

DATE IN <u>10/29/09</u>	SUSPENSE	ENGINEER <u>Jones</u>	LOGGED IN <u>10/29/09</u>	TYPE <u>DHC</u>	APP NO. <u>0930250873</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Enervest
143199

Mesa RAF State No. 1

ADMINISTRATIVE APPLICATION CHECKLIST

30-025-29827

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 _____

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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.

Ronnie L. Young
 Print or Type Name

Ronnie Young/bmh
 Signature

Compliance Supervisor
 Title

10-28-09
 Date

ryoung@enervest.net
 E-Mail Address

October 28, 2009

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OCD

2009 OCT 29 A 11: 29

Attention: Mr. Mark E. Fesmire, Director

Re: Form C-107A
EnerVest Operating, L.L.C.
Mesa "AAF" State No. 1
API No. 30-025-29827
990' FSL & 990' FWL (Unit M)
Section 28, T-13S, R-33E, NMPM,
Lea County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-107A for the EnerVest Operating, L.L.C. Mesa "AAF" State Well No. 1. It is proposed to downhole commingle the South Baum-Wolfcamp and Lazy J Upper-Penn Pools within the subject well. Approval of the application will allow EnerVest Operating, L.L.C. to economically produce the oil and gas reserves in the Wolfcamp and Pennsylvanian intervals, thereby preventing waste. Please note that the interest ownership between the commingled zones is common throughout. Consequently, the proposed downhole commingling will not violate correlative rights.

The Mesa "AAF" State Well No. 1 is located on a State of New Mexico lease and pursuant to Division rules, the Commissioner of Public Lands is being provided a copy of this application.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (713) 495-6530.

Sincerely,

Ronnie Young/bmh

Ronnie L. Young
Compliance Supervisor
EnerVest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002

Xc: OCD-Hobbs

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

APPLICATION FOR DOWNHOLE COMMINGLING

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Operator EnerVest Operating, L.L.C. Address 1001 Fannin Street, Suite 800 Houston, Texas 77002 **DHC-4221**

Lease Mesa "AAF" State No. 1 Well No. 990' FSL & 990' FWL Unit Letter-Section-Township-Range M-28-13S-33E County Lea
OGRID No. 143199 Property Code _____ API No. 30-025-29827 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<input checked="" type="checkbox"/> South Baum-Wolfcamp Pool		<input checked="" type="checkbox"/> Lazy J Upper-Penn Pool
Pool Code	Oil-4967		Oil-37430
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,990'-9,097' (Perforated)		9,708'-9,834' (Existing Perfs) 9,967'-10,030' (Proposed Perfs)
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Not Required		Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	41.9° API		41.9° API
Producing, Shut-In or New Zone	Shut-In: Zone Completed 02/2006		Shut-In: Currently Isolated Below CIBP
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 3/2007 Rates: 6 BOPD 8 MCFGPD 36 BWPD	Date: Rates:	Date: 02/2006 Rates: 5.8 BOPD 0 MCFGPD 0 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas To Be Provided After Completion	Oil Gas %	Oil Gas To Be Provided After Completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____

Are all produced fluids from all commingled zones compatible with each other? Yes No _____

Will commingling decrease the value of production? Yes _____ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No _____

NMOCD Reference Case No. applicable to this well: _____

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ronnie Young/bmh TITLE Compliance Supervisor DATE 10/28/2009
TYPE OR PRINT NAME Ronnie L. Young TELEPHONE NO. (713) 495-6530
E-MAIL ADDRESS ryoung@enervest.net

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29827		² Pool Code 4967		³ Pool Name Baum; Wolfcamp, South	
⁴ Property Code 12557		⁵ Property Name Mesa AAF State			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 4246.5' GR

¹⁰ Surface Location

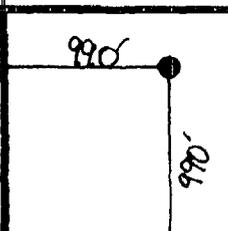
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	13S	33E	M	990	South	990	West	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Stormi Davis Printed Name Regulatory Compliance Technician Title and E-mail Address stormid@ypcrrn.com Date 12-5-05			
	¹⁸ SURVEYOR CERTIFICATION <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>			
	Date of Survey Signature and Seal of Professional Surveyor: Certificate Number			

