 2000 feet from the West line (Lot 3/Unit C) of Section 6. This location, at the time it was drilled (spud date March 9, 1980), was considered to be "standard" for this unit, but now considered to be unorthodox pursuant to Rule 3.(A) (2) of the special Jalmat pool rules; however, this location was further recognized under the "grandfather clause" of Rule 6.(B) of the special Jalmat pool rules.

By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool, the following described well, recently re-entered and recompleted into the Jalmat Gas Pool at an unorthodox infill gas well location within this 159.90-acre gas spacing unit is hereby approved:

J. W. Sherrell Well No. 5
990' FSL & 2172' FWL (Unit N) of Section 31
(API No. 30-025-11300).

Doyle Hartman, Oil Operator

April 27, 2004

Page 2

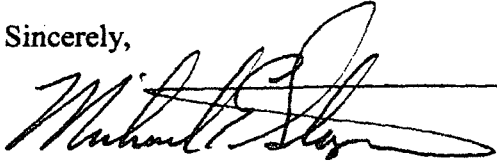
Division Administrative Order NSL-5044 (SD)

Further, Doyle Hartman is hereby authorized to simultaneously dedicate Jalmat gas production from both the above-described J. W. Sherrell Wells No. 5 and 10.

All provisions applicable to the existing 159.90-acre non-standard Jalmat gas spacing unit in Division Order No. R-6259 not in conflict with this order 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,



Michael E. Stogner
Engineer/Hearing Officer

MS/mes

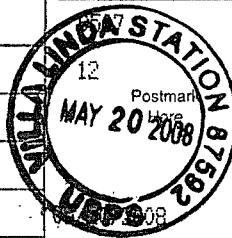
cc: New Mexico Oil Conservation Division – Hobbs
File: Case No. 6771

7007 3020 0001 2494 5666

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
MIDLAND TX 79702	
Postage	\$ 1.34
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.24

Sent To Lewis B. Burkson
 Street, Apt. No., or PO Box No. Box 2479
 City, State, ZIP+4 Midland, Texas 79702

PS Form 3800, August 2006 See Reverse for Instructions

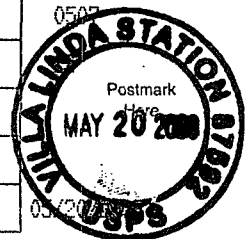


7007 3020 0001 2494 5660

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
DENVER CO 80202	
Postage	\$ 1.34
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.24

Sent To McRae & Henry Ltd.
 Street, Apt. No., or PO Box No. 1600 Slat St. Suite 580
 City, State, ZIP+4 Denver, Colorado 80202

PS Form 3800, August 2006 See Reverse for Instructions



7007 3020 0001 2494 5672

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
LAWRENCEVILLE IL 62439	
Postage	\$ 1.34
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.24

Sent To Herman L. Loeb
 Street, Apt. No., or PO Box No. Rt. 2 Country Club Road
 City, State, ZIP+4 Lawrenceville, IL 62439

PS Form 3800, August 2006 See Reverse for Instructions

