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March 13, 2009

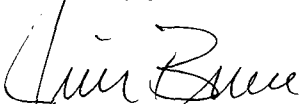
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14317

Dear Florene:

Enclosed for filing, on behalf of Enervest Operating LLC, are an original and one copy of an application for statutory unitization, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 14, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Enervest Operating LLC

Parties Being Unitized

Audrey Aston Bean
Charles A. Aston III
Valerie Aston Kobal
Ellen Aston Paull
Rogers Aston
P.O. Box 1090
Roswell, New Mexico 88202

Aston Family Limited Partnership
Lincoln Aston Estate
P.O. Box 830308
Dallas, Texas 75283

Aston Partnership
8150 North Central Expressway
Dallas, Texas 75206

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202

Attention: Melissa Randle

Jalapeno Corporation
P.O. Box 1608
Albuquerque, New Mexico 87103

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
John A. Yates
Sacramento Partners L.P.
Trust Q
105 South Fourth Street
Artesia, New Mexico 88210

Sharbro Oil, Ltd. Co.
P.O. Box 840
Artesia, New Mexico 88211

Paul Slayton
P.O. Box 2035
Roswell, New Mexico 88202

Yates Energy Corporation
P.O. Box 2323
Roswell, New Mexico 88202

Pathfinder Exploration Company
4306 Crestgate
Midland, Texas 79707

William P. Dooley Estate
Florence M. Dooley
P.O. Box G
Artesia, New Mexico 88211

H.L. Brinson
P.O. Box 314
Midland, Texas 79702

Mary D. Duggan
Gladys A. Duggan
Shirley N. Duggan
10031 Cedar Creek
Houston, Texas 77042

Chisos, Ltd.
670 Dona Ana Road SW
Deming, New Mexico 88030

Edge Petroleum Exploration Company
Suite 2000
1301 Travis
Houston, Texas 77002

Attention: R. Keith Turner

Fred Brainard Estate
Clyde Guy
P.O. Box 368
Artesia, New Mexico 88211

Charles E. Nearburg
P.O. Box 823085
Dallas, Texas 75382

Pure Energy Group Inc.
Suite 220
153 Treeline Drive
San Antonio, Texas 78209

Clifford Cone
P.O. Box 1629
Lovington, New Mexico 88260

Douglas Cone
P.O. Box 64244
Lubbock, Texas 79464

Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

Tom R. Cone
P.O. Box 778
Jay, Oklahoma 74346

Cathie Cone McCown
P.O. Box 658
Dripping Springs, Texas 78620

Fair Oil, Ltd.
N. Fair Trust
P.O. Box 689
Tyler, Texas 75710

O.H. Randel
P.O. Box 239
Artesia, New Mexico 88211

V.S. Welch
P.O. Box 1343
Midland, Texas 79702

Lobos Energy Partners, LLC
Suite 950
3817 NW Expressway
Oklahoma City, Oklahoma 73112

Clayton Williams Energy Inc.
Suite 6500
Six Desta Drive
Midland, Texas 79705

ConocoPhillips Company
P.O. Box 2197
Houston, TX 77252

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ENERVEST OPERATING LLC
TO AMEND THE UNIT AGREEMENT FOR THE
WEST LOCO HILLS GRAYBURG NO. 4 SAND
UNIT, AND FOR STATUTORY UNITIZATION,
EDDY COUNTY, NEW MEXICO.

Case No. 14317

APPLICATION

Enervest Operating LLC, for its application, states:

1. Applicant is engaged in the business of producing and selling oil and gas as defined in the Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.* (the "Act").

2. Applicant is the operator of the West Loco Hills Grayburg No. 4 Sand Unit (the "Unit Area"). The Unit Area was approved by Commission Order No. R-2166, and covers the lands located in Eddy County, New Mexico described below, containing 5307.73 acres, more or less:

Township 17 South, Range 29 East, N.M.P.M.
Section 36: S½SW¼

Township 18 South, Range 29 East, N.M.P.M.

Section 1: W½ and S½SE¼
Section 2: All
Section 3: All
Section 4: E½SE¼
Section 9: E½
Section 10: All
Section 11: All
Section 12: All
Section 13: NE¼
Section 15: N½NE¼, SW¼NE¼, and NW¼

Township 18 South, Range 30 East, N.M.P.M.

Section 7: Lots 1-4, E½W½, W½SE¼, and SE¼SE¼
Section 18: Lots 1, 2, W½NE¼, E½NW¼, NE¼SW¼, and N½SE¼

A plat of the Unit Area is attached hereto as Exhibit A.

