



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 8, 2008

Enervest Operating, L.L.C.
Attn: Ronnie L. Young
1001 Fannin St, Suite 800
Houston, TX 77002-6707

Administrative Order NSL-5782

**Re: State A Com. Well No. 8
Unit X, Section 5, Twsp 21S, Range 36E
Lea County**

Dear M:

Reference is made to the following:

(a) your application (**administrative non-standard location [NSL] application reference No. pKVR08-01749626**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 17, 2008, and

(b) the Division's records pertinent to this request.

Enervest Operating, L.L.C. (Enervest) has requested to drill the above-referenced well (the proposed well) at an unorthodox well location, 660 feet from the South line and 475 feet from the East line (Unit X) of irregular Section 5, Township 21 South, Range 36 East, N.M.P.M., in Lea County, New Mexico. An existing non-standard gas spacing unit (the unit) in the Eumont-Yates/Seven Rives/Queen Gas Pool (76480), comprising Units Q, R and X of irregular Section 5 and the NE/4 of Section 8, Township 21 South, Range 36 East, N.M.P.M., will be dedicated to the proposed well. Simultaneous dedication of the unit to the proposed well and three existing Eumont gas wells is being this day approved by Administrative Order SD-200612-B, issued pursuant to your SD application filed simultaneously with this application.

Spacing in the Eumont Gas Pool is governed by Rule 3(a)(2) of the Special Rules for the Eumont Gas Pool, as amended by Order R-8170-P, effective December 14, 2001, which provides that a gas well shall be at least 660 feet from any unit outer boundary, 660 feet from any governmental quarter section line, and 330 feet from any quarter/quarter section line. This location is less than 660 feet from the eastern unit boundary.

Your NSL application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for geologic reasons, in order to avoid interference with another producing Eumont well.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe