

7/24/08 DATE IN	SUSPENSE	Brooks ENGINEER	7/24/08 LOGGED IN	SD TYPE	PKVR0820652759 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

RECEIVED Enervest Operating LLC
2008 JUL 24 PM 4 24 Myers B Fed
1,10,33 37

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

Date

7/22/08

Coordinator, Regulatory Compliance
Title

RYOUNG@ENERVEST.NET
E-Mail Address

July 22, 2008

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

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

H AND DELIVERED

Re: Application to Amend Order No. SD-200405
Increased Well Density & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

By Division Order No. SD-200405 dated May 7, 2004, Doyle Hartman, Oil Operator, was authorized to simultaneously dedicate the following-described wells to an existing 316.23-acre non-standard gas spacing and proration unit ("GPU") (approved by Division Order No. R-3930 dated March 11, 1970) in the Jalmat Gas Pool comprising the N/2 of Section 7, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
Myers B Federal No. 1	30-025-11037	660' FNL & 660' FWL (Lot 1/Unit D)
Myers B Federal No. 10	30-025-11047	1980' FNL & 1980' FEL (Unit G)
Myers B Federal No. 33	30-025-25973	940' FNL & 2090' FEL (Unit B)
Myers B Federal R/A A No. 34	N/A	To be drilled in Unit F

Division records indicate that the proposed Myers B Federal R/A A Well No. 34 was never drilled.

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 Myers B Federal Well No. 7 (**API No. 30-025-38968**) at a standard gas well location 1805 feet from the North line and 680 feet from the West line (Lot 2/Unit E) of Section 7; and

- b) to simultaneously dedicate the existing Myers B Federal Wells No. 1, 10 and 33 and the proposed Myers B Federal No. 7 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 Myers B Federal Wells No. 1, 10 and 33 and the proposed Myers B Federal No. 7 are all located at standard gas well locations for the Jalmat Gas Pool.

In support of the application, EnerVest states the following:

The existing Myers B Federal Wells No. 1, 10 and 33 are currently marginally productive. During 2007 the Myers B Federal Wells No. 1, 10 and 33 produced at average rates of approximately 41, 56 and 102 MCF of gas per day, respectively;

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 Myers B Federal No. 7 is necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the SW/4 NW/4 of Section 7;

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 two offsetting GPU's that are operated by EnerVest. **Please be advised that EnerVest owns 100% of the working interest in these two offsetting GPU's. Consequently, there are no additional working interest owners to notify;**

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

Notice of this application has been provided to BP America Production Company, Cimarex Energy Company of Colorado, ConocoPhillips Company and Oxy USA WTP Ltd. Partnership;

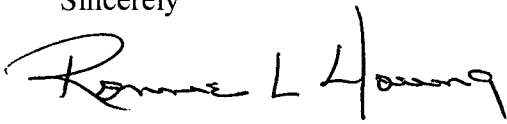
A copy of the notice letter that has been sent to all parties is enclosed, as is Attachment No. 3, which is a list of the parties to whom notice has been provided. Upon obtaining the signed return receipt cards, they will be forwarded to the Oil Conservation Division.

Also enclosed is a copy of Order No. SD-200405 and a Form C-102 for the proposed Myers B Federal No. 7.

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" being more prominent and the last name "Young" written in a more compact, stylized manner.