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

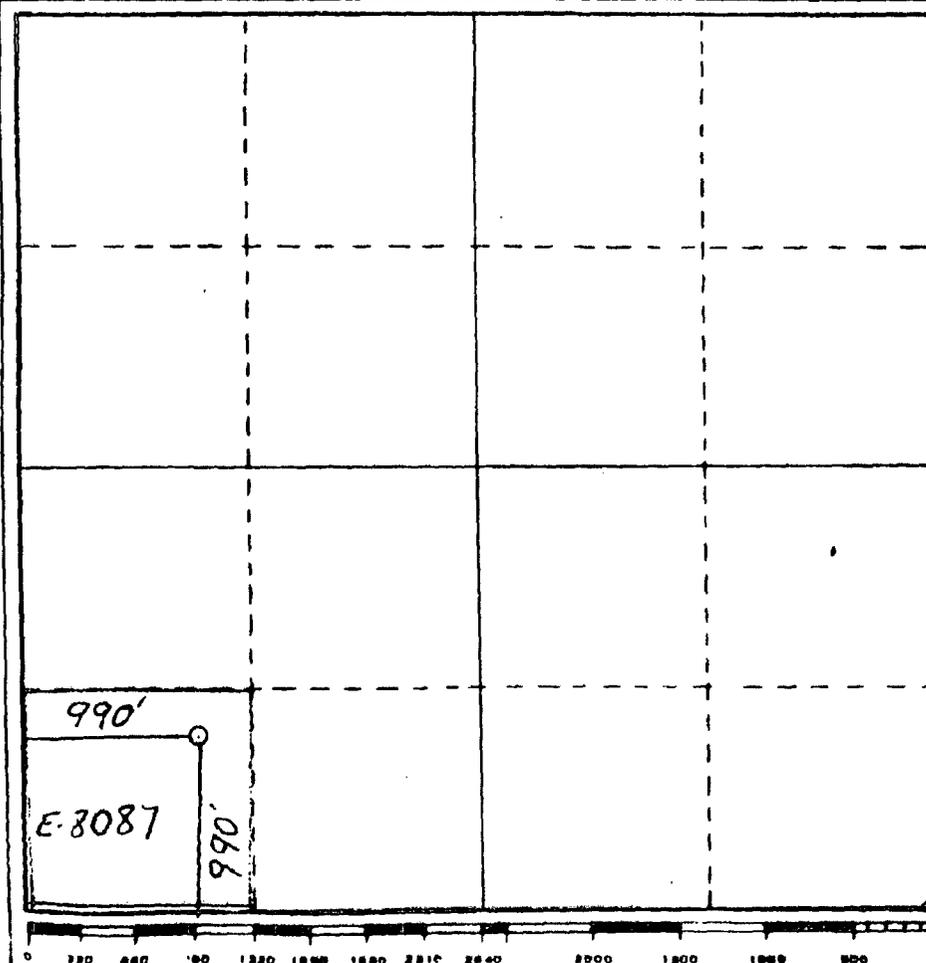
Operator YATES PETROLEUM CORPORATION			County MESA AAF STATE			Well No. 1		
Unit Letter M	Section 28	Township 13S	Range 33E	County LEA				
Actual Footage Location of Well:								
990		feet from the South		990		feet from the West		
Ground Level Elev. 4246.5'	Producing Formation Bough D			Prod. LAZY J			Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan
Name
Cy Cowan

Position
Regulatory Agent

Company
Yates Petroleum Corporation

Date
Dec. 16, 1986

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 knowledge and belief.

