

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4721

Order Date: November 21, 2014

Application Reference Number: pMAM1430345845

Enervest Operating, LLC
1001 Fannin Street Suite 800
Houston, Texas 77002-6707

Attention: David Catanach

Big Jake Federal 26 Well No. 5
API No. 30-045-33337
Unit E, Section 26, Township 31 North, Range 13 West, NMPM
San Juan County, New Mexico

| | | | |
|--------|-----------------------------|-----|-------|
| Pool | BASIN FRUITLAND COAL (GAS) | Gas | 71629 |
| Names: | BASIN DAKOTA (PRORATED GAS) | Gas | 71599 |

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since 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 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the subject well shall be based on the analysis of the 2014 production from the Basin Fruitland Coal Pool, and 2013 average production for the Basin Dakota Pool for this well.

Assignment of allowable and allocation of production from the well shall be as follows:

| | | |
|-----------------------------|--------------|---------------|
| BASIN FRUITLAND COAL (GAS) | Pct. Gas: 77 | Pct. Oil: 0 |
| BASIN DAKOTA (PRORATED GAS) | Pct. Gas: 23 | Pct. Oil: 100 |

REMARKS: The operator shall notify the Division's District III office upon implementation of commingling operations.

This Order is subject to like approval from the United States Bureau of Land Management.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


JAMI BAILEY
Director

JB/mam

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