3. The vertical limits of the unitized formation are defined as:

"Unitized Formation" shall mean that heretofore established underground reservoir, the top of which is found at 2767 feet, and the base of which is found at 2792 feet, on the Gamma Ray Neutron Log of the Newmont-Ballard Well No. B-6 located in the SE/4SW/4NE/4 of Section 1, Township 18 South, Range 29 East, Eddy County, New Mexico, together with Grayburg Sand Stringers encountered at varying intervals between the depths from 100 feet above the top and 50 feet below the bottom of the principal sand body shown by said log, insofar as the same lies within the Unit Area.

The Grayburg reservoir underlying the Unit Area has been reasonably defined by development.

4. A waterflood project was previously approved for the Unit Area, as described in Commission Order Nos. R-2178 and R-3204. Applicant proposes to expand the waterflood project in the Unit Area.

5. The Unit Area is subject to a voluntary Unit Agreement, approved by the Commission under statutes in effect in 1962 when the Unit Area was formed. Applicant proposes to amend the Unit Agreement to conform with current unitization practices and the Statutory Unitization Act. The amended plan of unitization for the Unit Area is embodied in the Amended Unit Agreement for the Unit Area, previously submitted to the Division. The amended plan of unitization is fair, reasonable, and equitable, and the participation formula contained therein allocates the produced and saved hydrocarbons to the separately owned tracts in the Unit Area on a fair, reasonable, and equitable basis.

6. The statutorily unitized management, operation, and further development of the Grayburg reservoir underlying the Unit Area is reasonably necessary in order to effectively carry on waterflood operations and to substantially increase the ultimate recovery of oil and gas therefrom. Statutory unitization will benefit the working interest owners and royalty owners in the Grayburg reservoir underlying the Unit Area.

7. To obtain approval final of the Amended Unit Agreement from the Commissioner of Public Lands and the Bureau of Land Management, applicant must obtain the consent of the record title owners of the state and federal leases in the Unit Area. Applicant has made a good faith effort secure the voluntary unitization of record title owners in the Unit Area, but has not been able to voluntarily secure all necessary ratifications. This application is filed to obtain the consent of the non-ratifying record title owners through the statutory unitization process.

8. Approval of this application will prevent waste and protect correlative rights.

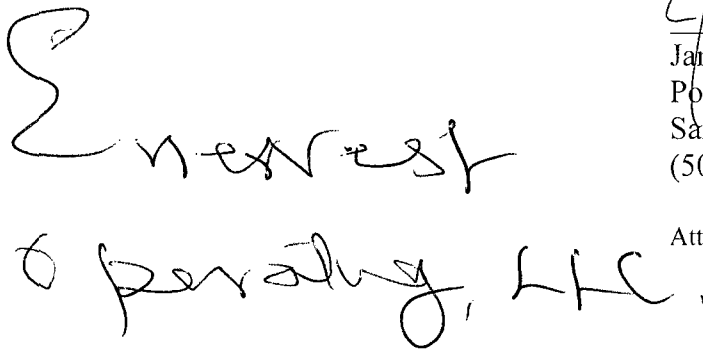
WHEREFORE, Beach requests that, after notice and hearing, the Division enter its order approving statutory unitization of record title owners of state and federal leases within the West Loco Hills Grayburg No. 4 Sand Unit.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Enervest Operating LLC