Date Received
DEC 17 1986

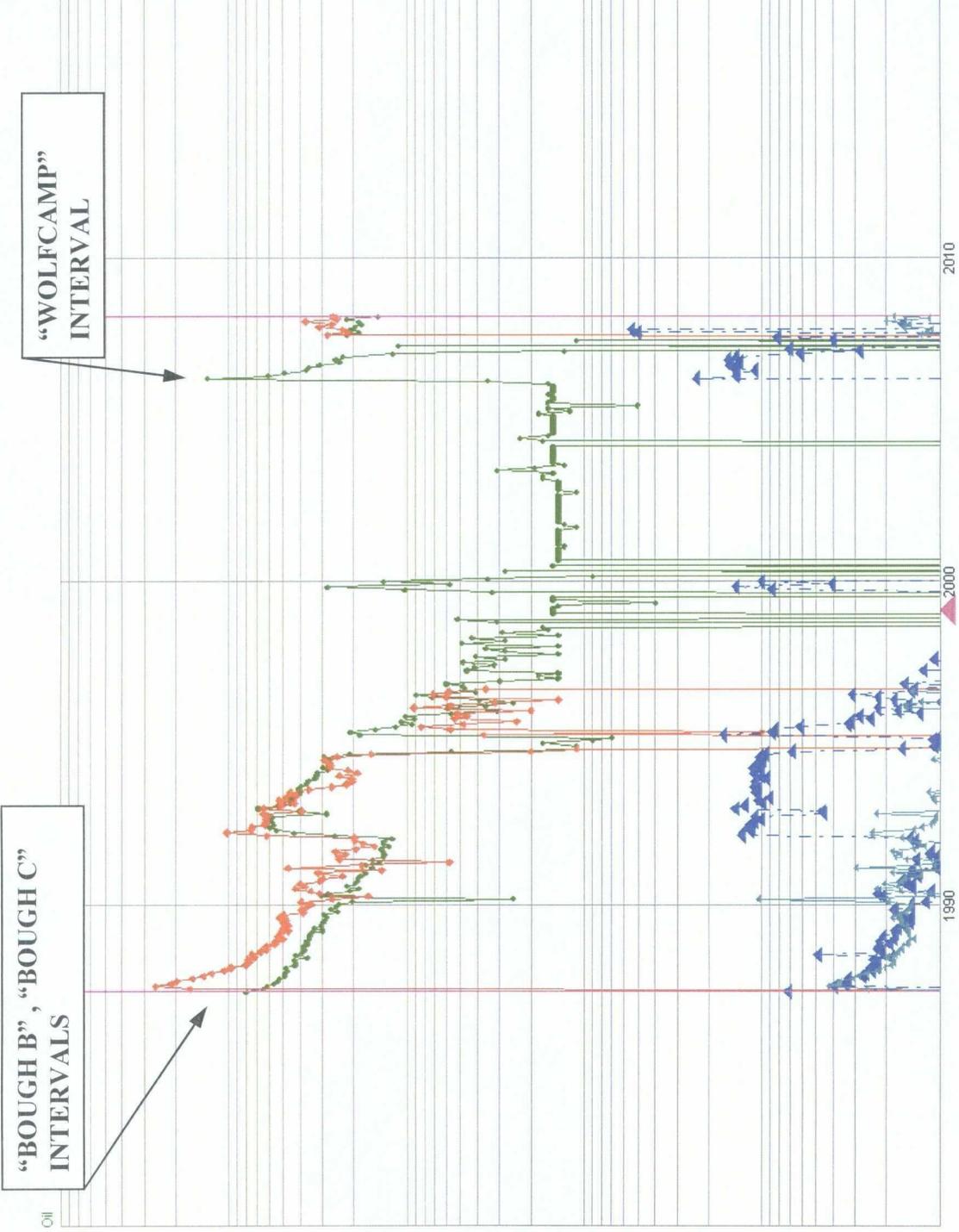
Registered Professional Geologist and Land Surveyor

STATE OF NEW MEXICO
LAND SURVEYING

Certificate No. **3640**

Results

Qual	EV0110
Ref	3/1/2008
Act	145.000
Est	0.000
Qref	0.000
Qlab	0.000
"b"	0.0000000
De	0.0000000
Dmin	0.000
Yis	0.082
Rem	0
Cum	40682
EUR	40682



**"BOUGH B", "BOUGH C"
INTERVALS**

**"WOLFCAMP"
INTERVAL**

Attachments and/or Supporting Data
Application for Downhole Commingling
EnerVest Operating, L.L.C.
Mesa "AAF" State No. 1 (API No. 30-025-29827)
Unit M, Section 28, Township 13 South, Range 33 East, NMPM,
Lea County, New Mexico

Production Data & Proposed Allocation

The Mesa "AAF" State No. 1 was drilled in 1987 and was initially completed in the Bough "C" interval of the Pennsylvanian formation through perforations from 9,814'-9,834'. In 1992, additional pay in the Bough "B" and "C" intervals was perforated in the well from 9,708'-9,794'. The well produced from the Pennsylvanian interval until February, 2006, at which time the Pennsylvanian formation was shut-in and isolated below a CIBP set at 9,650'. At the time the Pennsylvanian formation was shut-in, this interval produced at an average rate of approximately 5.8 BOPD.

In February, 2006, the Wolfcamp interval was perforated from 8,990'-9,097'. Initial production from the Wolfcamp interval was approximately 49 BOPD and 86 BWPD. The well declined rapidly and produced only until March, 2007 at which time the Wolfcamp interval was producing at a rate of approximately 6 BOPD and 8.0 MCFGPD.

EnerVest Operating, L.L.C. now proposes to perforate additional pay in the Bough "D" interval from 9,967'-10,030', and subsequently downhole commingle the Wolfcamp and Pennsylvanian intervals within the wellbore. The Bough "B", "C" and "D" intervals are all within the vertical limits of the Lazy J Upper-Penn Pool.

EnerVest Operating, L.L.C. proposes that the production allocation be established after completion of the Bough "D" interval. At that time, the South Baum-Wolfcamp Pool will be allocated 6 BOPD and 8.0 MCFGPD (as per the March, 2007 producing rate), and the remaining production from the well will be allocated to the Lazy J Upper-Penn Pool. EnerVest Operating, L.L.C. will provide production data and proposed allocation to the Santa Fe Office of the Division upon completion of the Bough "D" interval.