

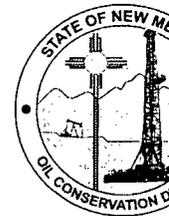


New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Brett F. Woods, Ph.D.**  
Acting Cabinet Secretary

**Daniel Sanchez**  
Acting Division Director  
**Oil Conservation Division**



February 14, 2011

Enervest Operating, L.L.C.  
Attn: Bridget Helfrich  
1001 Fannin Street, Suite 800  
Houston, TX 77002-6707

**Administrative Order NSL-6336**

**Re: Jicarilla C Well No. 3M**  
**API No. 30-039-30042**  
**1275 feet FSL & 2255 feet FWL**  
**Unit N, Section 23-26N-5W**  
**Rio Arriba County, New Mexico**

Dear Ms. Helfrich:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-02142439**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 21, 2011, and

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

Enervest Operating, L.L.C. (Enervest) has requested to complete the above-referenced well at an unorthodox oil or gas well location in the Tapacito-Gallup Associated Pool (58090), described above in the caption of this letter. In the event that this well produces as an oil well in the Tapacito-Gallup Pool, the S/2 SW/4 of Section 23 will be dedicated thereto in order to form a standard 80-acre spacing unit in the said pool. In the event that this well produces as a gas well, the existing gas unit comprising S/2 of Section 23 will be dedicated thereto.

Unit size in this pool is governed by Rule 2.(a), Special Rules and Regulations for the Tapacito-Gallup Associated Pool, as adopted by Order R-5353, issued on January 17, 1977, which provides for 80-acre oil units and 320-acre gas units. Spacing is governed by Rule 2(b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico, adopted by the same Order, which provides for wells to be



no closer than 790 feet to any quarter section line, nor closer than 330 feet to any quarter-quarter section line.

The proposed location is unorthodox for an oil well because it encroaches toward the northern unit boundary, and it is unorthodox for a gas well because it is less than 330 feet from a quarter-quarter section line.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for geologic reasons applicable to other pools in which this well will be completed.

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 4.12.A(2), in all adjoining units which offset the proposed location.

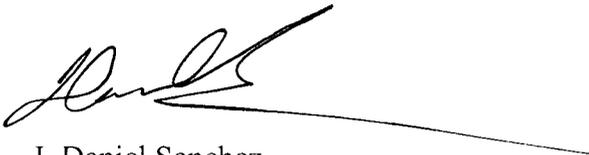
Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

**Please Note** that, in addition to the approval in this Order, you must secure approval of a non-standard gas unit (NSP) for the Jicarilla C Well No. 3, if this well is an oil well, or approval for simultaneous dedication (SD) of the S/2 of Section 23 to this well and the Jicarilla C Well No. 3 if this well is a gas unit, before you may produce this well from the Tapacito-Gallup Associated Pool.

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

Sincerely,



J. Daniel Sanchez  
Acting Director

JDS/db

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