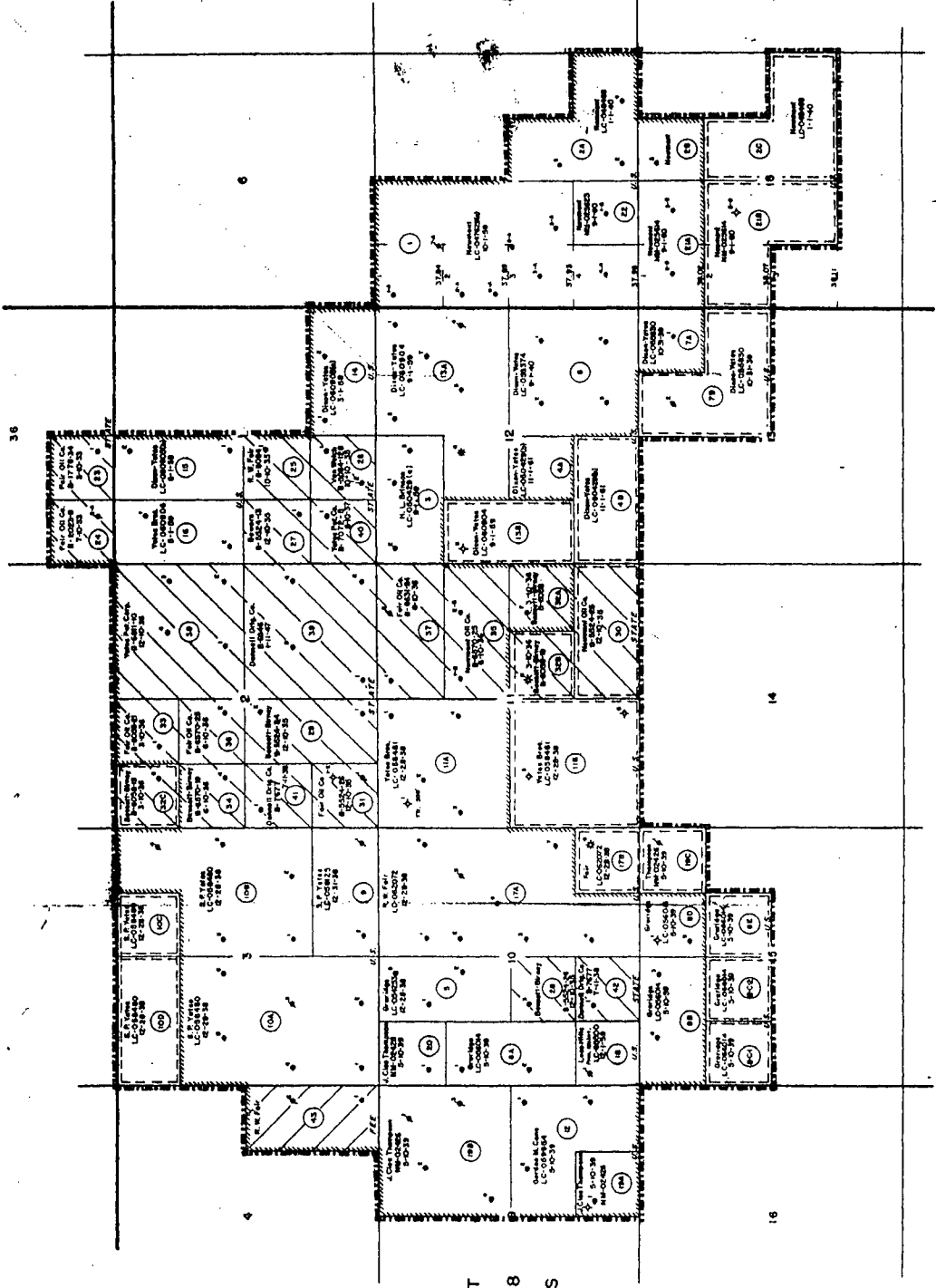
#2472

R 30 E

R 29 E

T 18 S

T 18 S



WEST LOCO HILLS GRAYBURG
NO. 4 SAND UNIT
EDDY COUNTY, NEW MEXICO

- LOCATION
- OIL WELL
- ★ GAS WELL
- ✱ TEMP. ASSEN.
- ✦ PULLED, PLUGGED & ABAND.
- ◇ DRY HOLE
- WATER INJECTION WELL
- GAS INJECTION WELL
- WATER SUPPLY WELL



- FEDERAL LANDS
- ▨ STATE OF NEW MEXICO LANDS
- ▨ PATENTED (FEES) LANDS
- ▨ 8000 ACRES
- ▨ UNIT AREA - 5,307.75 ACRES
- ▨ ADJACENT INITIAL PARTICIPATING AREA - 1,499.66 ACRES
- ▨ NON-PARTICIPATING TRACT
- TRACT NUMBER

EXHIBIT "A"

EXHIBIT

A

PROPOSED ADVERTISEMENT

Case No. 14317:

Application of Enervest Operating LLC to amend the Unit Agreement for the West Loco Hills Grayburg No. 4 Sand Unit, and for statutory unitization, Eddy County, New Mexico.

Applicant seeks an order amending the Unit Agreement, and statutorily unitizing all mineral and leasehold interests in the Grayburg formation, in the previously approved West Loco Hills Grayburg No. 4 Sand Unit underlying 5307.73 acres of state, federal, and fee lands covering all or parts of Section 36, Township 17 South, Range 29 East, NMPM, Sections 1-4, 9-13, and 15, Township 18 South, Range 29 East, NMPM, and Sections 7 and 18, Township 18 South, Range 30 East, NMPM. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be the joinder of all record title owners of state and federal leases within the Unit Area, and such other matters as may be necessary and appropriate. The unit area is centered approximately 6 miles southwest of Loco Hills, New Mexico.