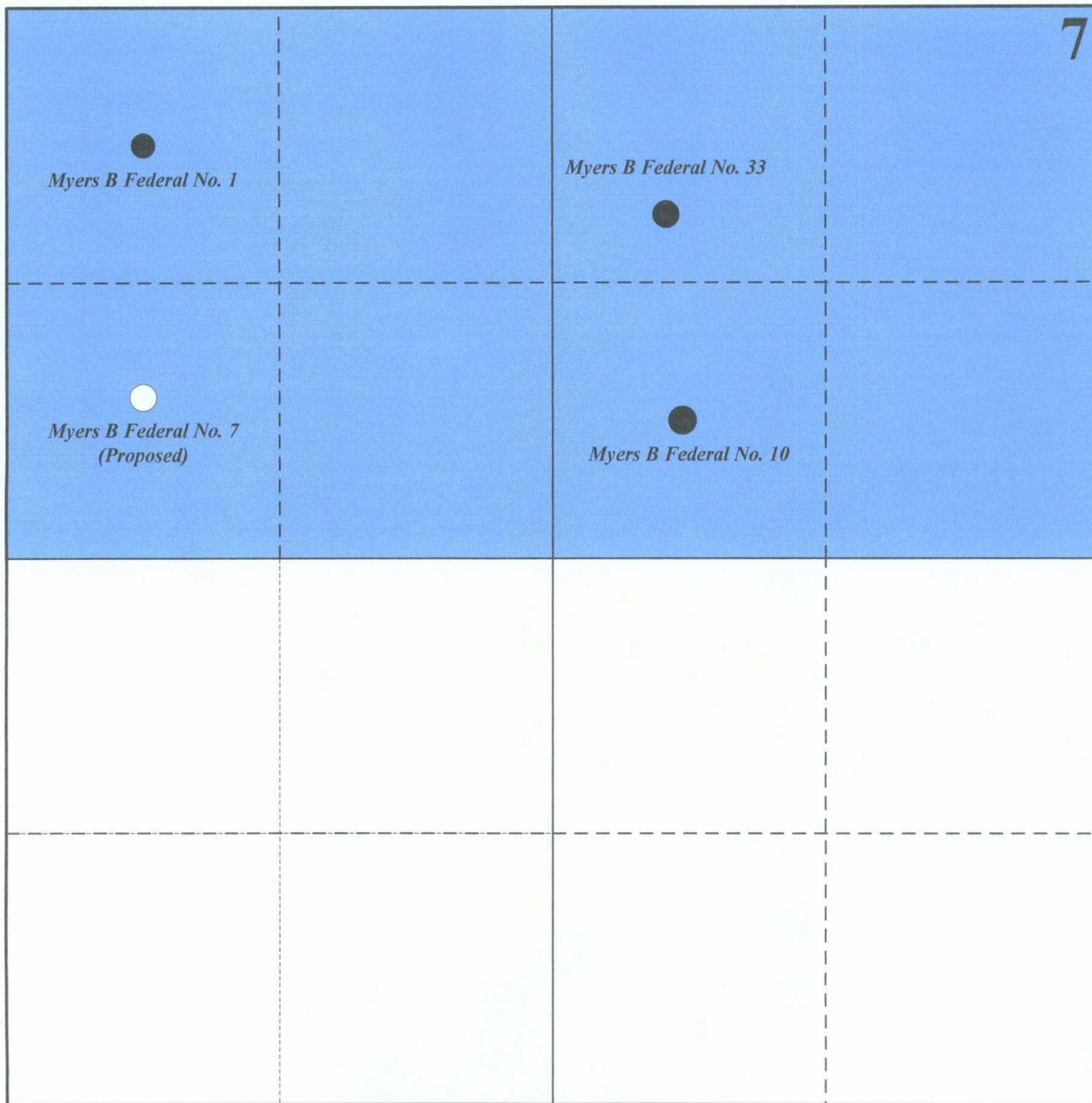
Ronnie L. Young
EnerVest Operating, L.L.C.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

Enclosures

EnerVest Operating, L.L.C.
Application to Amend Order No. SD-200405
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool

