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20 day hold

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



RECEIVED OCD

2011 DEC 10 PM 2:03

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 _____
- [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

-NSL 7217
 -Enervest operating, LLC
 143199
 Well
 -JICANILLA B#1 m
 30-039-pending
 Pool
 -Basin DAKOTA
 71549
 -BLANCO
 Mesquite
 72319

[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 Signature David Catanach
 Date 12/8/14

Agent-Enervest Operating, LLC
 Title
 drcatanach@netscape.com
 E-Mail Address

December 8, 2014

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

Attn: Jami Bailey,
Division Director

RE: Application for Unorthodox Well Location
Jicarilla B No. 1M (API No. N/A)
830' FSL & 2334' FEL (Unit O)
Section 22, T-26 North, R-5 West, NMPM,
Rio Arriba County, New Mexico

Dear Ms. Bailey,

Pursuant to Division Rule 19.15.15.13, Enervest Operating, LLC ("Enervest") respectfully requests administrative approval of an unorthodox gas well location for its proposed Jicarilla B No. 1M. This well will be drilled as a development gas well in the Blanco-Mesaverde (Prorated Gas-72319) and Basin-Dakota (Prorated Gas-71599) Gas Pools at an unorthodox location for both pools 830 feet from the South line and 2334 feet from the East line (Unit O) of Section 22, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The proposed Jicarilla B No. 1M will be dedicated to existing 320-acre gas spacing and proration units in both the Blanco-Mesaverde and Basin-Dakota Gas Pools comprising the E/2 of Section 22. **In the Blanco-Mesaverde Gas Pool**, this unit is currently dedicated to Enervest's existing: i) Jicarilla B No. 1 (API No. 30-039-06402) located at a standard well location 1450 feet from the North line and 1850 feet from the East line (Unit G); and ii) Jicarilla B No. 1E (API No. 30-039-22294) located at a standard well location 1690 feet from the South line and 940 feet from the East line (Unit I). The Jicarilla B No. 1M will be the second infill well on this unit. **In the Basin-Dakota Gas Pool**, this unit is currently dedicated to the above-described Jicarilla B No. 1 and Jicarilla B No. 1E. The Jicarilla B No. 1M will be the second infill well on this unit.

Both the Blanco-Mesaverde and Basin-Dakota Gas Pools are currently governed by special rules established by Order No. R-10987, as amended. Pursuant to these rules, wells are to 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. These rules also allow the drilling of up to four wells within a standard spacing unit provided that no more than two wells may be drilled within a quarter section, and further provided that no more than one well may be drilled within a quarter-quarter section.

The attached map shows that the proposed unorthodox location is necessary due to surface topography in this area.

The affected offset tracts are (**See Attached Map**): i) the W/2 of Section 22, which is an existing 320-acre spacing unit in both the Blanco-Mesaverde and Basin-Dakota Gas Pools. This unit is currently operated by Enervest. Please note that the working interest ownership between the E/2 and W/2 of Section 22 is common. Consequently, notice of this application is not required to working interest owners in the W/2 of Section 22; and ii) the N/2 of Section 27, which is an existing 320-acre spacing unit in both the Blanco-Mesaverde and Basin-Dakota Gas Pools. This unit is currently operated by XTO Energy, Inc. In accordance with Division rules, notice of this application is being provided by certified mail to XTO Energy, Inc.

Attached is a Form C-102 for both the Blanco-Mesaverde and Basin-Dakota Gas Pools showing the proposed well, spacing unit and other existing wells in the spacing unit. Also attached is a map showing the affected offset acreage and a topographic map.

In summary, approval of the application will provide Enervest the opportunity to recover additional oil and gas reserves from the Blanco-Mesaverde and Basin-Dakota Gas Pools underlying the E/2 of Section 22 that may otherwise not be recovered by the existing wells, thereby preventing waste, and will not violate correlative rights.

