

| | | | | | |
|------------------------|----------|--------------------|--------------------------|-----------------|-----------------------------------|
| DATE IN 7-12-10 | SUSPENSE | ENGINEER DB | LOGGED IN 7-12-10 | TYPE DHC | PTG-W APP NO 1019350686 |
|------------------------|----------|--------------------|--------------------------|-----------------|-----------------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ENERVEST
(143199)

Picarilla Apache 102 #14F

ADMINISTRATIVE APPLICATION CHECKLIST *30-039-29666*

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.

Print or Type Name

Signature

Title

Date

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

2010 JUL -9 P 3-24

Operator EnerVest Operating, L.L.C. Address 1001 Fannin, Suite 800 Houston, TX 77002

Lease Jicarilla 102 Well No. 14F Unit Letter-Section-Township-Range D - Sec 9 - Twp 26N - Rg 4W County Rio Arriba

OGRID No. 143199 Property Code 33455 API No. 30-039-29666 Lease Type: ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|----------------------|----------------------|----------------------|
| Pool Name | Blanco-Mesaverde | BS Mesa-Gallup | Basin-Dakota |
| Pool Code | 72319 | 72920 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 5951' - 6068' | 7542' - 7550' | 8016' - 8171' |
| Method of Production (Flowing or Artificial Lift) | Flowing | Flowing | Flowing |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | | | |
| Producing, Shut-In or New Zone | SI | SI | SI |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: Rates: | Date: Rates: | Date: Rates: |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas 12 % 19 % | Oil Gas 33 % 18 % | Oil Gas 55 % 63 % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: DHC 2391 AZ

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bridget Helfrich TITLE Regulatory Tech. DATE 7-8-10

TYPE OR PRINT NAME Bridget Helfrich TELEPHONE NO. (713) 495-6537

E-MAIL ADDRESS bhelfrich@enervest.net

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
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 30-039-29666 | ² Pool Code 72319/71599/72920 | ³ Pool Name Blanco Mesaverde / Basin Dakota / BS Mesa Gallup (Gas) |
| ⁴ Property Code 33455 | ⁵ Property Name JICARILLA 102 | ⁶ Well Number 14F |
| ⁷ OGRID No. 143199 | ⁸ Operator Name ENERVEST OPERATING, L.L.C. | ⁹ Elevation 7111' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|------------|-----------|---------|---------------|------------------|---------------|----------------|-------------------|
| D | 9 | 26N | 4W | | 120 | NORTH | 660 | WEST | RIO ARriba |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|---|--|----------------------------------|--|
| ¹² Dedicated Acres BLANCO MV = N 320 ac. | ¹³ Joint or Infill BASIN DK = W 320 ac. Y | ¹⁴ Consolidation Code | ¹⁵ Order No. NSL-5294 |
|---|--|----------------------------------|--|

BS MESA GALLUP = NW 160 ac.

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.

| | |
|--|--|
| <div><p>¹⁶</p><p>5272.08'(R)</p><p>660'</p><p>120'</p><p>320 ac. BLM MW</p><p>160 ac. Gallup</p><p>320 ac. B-DK</p><p>SECTION 9</p><p>5269.44'(R)</p></div> | <div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p><p><i>Bridget Helferich</i> 6-16-10 Signature Date</p><p>BRIDGET HELFRICH Printed Name</p></div> <div><p>¹⁸ SURVEYOR CERTIFICATION</p><p>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.</p><p>6-17-05 Date of Survey</p><p>Signature and Seal of Professional Surveyor: ROBERT L. POUNDS</p><p>NM 6846 Certificate Number</p></div> |
|--|--|

(R) = BLM RECORD

Proposed Allocation Percentages by Formation
Jicarilla 102 #14 F
Based on Nearby Offsets

| <u>Well</u> | <u>Formation</u> | January, 2010 Gas Production (MCF/Month) | Gas Allocation Percentage | January, 2010 Oil Production (Bbls./Month) | Oil Allocation Percentage |
|------------------|------------------|--|---------------------------------|--|---------------------------------|
| Jicarilla 102 #5 | Mesaverde | 1105 | 19% | 9 | 12% |
| Jicarilla 102 #9 | Dakota | 3821 | 63% | 40 | 55% |
| Jicarilla 102 #9 | Gallup | 1115 | 18% | 24 | 33% |
| Total: | | 6041 | 100% | 73 | 100% |

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-039-29666 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. Jicarilla Contract 102 |
| 7. Lease Name or Unit Agreement Name Jicarilla 102 <i>Apache</i> |
| 8. Well Number 14F |
| 9. OGRID Number 222374 |
| 10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota |

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type New Drill Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

SUNDRY NOTICES AND REPORTS ON WELLS SEP 2006
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator
CDX RIO, LLC

3. Address of Operator
2010 Afton Place, Farmington, New Mexico 87401

4. Well Location
Unit Letter D : 120' feet from the North line and 660 feet from the West line
Section 9 Township 26N Range 4W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7111' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
|---|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| PLUG AND ABANDON <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| CHANGE PLANS <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |
| MULTIPLE COMPL <input type="checkbox"/> | |
| OTHER: <u>Down Hole Commingle Application</u> <input checked="" type="checkbox"/> | OTHER: <input type="checkbox"/> |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

It is intended to drill and complete the subject well in the Blanco Mesaverde (Pool Code 72319) and the Basin Dakota (Pool Code 71599). The production will be commingled according to the Oil Conservation Division Order Number 11363. Production allocation for the two pools will be determined by the subtraction method. Commingling will not reduce the value of the production. The Bureau of Land Management has been notified in writing of this application.

Interest is common. No notification is necessary.

DHC 2391 A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Nancy Oltmanns TITLE Agent DATE 9/12/06

Type or print name Nancy Oltmanns E-mail address: nancy.oltmanns@cdxgas.com Telephone No. (505) 326-3003
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. III DATE SEP 14 2006
Conditions of Approval (if any):

9-27