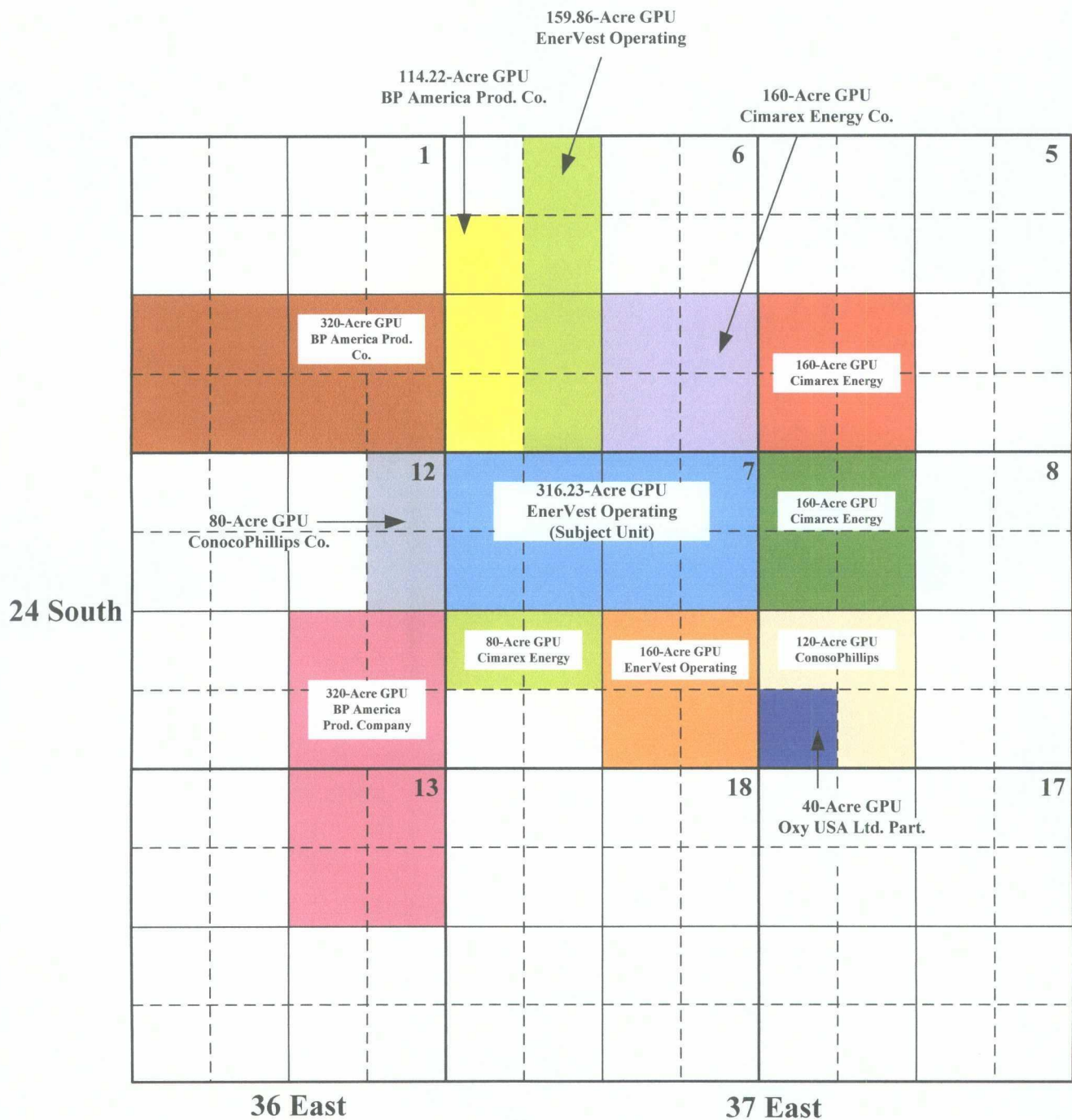
37 East

24 South



Existing 316.23-acre Non-standard GPU
Approved by Division Order No. R-3930

EnerVest Operating, L.L.C.
Application to Amend Order No. SD-200405
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool



***EnerVest Operating, L.L.C.
Application to Amend Order No. SD-200405
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>
SW/4 NW/4, W/2 SW/4 Section 6, T-24S, R-37E	BP America Production Co.	Jim Camp WN No. 1 Jim Camp WN No. 3	Unit M, Section 6, T-24S, R-37E Unit L, Section 6, T-24S, R-37E
E/2 W/2 Section 6, T-24S, R-37E	EnerVest Operating, L.L.C.	Carter Eaves NCT-A No. 1 Carter Eaves NCT-A No. 3	Unit C, Section 6, T-24S, R-37E Unit N, Section 6, T-24S, R-37E
SE/4 Section 6, T-24S, R-37E	Cimarex Energy Co. of Colorado	Cortland Myers No. 9	Unit P, Section 6, T-24S, R-37E
SW/4 Section 5, T-24S, R-37E	Cimarex Energy Co. of Colorado	Cortland Myers No. 2 Cortland Myers No. 10	Unit M, Section 5, T-24S, R-37E Unit K, Section 5, T-24S, R-37E
NW/4 Section 8, T-24S, R-37E	Cimarex Energy Co. of Colorado	Jack Federal No. 1 Jack Federal No. 5	Unit E, Section 8, T-24S, R-37E Unit D, Section 8, T-24S, R-37E
N/2 SW/4, SE/4 SW/4 Section 8, T-24S, R-37E	ConocoPhillips Company	Cooper 8 No. 2	Unit N, Section 8, T-24S, R-37E
SW/4 SW/4 Section 8, T-24S, R-37E	Oxy USA Ltd. Partnership	Myers Langlie Mattix Unit No. 248	Unit M, Section 8, T-24S, R-37E
SE/4 Section 7, T-24S, R-37E	EnerVest Operating, L.L.C.	Liberty Royalties No. 5 Liberty Royalties No. 6	Unit J, Section 7, T-24S, R-37E Unit O, Section 7, T-24S, R-37E
N/2 SW/4 Section 7, T-24S, R-37E	Cimarex Energy Co. of Colorado	Toby No. 3	Unit L, Section 7, T-24S, R-37E
SE/4 Section 12 & NE/4 of Section 13, T-24 South, R-36E	BP America Production Co.	G. W. Toby WN Gas Com No. 4 G. W. Toby WN Gas Com No. 2 G. W. Toby No. 6 G. W. Toby WN Gas Com No. 7	Unit I, Section 12, T-24S, R-36E Unit A, Section 13, T-24S, R-36E Unit B, Section 13, T-24S, R-36E Unit G, Section 13, T-24S, R-36E
E/2 NE/4 Section 12, T-24S, R-36E	ConocoPhillips Company	Vaughan B1 No. 8	Unit A, Section 12, T-24S, R-36E
S/2 Section 1, T-24S, R-36E	BP America Production Co.	Frederick H. Curry WN Nos. 1, 2, 3, 4, 5 & 6	Units P, N, O, K, M & L of Section 1, T-24S, R-36E

July 22, 2008

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: EnerVest Operating, L.L.C.
Application to Amend Order No. SD-200405
Increased Well Density & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool (79240)
Section 7, T-24 South, R-37 East, NMPM,
Lea County, New Mexico

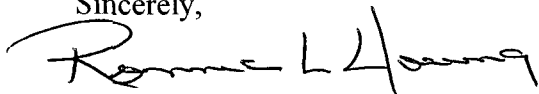
Ladies and Gentlemen:

Enclosed please find a copy of the application filed by EnerVest Operating, L.L.C. for authorization to dedicate its proposed Myers B Federal No. 7, located at a standard gas well location 1805 feet from the North line and 680 feet from the West line (Lot 2/Unit E) of Section 7, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, to an existing 316.23-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the N/2 of Section 7, Township 24 South, Range 37 East, NMPM. Pursuant to the authority granted by Division Order No. SD-200405, this unit is currently dedicated to EnerVest Operating, L.L.C.'s Myers B Federal Wells No. 1, 10 and 33 located respectively in (Lot 1/Unit D), Unit G, and Unit B 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.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

Enclosure

EnerVest Operating, L.L.C.
Application to Amend Order No. SD-200405
Increased Well Density & Simultaneous Dedication
Jalmat Gas Pool

