

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-039-22456
 Jicarilla Apache 102
 well 9E

ADMINISTRATIVE APPLICATION CHECKLIST *Everest Operating*

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]

2001301

- [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 _____

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- [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.

David Catanach Print or Type Name	<u>David Catanach</u> Signature	Agent-Everest Operating, LLC Title
	4/17/13 Date	drccatanach@netscape.com E-Mail Address



April 17, 2013

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

Attn: Jami Bailey, CPG
Division Director

RE: Application for Simultaneous Dedication
Jicarilla Apache 102 No. 9E (API No. 30-039-22456)
Jicarilla Apache 102 No. 9M (API No. 30-039-29771)
SE/4 of Section 4, Township 26 North, Range 4 West, NMPM
Rio Arriba County, New Mexico

Dear Ms. Bailey

Enervest Operating, L.L.C. ("Enervest") respectfully requests authorization to simultaneously dedicate an existing standard 160-acre gas spacing and proration unit in the BS Mesa-Gallup Gas Pool (72920) comprising the SE/4 of Section 4, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico to the following described existing wells:

Jicarilla Apache 102 No. 9E: 970' FSL & 920' FEL (Unit P)

Jicarilla Apache 102 No. 9M: 935' FSL & 2225' FEL (Unit O)

The Jicarilla Apache 102 No. 9E is currently completed in the Basin-Dakota Gas Pool. Enervest proposes to complete the well in the BS Mesa-Gallup Gas Pool and produce the well as a downhole commingled completion in the Dakota/Gallup.

The Jicarilla Apache 102 No. 9M is currently completed in the Basin-Dakota, Blanco-Mesaverde and BS Mesa-Gallup Gas Pools as a downhole commingled completion. The well is currently dedicated in the BS Mesa-Gallup Gas Pool to an existing standard 160-acre gas spacing unit comprising the SE/4 of Section 4.

The BS Mesa-Gallup Gas Pool is currently governed by Division Rule 19.15.15.10 NMAC which requires that wells be located on a standard unit comprising 160 acres and that wells be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

The proposed completion of the BS Mesa-Gallup Gas Pool within the Jicarilla Apache 102 No. 9E will increase the gas recovery from the Gallup formation within the SE/4 of Section 4, thereby preventing waste.

Please be advised that all 160-acre spacing units offsetting the SE/4 of Section 4 are currently being developed, or are soon to be developed in the BS Mesa-Gallup Gas Pool by Enervest. These offset units include:

NW/4, NE/4 & SW/4 of Section 4, Township 26 North, Range 4 West;
NW/4 & SW/4 of Section 3, Township 26 North, Range 4 West;
NE/4 & NW/4 of Section 9, Township 26 North, Range 4 West; and
NW/4 of Section 10, Township 26 North, Range 4 West

Please be further advised that the interest ownership between the SE/4 of Section 4 and each of the offset 160-acre tracts described above is common throughout. Consequently, notice of this application is not required to any party.

Attached is a C-102 showing the Jicarilla Apache 102 Wells No. 9E and 9M and the existing BS Mesa-Gallup Gas Pool spacing unit. Also attached is a map showing the affected offset acreage.

In summary, approval of the application will afford Enervest the opportunity to recover additional gas reserves from the BS Mesa-Gallup Gas Pool underlying the SE/4 of Section 4 that may otherwise not be recovered by the existing well, thereby preventing waste, and will not violate correlative rights.

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

Thank you,



David Catanach Agent-Enervest Operating, L.L.C.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

xc: OCD-Aztec

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
District IV
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 July 16, 2010
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-22456		Pool Code 72920	Pool Name BS Mesa-Gallup Gas Pool
Property Code 306751	Property Name Jicarilla Apache 102		Well Number 9E
OGRID No. 143199	Operator Name Enervest Operating, LLC		Elevation 6967'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	26 North	4 West		970	South	920	East	Rio Arriba

