

DATE IN 7-1-10	SUSPENSE	ENGINEER DB.	LOGGED IN 7-1-10	TYPE NSL	APP NO. 1018257512
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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)

Jicarilla Apache 102 #14F

Jicarilla 102 #14-F

ADMINISTRATIVE APPLICATION CHECKLIST 30-039-29666

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]

5294-A

[1] TYPE OF APPLICATION - Check Those Which Apply for [A] ***Amendment to NSL-5294***

[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.

Ronnie Young

Ronnie Young lbmh

Compliance Supervisor

6-30-10

Print or Type Name

Signature

Title

Date

ryoung@enervest.net
 e-mail Address



ENERVEST

June 30, 2010

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

Attn: Mark Fesmire, Division Director

RE: Request to Amend Administrative Order No. NSL-5294
Jicarilla "102" No. 14-F
120' FNL & 660' FWL (Unit D)
Section 9, T-26 North, R-4 West, NMPM,
Rio Arriba County, New Mexico

Dear Mr. Fesmire,

By Order No. NSL-5294 dated October 25, 2005, the Division authorized CDX Rio, L.L.C. to drill the Jicarilla Apache "102" Well No. 14-F at an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Gas Pools 120 feet from the North line and 660 feet from the West line (Unit D) of Section 9, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

✓ Enervest Operating, L.L.C. ("Enervest"), the successor operator of this well, hereby requests an amendment to Order No. NSL-5294 to authorize non-standard location approval for the BS Mesa-Gallup Pool (Gas-72920). The BS Mesa-Gallup Pool is currently governed by statewide rules that require standard 160-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 330 feet to any interior quarter-quarter section line. The NW/4 of Section 9 is to be dedicated to the subject well in the BS Mesa-Gallup Pool thereby forming a standard 160-acre gas spacing and proration unit.

Enervest recently drilled the Jicarilla Apache "102" No. 14-F and has encountered commercial production in the Gallup formation. The well is proposed to be completed as a downhole commingled completion in the Basin-Dakota, Blanco-Mesaverde and BS Mesa-Gallup Pools. The Aztec District Office of the Division has already approved the downhole commingling of the Basin-Dakota and Blanco-Mesaverde Gas Pools within the well, however, due to the addition of the BS Mesa-Gallup Pool, Enervest is preparing an amended downhole commingling application to add the BS Mesa-Gallup Pool.

The affected offset acreage is the SW/4 of Section 4 and the SE/4 of Section 5, both in Township 26 North, Range 4 West. The SW/4 of Section 4 is operated by Enervest. The

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interest ownership between the SW/4 of Section 4 and the NW/4 of Section 9 is common throughout. The SE/4 of Section 5 is currently operated by Noble Energy, Inc. They are being sent a copy of this application by certified mail, with a request to sign a Waiver Letter.

Attached is an Offset Operator Owner Plat showing the spacing unit, unorthodox well location and adjoining spacing units and wells; a copy of the C-102; and the Administrative Application Checklist

Approval of the requested amendment will provide Enervest the opportunity to recover Gallup reserves underlying the NW/4 of Section 9, thereby preventing waste, and will not violate correlative rights.

Because the well will be completed and ready to produce in the next several days, Enervest further requests that the Division, to the extent possible, issue an expedited order in the matter.

If you have any questions, please contact me at 713-495-6537.

Thank you,


Bridget Helfrich
Regulatory Tech.

cc: NMOCD Aztec office

District I
1825 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 30-039-29666	² Pool Code 72319/71599/72920	³ Pool Name Blanco Mesaverde / Basin Dakota / BS Mesa Gallup (Gas)
⁴ Property Code 33455	⁵ Property Name JICARILLA 102	⁶ Well Number 14F
⁷ OGRID No. 143199	⁸ Operator Name ENERVEST OPERATING, L.L.C.	⁹ Elevation 7111'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1 dn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	26N	4W		120	NORTH	660	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1 dn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres BLANCO MV = N 320 ac.	¹³ Joint or Infill BASIN DK = W 320 ac. Y	¹⁴ Consolidation Code	¹⁵ Order No. NSL-5294
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BS MESA GALLUP = NW 160 ac.

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>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Bridget Helfrich</i> 6-16-10 Signature Date</p> <p>BRIDGET HELFRICH Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>6-17-05 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: ROBERT L. POUNDS</p> <p>NM 6846 Certificate Number</p>

(R) = BLM RECORD

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, July 06, 2010 9:15 AM
To: 'ryoung@enervest.net'
Subject: Jicarilla 102 #14-F; NSL Application

Dear Mr. Young

We have received the referenced application.

Rule 15.13.D requires that the Applicant's statement regarding notice include a statement that the noticed party has twenty days from the date on which OCD receives the application in which to object, and that if no notice is received by OCD within that time period, the application may be granted. We accordingly need for you to either furnish us a copy of your cover letter to Noble as a demonstration that they were given the required admonition regarding the 20-day time limit, or certify to us that you so informed them.

Of course, this will be a moot point if you furnish us a signed waiver, as suggested in your application.

Thanks

David K. Brooks
Legal Examiner



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July 8, 2010

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

Attn: Mark Fesmire, Division Director

RE: Waiver letter from Noble Energy
Request to Amend Administrative Order No. NSL-5294
Jicarilla "102" No. 14-F
120' FNL & 660' FWL (Unit D)
Section 9, T-26 North, R-4 West, NMPM,
Rio Arriba County, New Mexico

Dear Mr. Fesmire,

Please see the enclosed fully executed Waiver Letter from Noble Energy. We would like to submit this as part of our Request to Amend Administrative Order No. NSL-5294.

If you have any questions, please contact me at 713-495-6537.

Thank you,


Bridget Helfrich
Regulatory Tech.

cc: NMOCD Aztec office



June 23, 2010

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202
Attn: Mary Ann Adams

RE: Amendment to Administrative Order NSL-5294

Dear Ms. Adams,

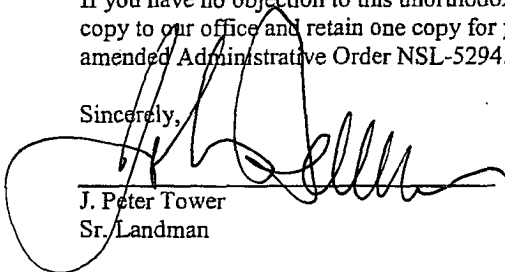
EnerVest Operating, L.L.C. is in the process of filing an amendment to the approved Administrative Order NSL-5294, which granted us a location exception for the Jicarilla 102 #14F well. Per this amendment, we will be requesting to add the BS-Mesa-Gallup (Gas) pool.

A copy of the amended application has been attached for your review.

As the owner of an interest that may be affected by the proposed unorthodox location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you.

If you have no objection to this unorthodox location, please sign two copies of the attached waiver, return one executed copy to our office and retain one copy for your files. We will file our copy to the NMOCD Santa Fe office with the amended Administrative Order NSL-5294.

Sincerely,


J. Peter Tower
Sr. Landman

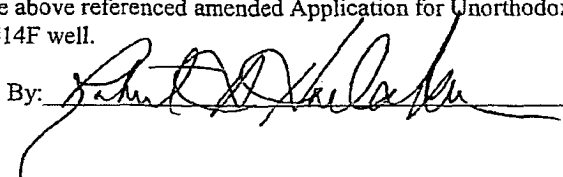
WAIVER

Noble Energy hereby waives objection to the above referenced amended Application for Unorthodox location for EnerVest Operating, L.L.C.'s Jicarilla 102 #14F well.

Date:

June 8, 2010

By:



New Mexico Oil Conservation Division
Attn: Mark Fesmire
1220 South St. Francis Drive
Santa Fe, NM 87505