

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**

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 \_\_\_\_\_

- DHC - 1137-B  
 - Enervest operating  
 143199  
 Well  
 - JicAnilla B#4  
 30-039-82260  
 Pool  
 - BLANCO mesa verde  
 72319

[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

- TAPACITO-Gallup  
 58090  
 - Basin DAKOTA  
 71599

[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.

David Catanach  
 Print or Type Name

David Catanach  
 Signature

Agent-Enervest Operating, L.L.C.  
 Title

3/24/14  
 Date

drcatanach@netscape.com  
 E-Mail Address



## ENERVEST

March 24, 2014

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

Attn: Jami Bailey, CPG  
Division Director

RE: Form C-107-A; Application to Amend DHC-1137-A  
Jicarilla "B" No. 4 (**API No. 30-039-82260**)  
1650' FNL & 990' FEL (Unit H)  
Section 21, T-26 North, R-5 West, NMPM,  
Rio Arriba County, New Mexico

Dear Ms. Bailey,

By Order No. DHC-1137 dated June 20, 1995, Amoco Production Company was authorized to downhole commingle Basin-Dakota and Tapacito-Gallup (Associated) Pool production within the Jicarilla "B" Well No. 4. Pursuant to this order, production was to be allocated to each pool as follows:

	<u>Oil</u>	<u>Gas</u>
Basin-Dakota Gas Pool	83%	86%
Tapacito-Gallup (Associated) Pool	17%	14%

By Order No. DHC-1137-A dated April 21, 2005, CDX Rio, LLC, the successor operator, was authorized to downhole commingle Basin-Dakota Gas, Tapacito-Gallup (Associated) and Blanco-Mesaverde Gas Pool production within the Jicarilla "B" No. 4. Pursuant to this order, production was to be allocated to each pool as follows:

	<u>Oil</u>	<u>Gas</u>
Basin-Dakota Gas Pool	54%	54%
Tapacito-Gallup (Associated) Pool	13%	10%
Blanco-Mesaverde Gas Pool	33%	36%

CDX Rio, LLC ultimately did not complete the Jicarilla "B" No. 4 in the Blanco-Mesaverde Gas Pool, and the well is still currently downhole commingled in the Basin-Dakota and Tapacito-Gallup (Associated) Pools.

Enervest Operating, L.L.C., ("Enervest") the current operator of the well, is now proposing to complete the Blanco-Mesaverde Gas Pool within the subject well, and consequently seeks to

re-instate Order No. DHC-1137-A, and also seeks to amend the allocation percentages established by that order.

In support its request to amend the production allocation, Enervest presents the following production data:

The average 2013 producing rates for the Basin-Dakota Gas Pool and Tapacito-Gallup (Associated) Pool within the subject well were: i) Dakota: 0.96 BOPD, 119 MCFGPD and 0.75 BWPD; ii) Gallup: 0.20 BOPD, 18 MCFGPD and 0.159 BWPD.

Enervest has also determined the average 2013 producing rates for six Blanco-Mesaverde Gas Pool wells offsetting the Jicarilla "B" No. 4. These wells, and their producing rates, are described as follows:

<u>Well Name &amp; #</u>	<u>Well Location</u>	<u>2013 Average Producing Rate</u>		
Jicarilla B No. 4E	Unit P, 21-26N-5W	1.83 BOPD	160 MCFGPD	1.23 BWPD
Jicarilla B No. 4M	Unit G, 21-26N-5W	0.91 BOPD	113 MCFGPD	3.65 BWPD
Jicarilla B No. 1	Unit G, 22-26N-5W	0.35 BOPD	66 MCFGPD	0.67 BWPD
Jicairilla B No. 6E	Unit C, 22-26N-5W	0.28 BOPD	77 MCFGPD	0.65 BWPD
Jicarilla B No. 2	Unit M, 16-26N-5W	0.13 BOPD	7 MCFGPD	0.29 BWPD
Jicarilla B No. 3R	Unit J, 15-26N-5W	2.23 BOPD	296 MCFGPD	9.0 BWPD
<b>Average Rates:</b>		<b>0.96 BOPD</b>	<b>120 MCFGPD</b>	<b>2.58 BWPD</b>

Utilizing this data, Enervest proposes to allocate production as follows:

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Basin-Dakota Gas Pool	45%	46%	21%
Tapacito-Gallup (Associated) Pool	10%	7%	5%
Blanco-Mesaverde Gas Pool	45%	47%	74%

Attached is a Form C-107-A with attachments. Interest ownership is common, consequently no notification is required. A copy of this application will be provided to the Bureau of Land Management.

