

DATE IN 2/19/10	SUSPENSE	ENGINEER WJ	LOGGED IN	TYPE DAS 1260	APP NO. P.W.J. 1004350929
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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



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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

[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.

<u>Bridget Helfrich</u> Print or Type Name	<u>Bridget Helfrich</u> Signature	<u>Regulatory Tech</u> Title	<u>2-10-10</u> Date
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bhelfrich@enervest.net
E-Mail Address

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-4260

Operator Enervest Operating, L.L.C. Address 1001 Fannin Street, Suite 800 Houston, Texas 77002

Lease C T Bates Well No. 1 Unit Letter-Section-Township-Range 1980' FSL & 660' FWL (L) 10-26S-37E County Lea

OGRID No. 143199 Property Code _____ API No. 30-025-11969 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<input checked="" type="checkbox"/> Rhodes Y-SR Pool (Gas)		<i>UW-20</i> South Leonard-Queen
Pool Code	Gas-83810		Oil-38760
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,743'-2,989' (Perforated)		3,302'-3,492' (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)	1420		32.1° API
Producing, Shut-In or New Zone	Producing; Well Re-Entered & Completed 3/1/2002		New Zone
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: 2009 Average: Rates: 0 BOPD 38 MCFGPD 0 BWPD	Date: Rates:	Date: Estimated Rates: 5 BOPD 246 MCFGPD 39 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? N/A 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 Bridget Helfrich TITLE Regulatory Tech DATE 2/10/2010

TYPE OR PRINT NAME Bridget Helfrich TELEPHONE NO. (713) 495-6537

E-MAIL ADDRESS bhelfrich@enervest.net

February 10, 2010

HAND DELIVERED

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

Attention: Mr. Mark E. Fesmire, Director

Re: Form C-107A
Enervest Operating, L.L.C.
C T Bates No. 1
API No. 30-025-11969
1980' FSL & 660' FWL (Unit L)
Section 10, T-26S, R-37E, NMPM,
Lea County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-107A for the Enervest Operating, L.L.C. C T Bates Well No. 1. It is proposed to downhole commingle the Rhodes Yates-Seven Rivers and South Leonard-Queen 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 Yates-Seven Rivers and Queen 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.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (713) 495-6537.

Sincerely,



Bridget Helfrich
Regulatory Tech
Enervest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002

Xc: OCD-Hobbs

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 October 15, 2009
 Submit one copy to appropriate
 District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-11969	² Pool Code 83810	³ Pool Name Rhodes (Yates-Seven Rivers) Gas Pool
⁴ Property Code	⁵ Property Name C T Bates	
⁷ OGRID No. 143100	⁸ Operator Name Enervest Operating, L.L.C.	
		⁶ Well Number 1
		⁹ Elevation 2993

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
L	10	26S	37E		1980	South	660	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 160	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No. NSP-1292-A					

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>¹⁶</p> <p>C T Bates No. 1</p> <p>660'</p> <p>1980'</p>	<p>¹⁷ OPERATOR CERTIFICATION <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 bottom hole 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><i>Bridget Helfrich</i> 2-10-10 Signature Date</p> <p>Bridget Helfrich Printed Name</p>
	<p>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></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

List of Offset SPU's
Doyle Hartman
C.T. Bates No. 4
N-10-26S-37E
Rhodes Gas Pool

OFFSETTING SPU's

WELL DEDICATIONS

Offset SPU	Color Code	Operator	Acreage Description	Acres	Non-Standard SPU	NMOCD Approval	Well	Location	Simultaneous Dedication	NMOCD Approval
1	Blue	Gruy	SW/4 SW/4 Sec. 10 T-26-S, R-37-E	40	Yes	NSP-1292 (2-10-82)	Rhodes GSU No. 9	M-10-26-37	No	
2	Pink	El Paso Hartman	N/2 S/2 Sec. 10 T-26-S, R-37-E N/2 S/2 Sec. 10 T-26-S, R-37-E	160	Yes	NSP-1292 (2-10-82)	C.T. Bates No. 1 (P&A 2-88) 11969 C.T. Bates No. 3 4483	L-10-26-37 K-10-26-37	No	
3	Green	Gruy	SE/4 SE/4 Sec. 10 & NW/4NE/4, S/2 NE/4 Sec. 15, T-26-S, R-37-E	160	Yes	R-9870 (4-14-93)	Gregory "B" No. 2	A-15-26-37	No	
4	Orange	Gruy	NW/4 NW/4, S/2 NW/4 Sec. 10, T-26-S, R-37-E	120	Yes	NSP-1292 (2-10-82)	Rhodes GSU No. 6 Gregory "B" No. 1 Rhodes GSU No. 7	D-15-26-37 E-15-26-37 F-15-26-37	Yes Yes Yes	R-6891 (2-1-82) R-6891 (2-1-82) R-6891 (2-1-82)

