

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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 _____

7044
 - NSL
 - ENERVEST OPERATING
 143199
 - well
 - JICARILLA A #1M
 30-039 - Pending

- [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

Pool
 - BLANCO
 mesauende
 72319
 - BASIN
 DAKOTA
 71599

[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.

David Catanach
 Print or Type Name David Catanach
 Signature
 3/17/14
 Date

Agent-Enervest Operating, LLC
 Title
 drcatanach@netscape.com
 E-Mail Address



February 17, 2014

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

Attn: Jami Bailey, CPG
Division Director

RE: Application for Unorthodox Well Location
Jicarilla A No. 1M (**API No. Not Yet Assigned**)
1807' FSL & 2527' FWL (Unit K)
Section 18, T-26 North, R-5 West, NMPM,
Rio Arriba County, New Mexico

Dear Ms. Bailey,

Pursuant to Division Rule 19.15.15.13, Enervest Operating, LLC ("Enervest") respectfully requests administrative approval of an unorthodox gas well location for its proposed Jicarilla A No. 1M. This well will be drilled as a development gas well in the Blanco-Mesaverde (Prorated Gas-72319) and Basin-Dakota (Prorated Gas-71599) Gas Pools at an unorthodox location for both pools 1807 feet from the South line and 2527 feet from the West line (Unit K) of Section 18, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The proposed Jicarilla A No. 1M will be dedicated to existing 319.2-acre gas spacing and proration units in both the Blanco-Mesaverde and Basin-Dakota Gas Pools comprising the W/2 of Section 18. **In the Blanco-Mesaverde Gas Pool**, this unit is currently dedicated to Enervest's existing Jicarilla A No. 1 (API No. 30-039-06481) located at a standard well location 1820 feet from the South line and 1130 feet from the West line (Unit L). The Jicarilla A No. 1M will be the first Mesaverde infill well on this unit. **In the Basin-Dakota Gas Pool**, this unit is currently dedicated to Enervest's existing: i) Jicarilla A No. 1 (described above); and ii) Jicarilla A No. 1E (30-039-22580) located at a standard well location 1720 feet from the North line and 1850 feet from the West line (Unit F). The Jicarilla A No. 1M will be the second Dakota infill well on this unit.

Both the Blanco-Mesaverde and Basin-Dakota Gas Pools are currently governed by special rules established by Order No. R-10987, as amended. Pursuant to these rules, wells are to be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 40 feet to any quarter-quarter section line or subdivision inner boundary. These rules also allow the drilling of up to four wells within a standard spacing unit provided that no more than

two wells may be drilled within a quarter section, and further provided that no more than one well may be drilled within a quarter-quarter section.

The well location for the Jicarilla A No. 1M was initially moved from a standard well location because it was located in a prime wildlife habitat area. The well was moved again due to rugged topography (see attached topo map). *OK*

The affected offset acreage is the E/2 of Section 18 in both the Blanco-Mesaverde and Basin-Dakota Gas Pools. The E/2 of Section 18 is an existing 320-acre spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Gas Pools, and both units are operated by Enervest. Please note that the working interest ownership between the W/2 and the E/2 of Section 18 is common. Consequently, notice of this application is not required to be provided to any party. *OK*

Attached is a plat showing: i) the proposed well and spacing units in both the Blanco-Mesaverde and Basin-Dakota Gas Pools; ii) existing Mesaverde and Dakota producing wells within the spacing unit, and; iii) the affected offset spacing unit. Also attached is a topographic map.