If you have any questions, please contact me at (505) 690-9453.

Thank you,



David Catanach  
Agent-Enervest Operating, LLC

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**

Operator Enervest Operating, L.L.C. Address 1001 Fannin Street, Suite 800 Houston, Texas 77002

Lease Jicarilla "B" Well No. 4 Unit Letter-Section-Township-Range Unit H, Section 21, T-26 North, R-5 West County Rio Arriba

OGRID No. 143199 Property Code 306753 API No. 30-039-82260 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco-Mesaverde	Tapacito-Gallup	Basin-Dakota
Pool Code	Prorated Gas-72319	Associated-58090	Prorated Gas-71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4,675'-5,340' (Estimated)	6,702'-6,724'	7,204'-7,446'
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)	545 psi (Estimated)	440 psi	440 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1200 BTU	1270 BTU	1210 BTU
Producing, Shut-In or New Zone	New-Not Yet Completed	Producing	Producing
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: (Estimated) Rates: 0.96 BOPD 120 MCFGPD 2.58 BWPD	Date: 2013 Average Prod. Rates: 0.20 BOPD 18 MCFGPD 0.159 BWPD	Date: 2013 Average Prod. Rates: 0.96 BOPD 119 MCFGPD 0.75 BWPD
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 Water 45% 47% 74%	Oil Gas Water 10% 7% 5%	Oil Gas Water 45% 46% 21%

**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: \_\_\_\_\_

**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: David Catanach TITLE: Agent-Enervest Operating, L.L.C. DATE: 3/24/14

TYPE OR PRINT NAME: David Catanach TELEPHONE NO.: (505) 690-9453

E-MAIL ADDRESS: drcatanach@netscape.com

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Company: **TENNECO OIL COMPANY**      Well Name: **JICARILLA "B"**

Section: **H 21 26 North 5 West Rio Arriba**

Area: **1650**      North **990**      East

Well Level: **6555' ungraded**      **Undesignated Gallup and Basin Dakota**      **Undesignated Gallup and Basin Dakota**      **320**      **E/2**

- Outline the acreage dedicated to the subject well by corners or other machine marks on the plat below.
  - If more than one lease is recorded to the well, list the lease number, the well name, the acreage, the working interest and royalty.
  - If more than one lease of different categories is recorded to the well, list the lease number, the acreage, the working interest and royalty.
- No allowable will be assigned to the well until all interests have been segregated, by partition, by deed, by court order, by pooling, or otherwise, in a non-stake and unit, eliminating such interests, and approved by the Commission.



**CERTIFICATION**

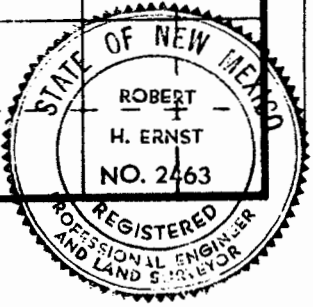
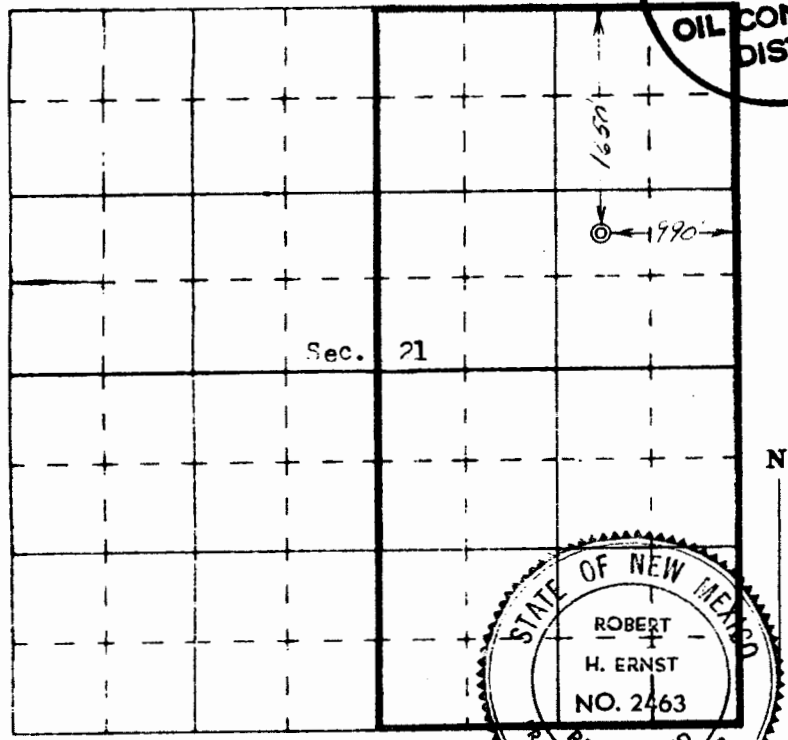
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Harold C. Nichols*  
**Harold C. Nichols**  
 Senior Production Clerk  
 Tenneco Oil Company

May 9, 1966

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 knowledge and belief.