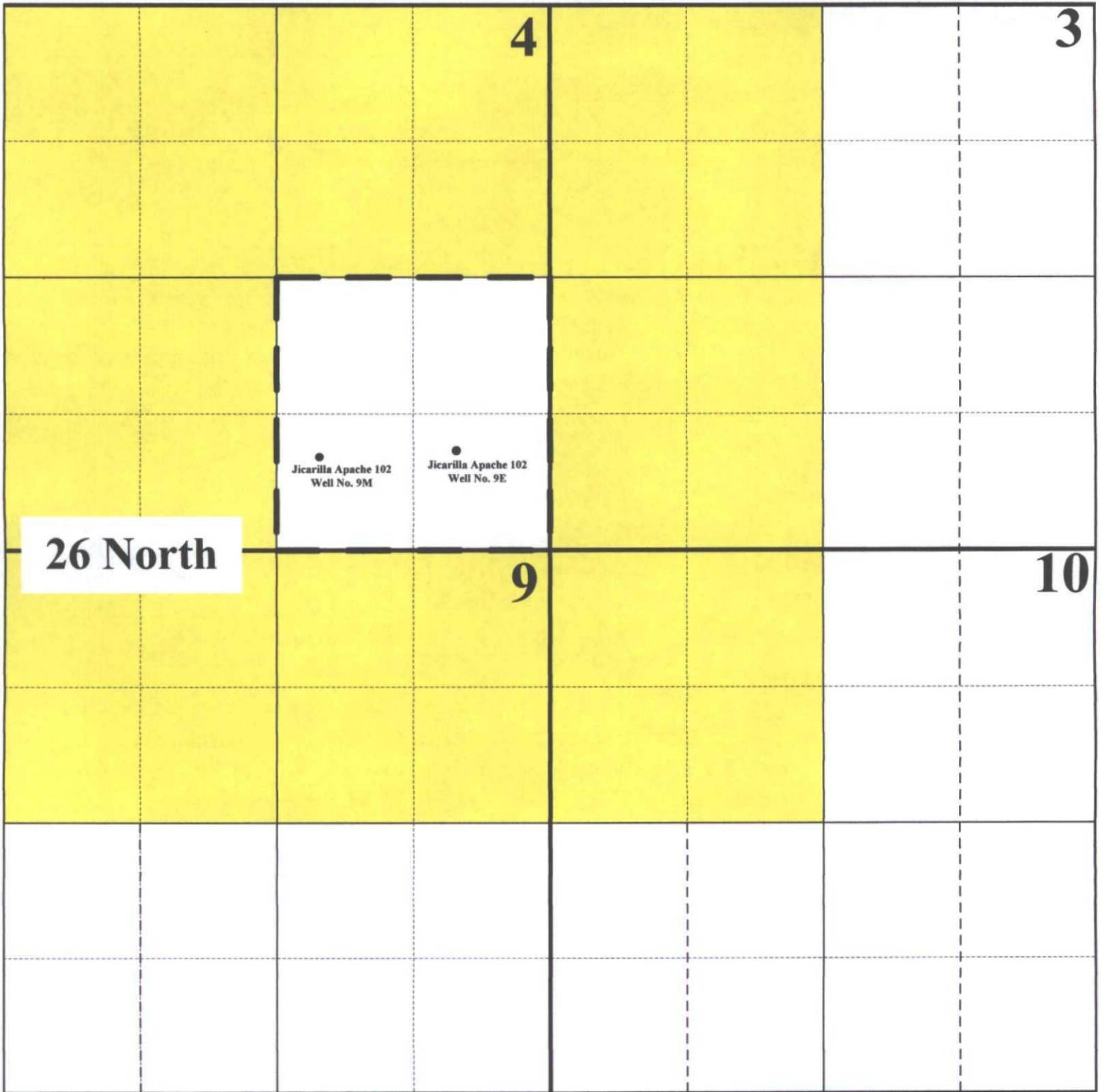
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160		Joint or Infill		Consolidate Code		Order No.			

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	
				<p><i>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 bottomhole 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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
				SURVEYOR CERTIFICATION	
				<p><i>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.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>	

4 West



 **Affected Offset Acreage**

Enervest Operating, L.L.C.
Application for Simultaneous Dedication
Jicarilla Apache 102 Wells No. 9E & 9M