

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: March 28th, 2014

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other:

Well information:

frmWellFilterSub													
API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-31171-00-00	JICARILLA A	007F	ENERVEST OPERATING L.L.C.	G	N	Rio Arriba	J	C	17	26	N	5	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Hold C104 for NSL

NMOCD Approved by Signature

4/3/14
Date

RECEIVED

MAR 31 2014

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Farmington Field Office Bureau of Land Management

FORM APPROVED OMB No. 1004-0137 Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

1. Type of Well [X] Gas Well [] Oil Well [] Other
2. Name of Operator EnerVest Operating, LLC
3a. Address 1001 Fannin St, Suite 800 Houston, TX 77002-6707
3b. Phone No. (include area code) 713-659-3500; 713-970-1847
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 2053' FWL, Sec. 17, T26N, R5W, Unit Letter C

5. Lease Serial No. Jicarilla Contract 110
6. If Indian, Allottee, or Tribe Name Jicarilla Apache
7. If Unit or CA. Agreement Name and/or No. ROVD APR 2 '14 OIL CONS. DIV.
8. Well Name and No. DIST. 3
9. API Well No. Jicarilla "A" No. 7 F
10. Field and Pool, or Exploratory Area Blanco-Mesaverde & Basin-Dakota
11. County or Parish, State Rio Arriba

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 main columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, and various actions like Acidize, Deepen, Production, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

EnerVest Operating, LLC respectfully request permission to downhole commingle this well. This is a new drill well that is awaiting completion operations. The well will be a downhole commingled completion in the Blanco-Mesaverde and Basin-Dakota Gas Pools.

Production allocation will be as stated on the attached Form C-103. Interest ownership between the Mesaverde and Dakota is common.

*DHC 3864 AZ

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed) Jeanie McMillan Title Sr. Regulatory Advisor
Signature [Handwritten Signature] Date March 28, 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Handwritten Signature] Title 620 Date 3-31-14

NMOCDF

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-31171
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Enervest Operating, L.L.C.		6. State Oil & Gas Lease No.
3. Address of Operator 1001 Fannin Street, Suite 800 Houston, Texas 77002		7. Lease Name or Unit Agreement Name Jicarilla "A"
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>North</u> line and <u>2053</u> feet from the <u>West</u> line Section <u>17</u> Township <u>26 North</u> Range <u>5 West</u> NMPM Rio Arriba County		8. Well Number <u>7F</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,640' GR		9. OGRID Number 143199
		10. Pool name or Wildcat Blanco-Mesaverde & Basin-Dakota

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RCVD APR 2 '14

Enervest Operating, L.L.C. ("Enervest") is proposing to drill the Jicarilla "A" Well No: 7F and complete the well as a downhole commingled completion in the Blanco-Mesaverde and Basin-Dakota Gas Pools.

OIL CONS. DIV.

DIST. 3

Order No. Authorizing Pre-Approved Downhole Commingling: R-11363 dated 4/26/2000

Pools to be Downhole Commingled: Blanco-Mesaverde (Prorated Gas-72319) and Basin-Dakota (Prorated Gas-71599) Pools

Perforated Intervals (Estimated): Basin-Dakota: 7,329'-7,619'; Blanco-Mesaverde: 4,797'-5,525'

Allocation Method: Based upon the 2013 average production from seven wells offsetting the Jicarilla "A" No. 7F (See Attached Table) Enervest proposes to allocate production to the well as follows:

Blanco-Mesaverde Gas Pool: Oil: 56% Gas: 54% Water: 62%

Basin-Dakota Gas Pool: Oil: 44% Gas: 46% Water: 38%

Interest Ownership between the Mesaverde and Dakota is common. The well is dedicated to the W/2 of Section 17 in both pools. No notification required.

The composition of the commingled fluids is such that commingling will not reduce the total remaining production's value

A Copy of this Form C-103 has been provided to the United States Bureau of Land Management.

Spud Date: Rig Release Date:

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

SIGNATURE David Catanach TITLE Agent-Enervest Operating, L.L.C. DATE 3/26/14

Type or print name David Catanach E-mail address: drctanach@netscape.com PHONE: 505-690-9453

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

**DHC Application
Jicarilla A No. 7F
Offset Well Production**

Offset Well Name & Number	Well Location	2013 Avg. Mesaverde Oil Production	2013 Avg. Mesaverde Gas Production	2013 Avg. Mesaverde H2O Prod.	2013 Avg. Dakota Oil Production	2013 Avg. Dakota Gas Production	2013 Avg. Dakota H2O Prod.
Jicarilla A No. 7E	D-17-26N-5W	0.142 BOPD	24 MCFGD	1.5 BWPD	0.17 BOPD	29 MCFGD	1.8 BWPD
Jicarilla A No. 8N	J-17-26N-5W	2.4 BOPD	126 MCFGD	4.6 BWPD	1.3 BOPD	68 MCFGD	2.5 BWPD
Jicarilla A No. 8	H-17-26N-5W	.204 BOPD	26 MCFGD	1.3 BWPD	.109 BOPD	14 MCFGD	0.7 BWPD
Jicarilla A No. 8M	B-17-26N-5W	1.5 BOPD	112 MCFGD	0.5 BWPD	1.9 BOPD	142 MCFGD	.275 BWPD
Jicarilla A No. 3E	F-8-26N-5W	0.08 BOPD	32 MCFGD	0 BWPD	0.15 BOPD	21 MCFGD	0 BWPD
Jicarilla A No. 3R	G-8-26N-5W	0.14 BOPD	42 MCFGD	0 BWPD	0.3 BOPD	42 MCFGD	0.0 BWPD
Jicarilla Apache Tribal 155 No. 5	K-9-26N-5W	N/A	N/A	N/A	0.105 BOPD	40 MCFGD	0.32 BWPD
Well Average		0.744 BOPD	60 MCFGD	1.3 BWPD	0.576 BOPD	51 MCFGD	0.8 BWPD
Recommended Allocation		56%	54%	62%	44%	46%	38%