4 April 1966  
*Robert H. Ernst*  
**Robert H. Ernst**  
 Registered Professional Engineer  
 and Land Surveyor  
 No. Mex. P.E. & L.S. 2463



**ERNST ENGINEERING CO.  
DURANGO, COLORADO**

Certificate No. \_\_\_\_\_

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

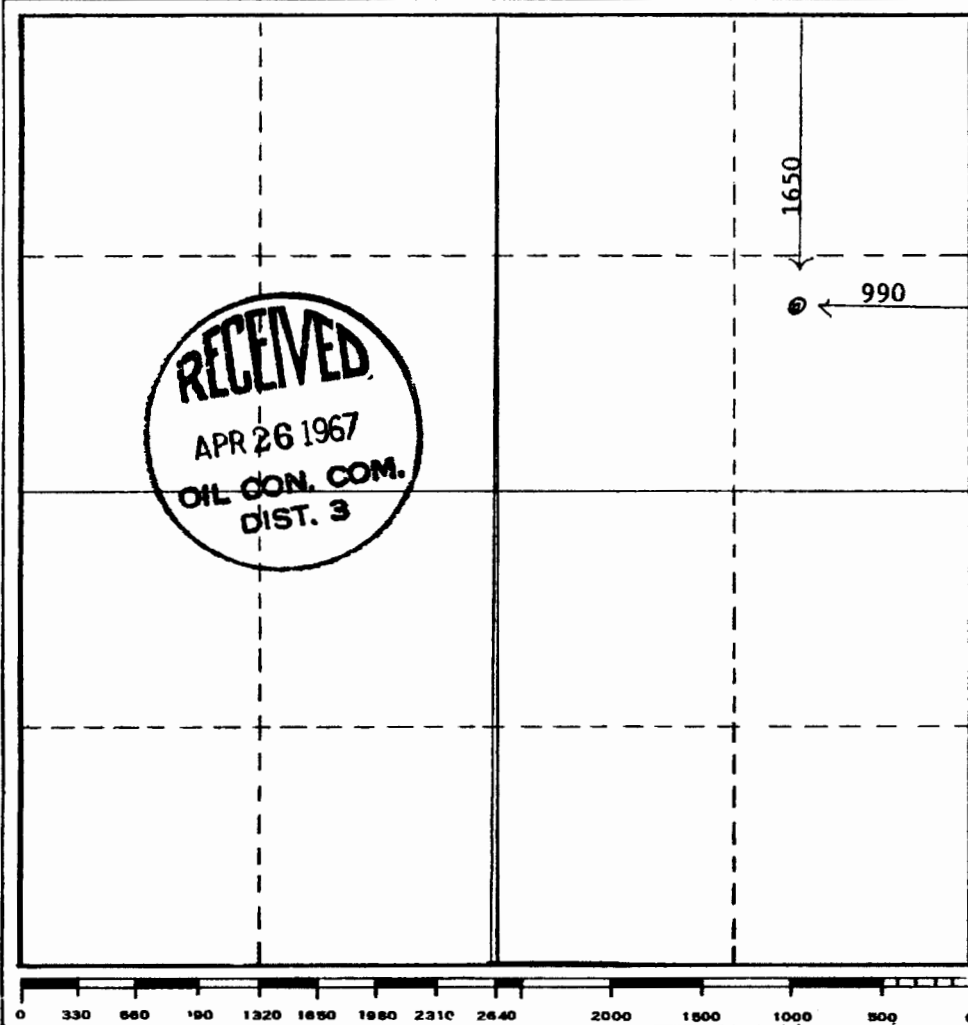
Operator <b>Tenneco Oil Company</b>			Lease <b>Jicarilla "B"</b>		Well No. <b>4</b>
Unit Letter <b>H</b>	Section <b>21</b>	Township <b>26N</b>	Range <b>5W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>North</b> line and <b>990</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6555 UnGr.</b>	Producing Formation <b>Tapacito Gallup</b>		Pool <b>Gallup</b>		Dedicated Acreage: <b>E/2</b> <b>320</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes     No    If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



<b>CERTIFICATION</b>
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
<i>G. A. Ford</i>
Name <b>G. A. Ford</b>
Position <b>Senior Production Clerk</b>
Company <b>Tenneco Oil Company</b>
Date <b>April 25, 1967</b>
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 knowledge and belief.
Date Surveyed
Registered Professional Engineer and/or Land Surveyor
Certificate No.



