



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 18, 2008

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

Administrative Order NSL-5897

**Re: Bear Canyon Unit Well No. 6-14
API No. 30-039-
Unit D, Section 14-26N-2W
Rio Arriba County**

Dear Mr. Young:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-20652333**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 24, 2008, and

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

EnerVest Operation, L.L.C. (EnerVest) has requested to drill the above-referenced well as a horizontal well in the Mancos formation, at a location that will be unorthodox under Division Rule 111. The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 350 feet from the North line and 665 feet from the West line
(Unit D) of Section 14, Township 26N, Range 2W, NMPM
Rio Arriba County, New Mexico

Point of Penetration: 416 feet from the North line and 761 feet from the West line
(Unit D) of said section.

Terminus: 2250 feet from the South line and 790 feet from the East line
(Unit I) of said section.

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

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



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All of Section 14 will be dedicated to the proposed well to form a standard 640-acre spacing unit and project area in the Gavilan-Mancos Pool (27194). Spacing in this pool is governed by the Special Rules and Regulations for the Gavilan-Mancos Pool, as established by Order No. R-7407, issued on December 20, 1983, which provide for 640-acre, more or less, units, with wells to be located at least 790 feet from a unit outer boundary, at least 330 feet from any quarter-quarter section line, and at least 1650 feet from any other Gavilan-Mancos well in the same section. This location is unorthodox because portions of the producing interval will be less than 790 feet from the northern and western boundaries of the project area, and therefore outside the producing area.

Your 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 to accommodate existing surface uses and United States Bureau of Land Management requirement, and also for engineering reasons, to avoid complexities in the drilling of the proposed horizontal well.

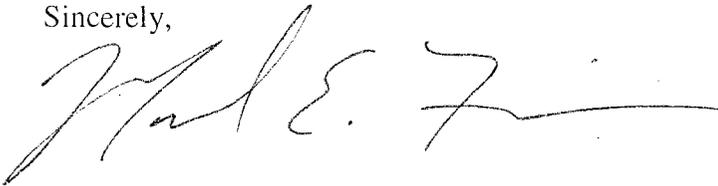
It is further understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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