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

Sincerely,



David Catanach-Agent
Enervest Operating, LLC
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 N/A	Pool Code 72319 & 71599	Pool Name Blanco-Mesaverde (Prorated Gas) & Basin-Dakota (Prorated Gas) Pools
Property Code 306753	Property Name Jicarilla B	Well Number 1M
OGRID No. 143199	Operator Name Enervest Operating, LLC	Elevation

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	26 North	5 West		830	South	2334	East	Rio Arriba

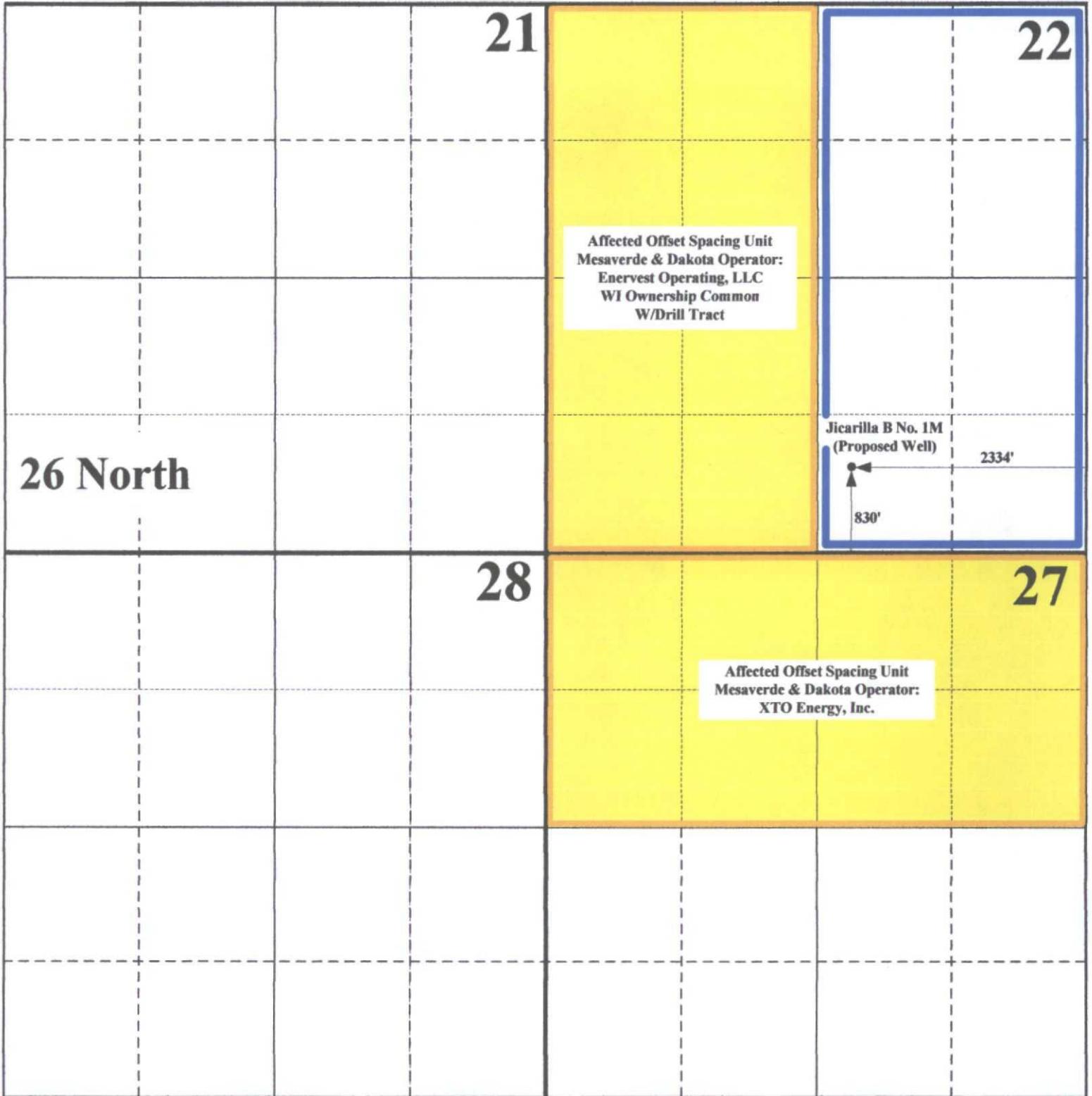
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320: E/2		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