Offset Operator Notification List

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

BP America Production Company
Box 22048
Tulsa, Oklahoma 74121

ConocoPhillips Company
Box 2197
WL3 6106
Houston, Texas 77252

Oxy USA WTP Ltd. Partnership
Box 4294
Houston, Texas 77210-4294

DISTRICT I

1425 N. FRENCH DR., BOBBS, NM 86240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Grande 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 30.025.38968	Pool Code 79240	Pool Name Jalmat (T-Y-7R) Gas
Property Code 303915	Property Name MYERS B FEDERAL	Well Number 7
OGRID No. 143199	Operator Name ENERVEST OPERATING	Elevation 3321'

Surface Location

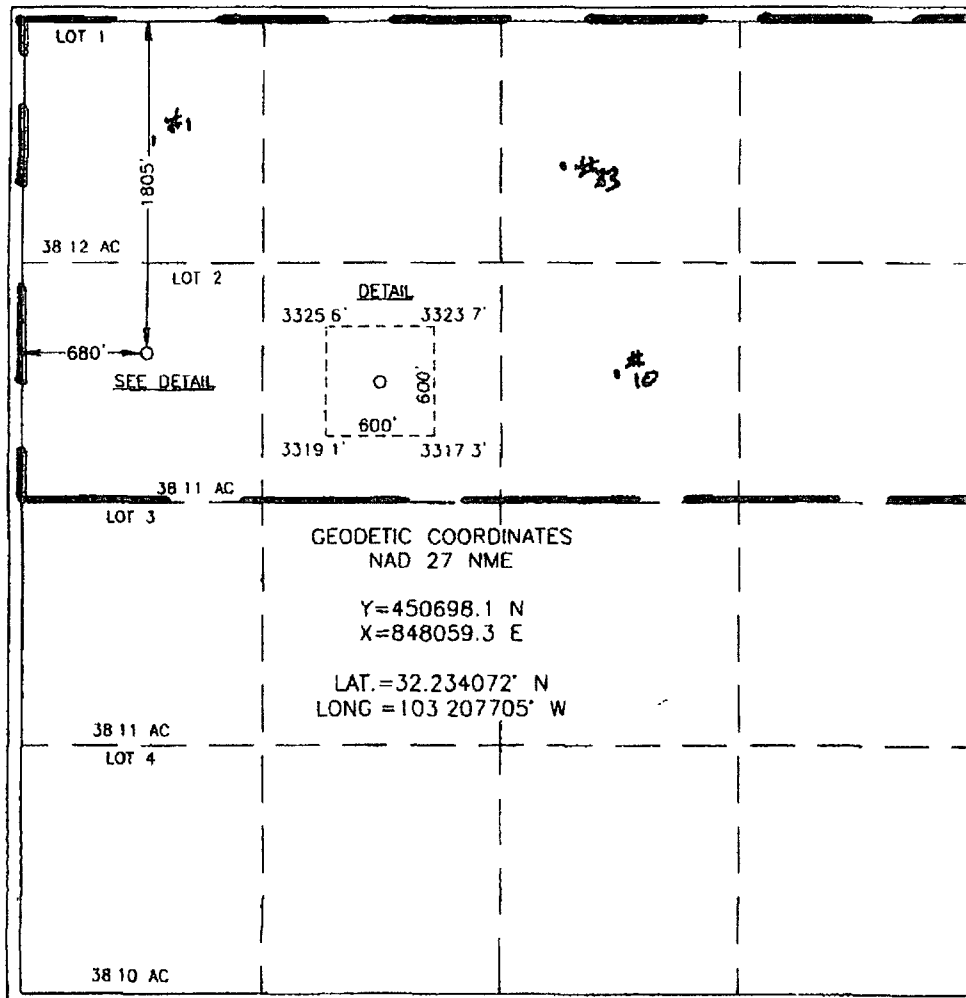
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	7	24-S	37-E		1805	NORTH	680	WEST	LEA

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 36.23	Joint or Infill Y	Consolidation Code	Order No.
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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: *[Signature]* Date: **4-30-08**
Printed Name: **Gary M. Huv**

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.