OWNERSHIP PLAT T-26-S, R-37-E

Burlington Res. 24 (Union Tex) Pet. 1870
 Lanex Co. 2A Crosby Deep?
 Sun. Meridian 90196
 J.W. Dobbs
 Sun. Meridian 90196
 B.A.R. Co. Meridian 90196
 Meridian Oil
 Atlantic Gregory U.S.M.
 Clyde Cooper (S)

(El Paso Prod) Gruy Pet.
 PanAmel. Gruy Pet.
 Gruy Pet. (18)
 Gruy Pet. (P/B)
 Gruy Pet. (P/B)
 Farnsworth
 Gruy Pet. US

(W) Willis (S) Gruy Pet. (Collins E, Ware) 0301768
 Amerada, etal Cagle
 "C.C. Cagle" 101500 US

H.B.P. B-1484 TO 1000
 Featherstone Dev. 10-1-98 VA 1046 3839
 Lankford 5366
 Meridian 5-1-96 V. 3663 137 55
 Featherstone Dev. 10-1-98 VA 1046 3839
 Cit. Serv. H.B.P. B-484
 Clyde N. Cooper, S

Gruy Pet. 03176 Offset SPU # 2 (160 ac.)
 El Paso Cagle 2-A
 Gruy Pet. 15 Lpg
 Offset SPU # 1 (40 ac.)
 Gruy Pet. 03176 El Paso Cagle 1-A
 Rhodes GSU US
 Columbia Carbon S

Gruy Pet. Doyle Hartman 0301768
 C.T. BATES # 4
 N-10-26S-37E
 (160-acre Non-Standard SPU)
 Rhodes USU US
 Doyle Hartman 5-20-98 10-18-95 D/R 7-3-98 S/R
 C.T. BATES
 P. Hartman D/R 6-20-98 10-18-95 7-3-98 S/R
 J. Chapman (S)

D.A. Tipton Ida D/R 1P 51
 Humble Fed. Leonard TD 12535 DIA 7-14-46
 Joyce M Willis (S)
 C.T. BATES # 4 NON-STANDARD SPU
 SW1/4 SE1/4, SE1/4 SW1/4 SECTION 10
 NW1/4 NE1/4, NE1/4 NW1/4 SECTION 15
 T-26-S, R-37-E
 Standing Leonard Fed. 7 Dev. DISC TD 12065 P/O 9530 F24 C.B. 29-49

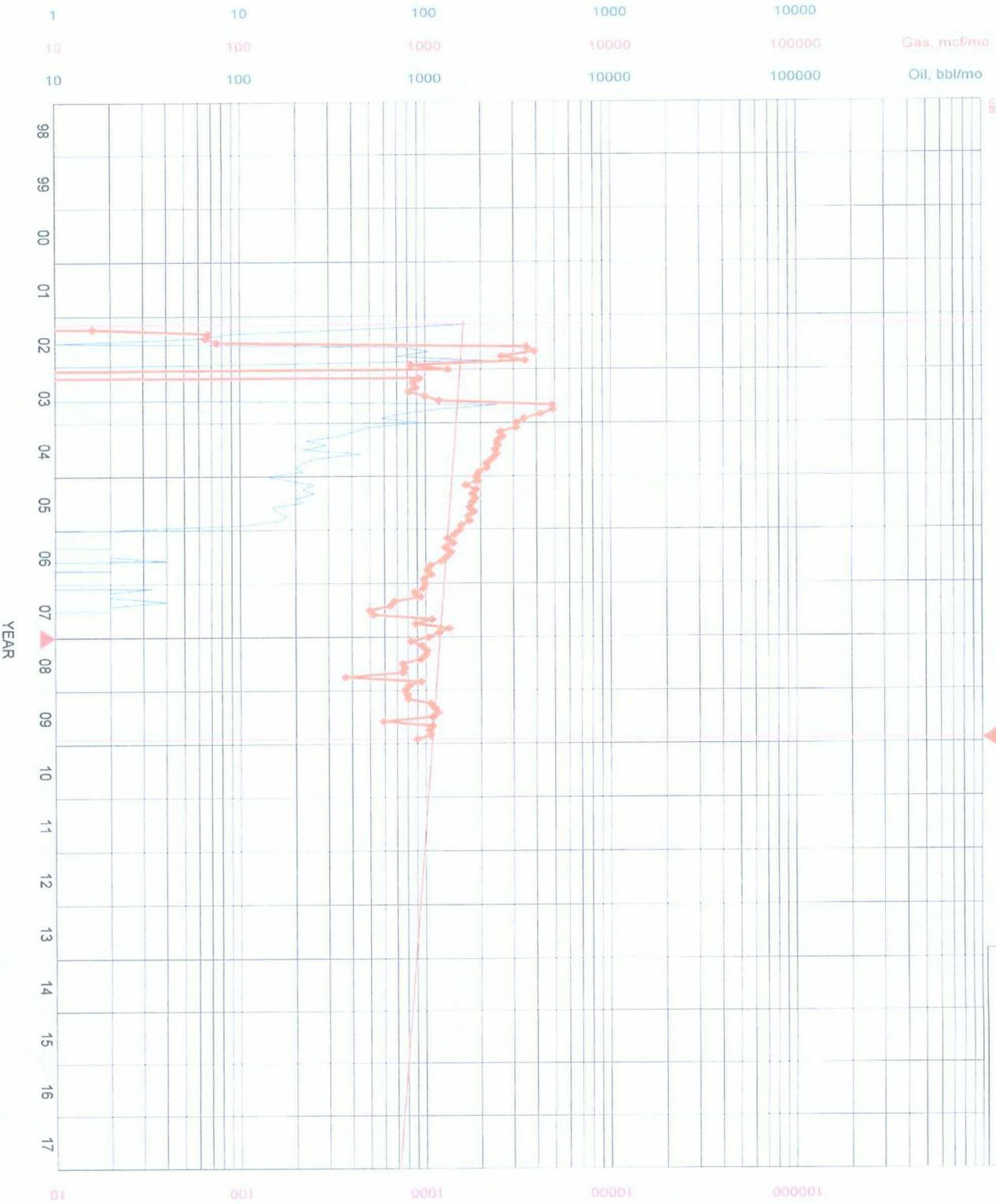
Gruy Pet. Collins E, Ware to 4000
 Gruy Pet. Rhodes GSU
 H.B.P. B 7683
 Cit Serv H.B.P. B-1484
 Texaco B-1327
 State J. Chapman (S) B-9014
 Gruy Pet. H.B.P. B-8829
 Texaco B-1327
 Gruy Pet. H.B.P. B-7606
 Cit Serv H.B.P. B-1327
 Gruy Pet. El Paso Prod. 24 Rhodes GSU
 Offset SPU # 4 (120 ac.)
 D.K. Boyd

Doyle Hartman D/R 6-20-98 10-18-95 7-3-98 S/R
 C.T. BATES, M
 Fred L. Malloch, etal
 Gregory
 Gruy Pet. 90196
 Rhodes GSU
 Offset SPU # 3 (160 ac.)
 J.S.

PermOk Oil (Amerada, D/R)
 Leonard Oil Leonard Fed. TO 1455
 DUBLIN
 "Glenn-Ryan"
 PermOk (Amerada, D/R) 7951
 Midwest Fed. 103011
 Leonard Fed. TO 10650 DIA 1-13-76
 Kelton Oil 068824
 Leonard Bros 1952
 Kelton

(H.P. Hubbard) Gruy Pet. 5
 Elliott Feo Meridian Oil
 Gruy Pet. (El Paso Prod) to 4000
 D.K. Boyd OEG (S)
 Texaco, etal Gruy Pet. 030174
 Gruy Pet. 030174
 PermOk (Amerada, D/R) 1952
 Kelton Oil 068824
 Leonard Bros 1952
 Kelton

BATES, C. T. #1
 RHODES
 YATES SEVEN RIVERS
 ENERVEST OPERATING
 PDP



Oil, bbl/mo	12/2009
Ref=	0
Cum=	0
Gas, mcf/mo	12/2009
Qual#09CCOPPS	137062
Ref=	12/2009
Cum=	241566
EUR=	378626
Yrs=	59.997
Qref=	1082.6
De=	5.000000
Dmin=	0.000
b=	0.000000
Qab=	50.0
Water	12/2009
Ref=	1707
Cum=	0
Yield	12/2009
Ref=	0
Cum=	0

Attachments and/or Supporting Data
Application for Downhole Commingling
Enervest Operating, L.L.C. ("Enervest")
C T Bates No. 1 (API No. 30-025-11969)
Unit L, Section 10, Township 26 South, Range 37 East, NMPM,
Lea County, New Mexico

Production Data & Proposed Allocation

The C T Bates No. 1 was drilled in 1953 and produced from the Rhodes (Yates-Seven Rivers) Gas Pool until 1988 at which time the well was plugged and abandoned. Doyle Hartman re-entered the well in 2002 and completed the well in the Rhodes (Yates-Seven Rivers) Gas Pool in March, 2002. The Rhodes (Yates-Seven Rivers) Gas Pool is currently perforated from 2,743'-2,989'. During 2009, the C T Bates No. 1 produced from this pool at an average rate of 38 MCFGPD, 0 BOPD and 0 BWPD.

Enervest proposes to complete the South Leonard-Queen Pool in the wellbore by perforating from 3,302'-3,492'.

Enervest currently operates the C T Bates No. 3, which is an offset well located in Unit K of Section 10, T-26 South, R-37 East. ~~This well is downhole commingled in the Rhodes (Yates-Seven Rivers) Gas and South Leonard-Queen Pools.~~ During 2009, the average production from this well in the South Leonard-Queen Pool was 261 MCFGPD, 4.78 BOPD and 39 BWPD.

It should be noted however, that there are several offset wells located in Sections 11 and 14, T-26 South, R37 East that produce from the South Leonard-Queen Pool. Division data indicates that these offset wells generally produce at very marginal rates of less than 1 MCFGPD and 1 BOPD.

Enervest proposes that the production allocation be established after completion of the South Leonard-Queen Pool. At that time, the Rhodes (Yates-Seven Rivers) Gas Pool will be allocated 0 BOPD and 38 MCFGPD (as per the 2009 average producing rate), and the remaining production from the well will be allocated to the South Leonard-Queen Pool. Enervest will provide production data and proposed allocation to the Santa Fe Office of the Division upon completion of the South Leonard-Queen Pool.

Jones, William V., EMNRD

From: David Catanach [drcatanach@netscape.com]
Sent: Friday, February 12, 2010 2:19 PM
To: Jones, William V., EMNRD
Cc: Bridget Helfrich
Subject: CT Bates No. 1
Attachments: CTBatesNo.3.pdf

Mr. Jones,

I have received a copy of your E-mail to Bridget Helfrich regarding the downhole commingling application for the CT Bates Well No. 1. I have conducted some research into your question regarding the simultaneous dedication of the 160-acre non-standard gas unit to the C T Bates Wells No. 1 & 3. Here are my findings:

NSP-1292 (2/10/82) approved the subject 160-acre non-standard unit comprising the N/2 S/2 of Section 10. Unit was to be dedicated to the C T Bates No. 1.

The C T Bates No. 1 was PA'd in 1988

NSP-1292-A (1/11/91) reinstated the subject unit, to be dedicated to Doyle Hartman's proposed C T Bates No. 2. The CT Bates No. 2 blew-out while drilling in 1991 and was subsequently plugged and abandoned.

In 1998, Hartman drilled the C T Bates No. 3 and reported the completion as being the Rhodes (Y-SR) Pool (Perfs 3,313'-3452')

In 2002, Hartman re-entered the C T Bates No. 1 and completed the well in the Rhodes (Y-SR) Pool (Perfs: 2,743'-2,989')

In 10/2007, Enervest assumed operatorship of the C T Bates Nos. 1 and 3.

By sundry notice to the Hobbs OCD dated 11/5/2009, Enervest requested that the pool completion in the C T Bates No. 3 be changed from the Rhodes (Y-SR) to the South Leonard-Queen Pool.

They stated that Hartman mistakenly placed this well in the wrong pool. This C-102 was approved by Paul Kautz on 11/23/2009. (See Attached)

So, it appears that the C T Bates No. 3 is completed in the South Leonard-Queen Pool only.

In filing the DHC application for Enervest, I mistakenly stated that the C T Bates No. 3 was downhole commingled in the Rhodes (Y-SR) and South Leonard-Queen Pools. This mistake was a result of my examining Division production records that show production from the Rhodes (Y-SR) and South Leonard Queen Pools for this well from 2007-2009. Production from 1998 to 2007 is shown to be from the Rhodes (Y-SR) for this well.

It appears that Enervest needs to correct the production records for the C T Bates No. 3 to reflect production from 1998 to present to be South Leonard-Queen.

I believe that takes care of your simultaneous dedication question.

If I can answer any other questions, please call me at (505) 690-9453.

Regards,

David Catanach
Regulatory Consultant

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This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.