										<p align="center">OPERATOR CERTIFICATION</p> <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>
										<p align="center">SURVEYOR CERTIFICATION</p> <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>

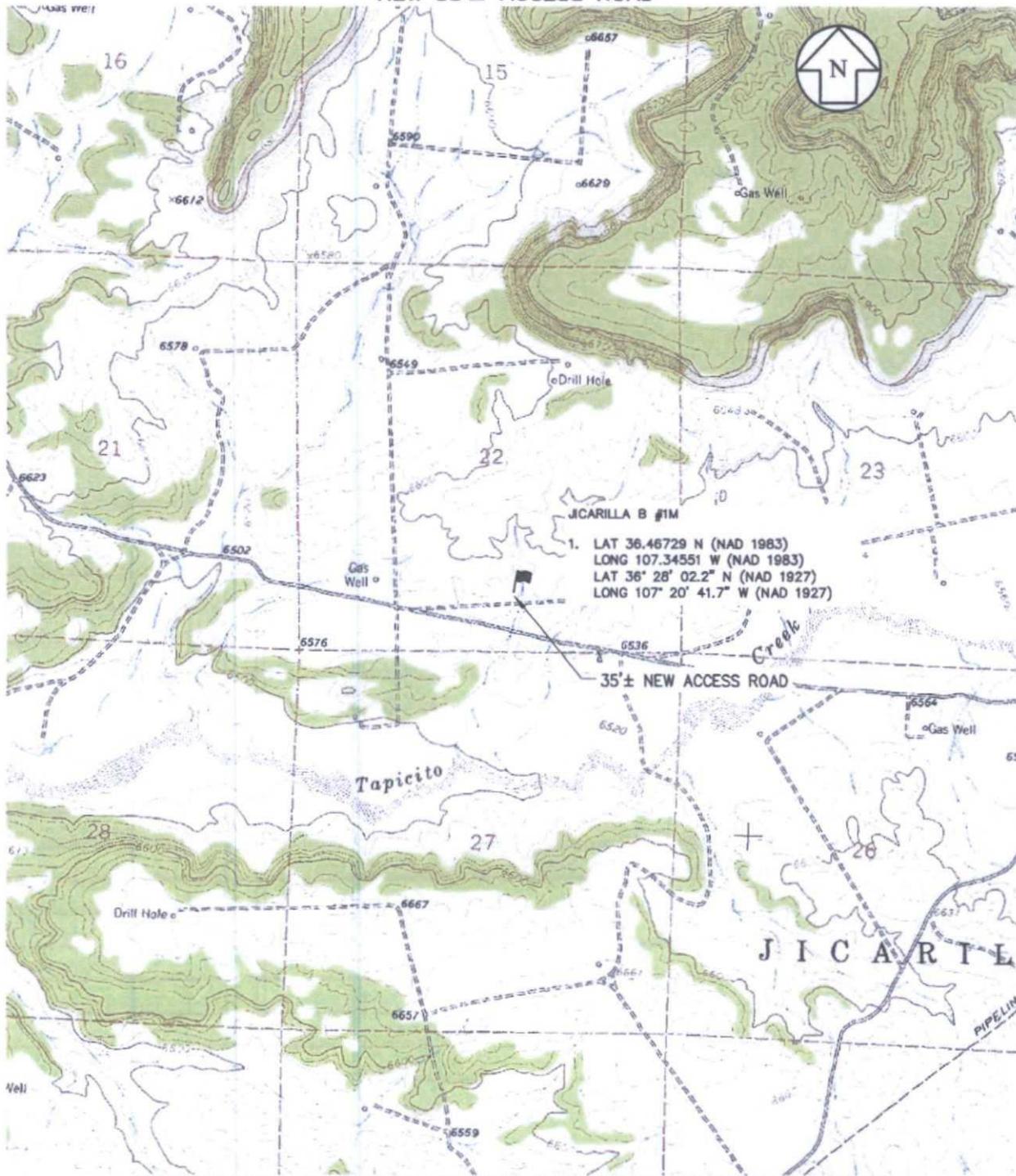
5 West



— Existing Spacing Unit Affected Offset Acreage

Enervest Operating, LLC
Application for Non-Standard Well Location
Jicarilla B No. 1M

