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August 18, 2011

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

Attn: Jami Bailey, CPG  
Division Director

RE: Administrative Order DHC-4414  
Jicarilla A No. 8M (API No. 30-039-29848)  
Unit B, Section 17, T-26 North, R-5 West, NMPM,  
Rio Arriba County, New Mexico



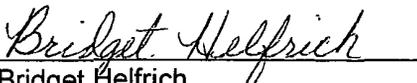
Dear Ms. Bailey,

We would like to request a change in the allocation percentages based on net pay in each zone instead of using offset production data, as previously submitted. This method would give approximately the same allocation factors as Gas-In-Place estimates, which is really what these factors should be based upon.

Attached please find an allocation spreadsheet showing the net pay percentages for all three pools.

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

Thank you,

  
Bridget Helfrich  
Regulatory Tech.

Form C-107-A  
 Enervest Operating, L.L.C.  
 Jicarilla A No. 8M  
 API No. 30-039-29848  
 750' FNL & 2240' FEL (Unit B) Section 17, T-26N, R-5W

**Proposed Allocation Percentages Based Upon Net Pay Per Zone**

| <u>Well Location UL-S-T-R</u> | <u>Formation</u> | <u>Net Feet of Pay</u> | <u>Allocation %</u> | <u>Allocation %</u> |            |
|-------------------------------|------------------|------------------------|---------------------|---------------------|------------|
|                               |                  |                        |                     | <u>Oil</u>          | <u>Gas</u> |
| B-17-26N-5W                   | Blanco-Mesaverde | 36                     | 36/90 = 40%         | 40%                 | 40%        |
| B-17-26N-5W                   | Tapacito-Gallup  | 8                      | 8/90 = 9%           | 9%                  | 9%         |
| B-17-26N-5W                   | Basin-Dakota     | 46                     | 46/90 = 51%         | 51%                 | 51%        |

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