Date: **4/29/08**
Signature: *[Signature]*
Professional Surveyor
Certificate No. **GARY EIDSON 12841**
RONALD EIDSON 3239



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 7, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Telefax No. (432) 682-7616

Attention: Doyle Hartman

Administrative Order SD-04-05

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 31, 2004 (*administrative application reference No. pMES0-412755621*); and (ii) the records of the Division in Santa Fe, including the file in Division Case No. 4318: all concerning your request for a fourth Jalmat gas well within the existing non-standard 316.23-acre gas spacing unit comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 7, Township 24 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.

Division Order No. R-3930, issued in Case No. 4318 on March 11, 1970, initially established the subject 316.23-acre unit for the following two wells:

- (1) your Myers "B" Federal Well No. 1 (API No. 30-025-11037), located at a standard gas well location 660 feet from the North and West lines (Lot 1/Unit D) of Section 7; and
- (2) your Myers "B" Federal Well No. 10 (API No. 30-025-11047), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 7.

By Order, dated November 2, 1978, the Division Director granted administrative authorization for a third Jalmat gas well within this unit, the Myers "B" Federal Well No. 33 (API No. 30-025-25973), located 940 feet from the North line and 2090 feet from the East line (Unit B) of Section 7.

Doyle Hartman, Oil Operator

May 7, 2004

Page 2

Division Administrative Order SD-04-05

It is the Division's understanding that you now intent to drill your proposed Myers "B" Federal R/A "A" Well No. 34 as this unit's fourth active Jalmat gas well at a standard gas well location, pursuant to Rule 3 (A) (2) of the special rules governing the Jalmat Gas Pool, within the SE/4 NW/4 (Unit F) of Section 7.

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 316.23-acre non-standard gas spacing unit from the three existing Myers "B" Federal Wells No. 1, 10, and 33 and your proposed Myers "B" Federal R/A "A" Well No. 34. Furthermore, all provisions applicable to the subject unit in Division Order No. R-3930, as amended by the Division Director by Order dated November 2, 1978, 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
Chief Hearing Officer/Engineer

MS/mes

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: Division Case No. 4318

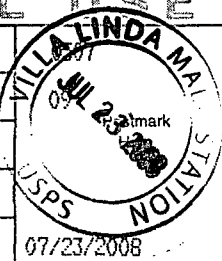
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HOUSTON-TX 77210 **OFFICIAL USE**

Postage	\$	\$1.17
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.07



Sent To *OK9 USA WTP Ltd. Partnership*
 Street, Apt. No., or PO Box No. *Box 4294*
 City, State, ZIP+4[®] *Houston, Texas 77210-4294*

PS Form 3800, August 2006 See Reverse for Instructions

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TULSA OK 74121 **OFFICIAL USE**

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Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.07



Sent To *BP America Prod. Co.*
 Street, Apt. No., or PO Box No. *Box 22048*
 City, State, ZIP+4[®] *Tulsa, Oklahoma 74121*

PS Form 3800, August 2006 See Reverse for Instructions

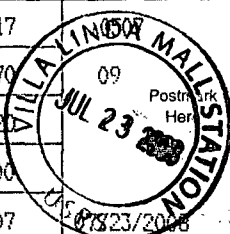
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IRVING TX 75038 **OFFICIAL USE**

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Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.07



Sent To *Cimarex Energy Co. of Colorado*
 Street, Apt. No., or PO Box No. *600 E. Las Colinas Blvd. Suite 1100*
 City, State, ZIP+4[®] *Irving, Texas 75038*

PS Form 3800, August 2006 See Reverse for Instructions

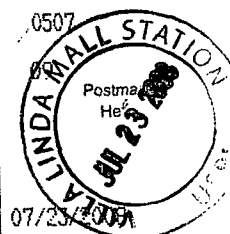
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HOUSTON-TX 77252 **OFFICIAL USE**

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Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.07



Sent To *Cimex Phillips Co.*
 Street, Apt. No., or PO Box No. *Box 2197 WL3 6106*
 City, State, ZIP+4[®] *Houston, Texas 77252*

PS Form 3800, August 2006 See Reverse for Instructions