2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Jan	8	334	4	31	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Feb	1	375	2	28	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Mar	10	426	7	31	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Apr	1	465	5	10	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	May	2	411	2	12	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Jun	9	452	2	11	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Jul	3	438	4	7	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Aug	4	413	2	31	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Sep	2	407	1	30	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Oct	7	397	5	31	0	0	0	0	0
2013	[58090] TAPACITO GALLUP (ASSOCIATED)	Nov	3	425	6	30	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Jan	36	2258	18	31	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Feb	8	2251	9	28	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Mar	50	2876	33	31	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Apr	5	3021	22	10	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	May	8	2773	9	12	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Jun	47	2936	11	11	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Jul	12	2955	18	7	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Aug	19	2784	9	31	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Sep	10	2642	6	30	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Oct	36	2682	24	31	0	0	0	0	0
2013	[71599] BASIN DAKOTA (PRORATED GAS)	Nov	10	2761	32	30	0	0	0	0	0

**Enervest Operating, L.L.C.**  
**Form C-107-A: Jicarilla "B" No. 4**  
**2013 Producing Rates**  
**Tapacito-Gallup (Associated) Pool**  
**Basin-Dakota Gas Pool**





STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

**ADMINISTRATIVE ORDER DHC-1137**

Amoco Production Company  
P.O. Box 800  
Denver, Colorado 80201-0800

Attention: Ms. Pamela W. Staley

*Jicarilla Contract "B" Well No.4  
Unit H, Section 21, Township 26 North, Range 5 West,  
NMPM, Rio Arriba County, New Mexico.  
Basin Dakota (Prorated Gas) Pools and Tapacito Gallup (Associated) Pools*

Dear Ms. Staley:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Basin Dakota (Prorated Gas)	Oil 83%	Gas 86%
Tapacito Gallup (Associated)	Oil 17%	Gas 14%

**FURTHER:** The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

TAPACITO GALLUP (ASSOCIATED) Pool	Oil-13%	Gas-10%
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These percentages shall be amended only with written permission of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on April 21, 2005.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.  
Director

cc: Oil Conservation Division – Aztec  
Bureau of Land Management - Albuquerque



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

## ADMINISTRATIVE ORDER DHC-1137-A

CDX RIO, LLC  
4801 North Butler Ave  
Suite 2000  
Farmington, NM 87401

Attention: David C. Smith

*JICARILLA B #004*

*API No. 30-039-82260*

*Unit H, Section 21, Township 26N, Range 05W, NMPM,*

*RIO ARRIBA County, New Mexico*

*BASIN DAKOTA (PRORATED GAS) (71599),*

*BLANCO-MESAVERDE (PRORATED GAS) (72319), and*

*TAPACITO GALLUP (ASSOCIATED)(58090) Pools*

Dear Mr. Smith:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

*Assignment of allowable to the well and allocation of production from the well shall be as follows.*

<i>BASIN DAKOTA (PRORATED GAS) Pool</i>	<i>Oil-54%</i>	<i>Gas-54%</i>
<i>BLANCO-MESAVERDE (PRORATED GAS) Pool</i>	<i>Oil-33%</i>	<i>Gas-36%</i>

*Administrative Order DHC-1137*

*Amoco Production Company*

*June 20, 1995*

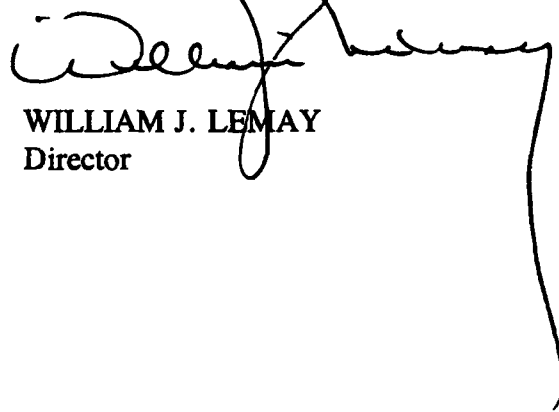
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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 20th day of June, 1995.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Aztec  
Bureau of Land Management - Farmington