**ENERVEST OPERATING, LLC. JICARILLA B #1M
 830' FSL & 2334' FEL, SECTION 22, T26N, R5W, N.M.P.M.
 RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6578'
 LAT: 36.46729° N LONG: 107.34551° W NAD 1983
 NEW 35'± ACCESS ROAD**



**NOTE: THIS MAP IS FOR ESTIMATING PURPOSES, CONSTRUCTION FOOTAGES ARE APPROXIMATE
 CONTRACTOR SHOULD CONTACT ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED UNDERGROUND UTILITIES
 OR PIPELINES ON WELL PAD AND/OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION**



SOUDER, MILLER & ASSOCIATES
 2101 SAN JUAN BOULEVARD
 FARMINGTON, NM 87401-2247

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ENERVEST OPERATING, LLC

HOUSTON, TEXAS

**ENERVEST OPERATING, LLC
 JICARILLA B #1M QUAD MAP
 SW1/4SE1/4 OF SECTION 22, T26N, R5W, NMPM**

RIO ARriba COUNTY, NEW MEXICO

THIS DRAWING IS INCOMPLETE AND NOT TO BE USED FOR CONSTRUCTION UNLESS IT IS STAMPED, SIGNED AND DATED

Designed KRS	Drawn GJF	Checked KRS
Date: SEPTEMBER, 2013		
Scale: Horiz: 1"=2000' Vert: NA		
Project No: 5122519		
Sheet: 5 of 6		

December 8, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: XTO Energy, Inc.
382 Road 3100
Aztec, New Mexico 87410

Re: Enervest Operating, LLC
Application for Unorthodox Well Location
Jicarilla B No. 1M
830' FSL & 2334' FEL (Unit O)
Section 22, T-26 North, R-5 West, NMPM,
Blanco-Mesaverde & Basin-Dakota Gas Pools
Ro Arriba County, New Mexico

Dear Sir:

Enclosed please find a copy of the application filed by Enervest Operating, LLC for unorthodox location approval for its proposed Jicarilla B No. 1M to be drilled 830 feet from the South line and 2334 feet from the East line (Unit O) of Section 22, Township 26 North, Range 5 West, NMPM, to test the Blanco-Mesaverde and Basin-Dakota Gas Pools, Rio Arriba County, New Mexico. Existing 320-acre gas spacing and proration units in both the Blanco-Mesaverde and Basin-Dakota Gas Pools comprising the E/2 of Section 22 are to be dedicated to the subject well. These units are currently dedicated to Enervest Operating, LLC's Jicarilla B Wells No. 1 and 1E.

As the owner of an interest that may be affected by the proposed unorthodox location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

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

Sincerely,



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

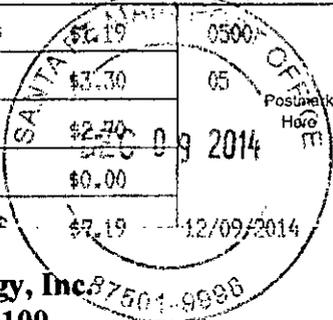
Enclosure

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE
AZTEC NM 87410

Postage	\$	87.19	0500
Certified Fee		\$3.30	05
Return Receipt Fee (Endorsement Required)		\$2.70	09 2014
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total Postage & Fees	\$	93.19	12/09/2014



Sent **XTO Energy, Inc.** 87501-9998
Street or P.O. **382 Road 3100**
City **Aztec, New Mexico 87410**

PS Form 3800, June 2012 **Instructions**

0919 9228 1000 0090 ETOL
7013 0600 0001 8726 6180