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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
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www.nmstatelands.org

June 29, 2009

EnerVest, LTD
1001 Fannin Street, Suite 800
Houston, Texas 77002-6707

2472

Attention: Mr. R. Dwain Blakley

Re: Final Approval Request of EnerVest Operating LLC
To Amend the Unit Agreement and the
Unit Operating Agreement for the
West Loco Hills Grayburg No. 4 Sand Unit and
For Statutory Unitization,
Eddy County, New Mexico

Dear Mr. Blakley:

We are in receipt of your letter of June 17, 2009 requesting final approval to amend the unit agreement and the unit operating agreement for the West Loco Hills Grayburg No. 4 Sand Unit, Eddy County, New Mexico.

We regret to inform you that the application for final approval as submitted is not in order for approval. Please refer to our letter to EnerVest, LTD dated November 25, 2008. Our letter of November 25th listed the requirements that were to be met in order to grant final approval to your request to amend the unit agreement. Please submit the following:

1. The unit agreement form submitted is not dated and has not been ratified.
2. All ratifications from the lessees of record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures. Please note that our lessees of record are required to ratify the amendment.
3. Please submit ratifications from the following lessees of record: Fair Oil Ltd. Tract Nos. 23, 24, 25, 31, 33, 36 and 37; V. S. Welch Tract No. 26; Lobos Energy Partners Tract Nos. 28, 29, 32A, 32C and 34; Clayton Williams Energy Inc. Tract No. 39 and ConocoPhillips Co. Tract Nos. 41 and 42.
4. Amended Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.
5. A copy of your initial plan of operation.
6. A re-designation of well names and numbers or a current listing of all wells (and APT's) in the unit.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

EnerVest, LTD

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7. Our records reflect that Yates Petroleum Corporation is the operator of Record. Pursuant to Articles 8 and 9 of the current unit agreement please submit a resignation from Yates Petroleum Corporation and the designation of EnerVest, LTD as the successor unit operator.
8. Please submit a corrected Exhibit "B". On Exhibit "B" on Tract Nos. 23 through 42, the lessees of record are incorrect. Please correct the lessees of record to reflect our current files. Current State lease information can be obtained by visiting our web site at:
<http://octane.nmt.edu/slo/>.

Your \$90.00 filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PH/JB/pm

pc: Reader File,
NMOCD - Attn: Mr. Ed Martin
BLM - ~~Carlsbad~~, Attn: Mr. Wesley Ingram