In summary, approval of the application will provide Enervest the opportunity to recover additional oil and gas reserves from the Blanco-Mesaverde and Basin-Dakota Gas Pools underlying the W/2 of Section 18 that may otherwise not be recovered by the existing wells, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach
Agent-Enervest Operating, LLC
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

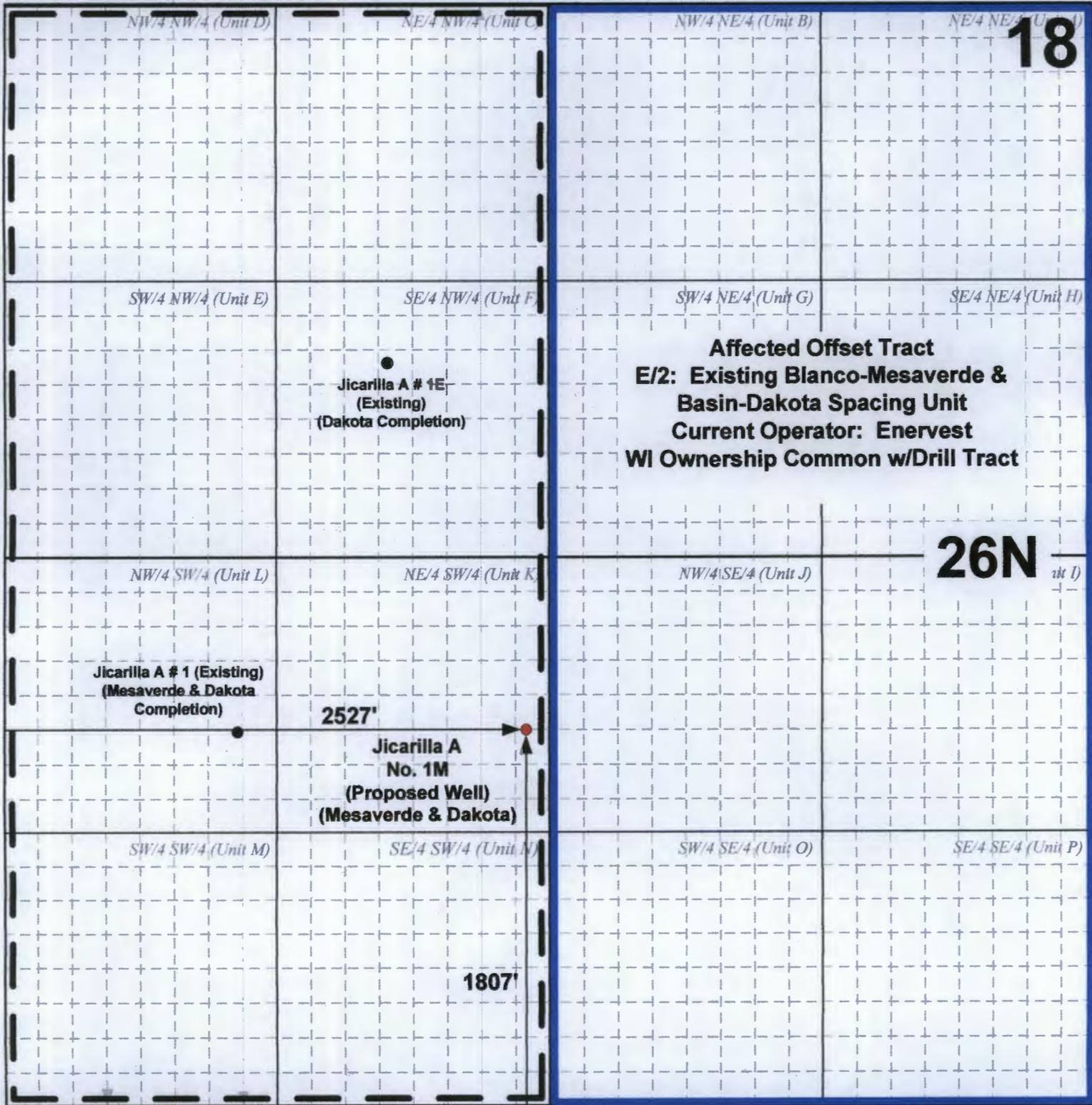
xc: OCD-Aztec

Application for Unorthodox Well Location
Enervest Operating, LLC
Jicarilla A No. 1M
1807' FSL & 2527' FWL (K)
Blanco-Mesaverde & Basin-Dakota Gas Pools

5W

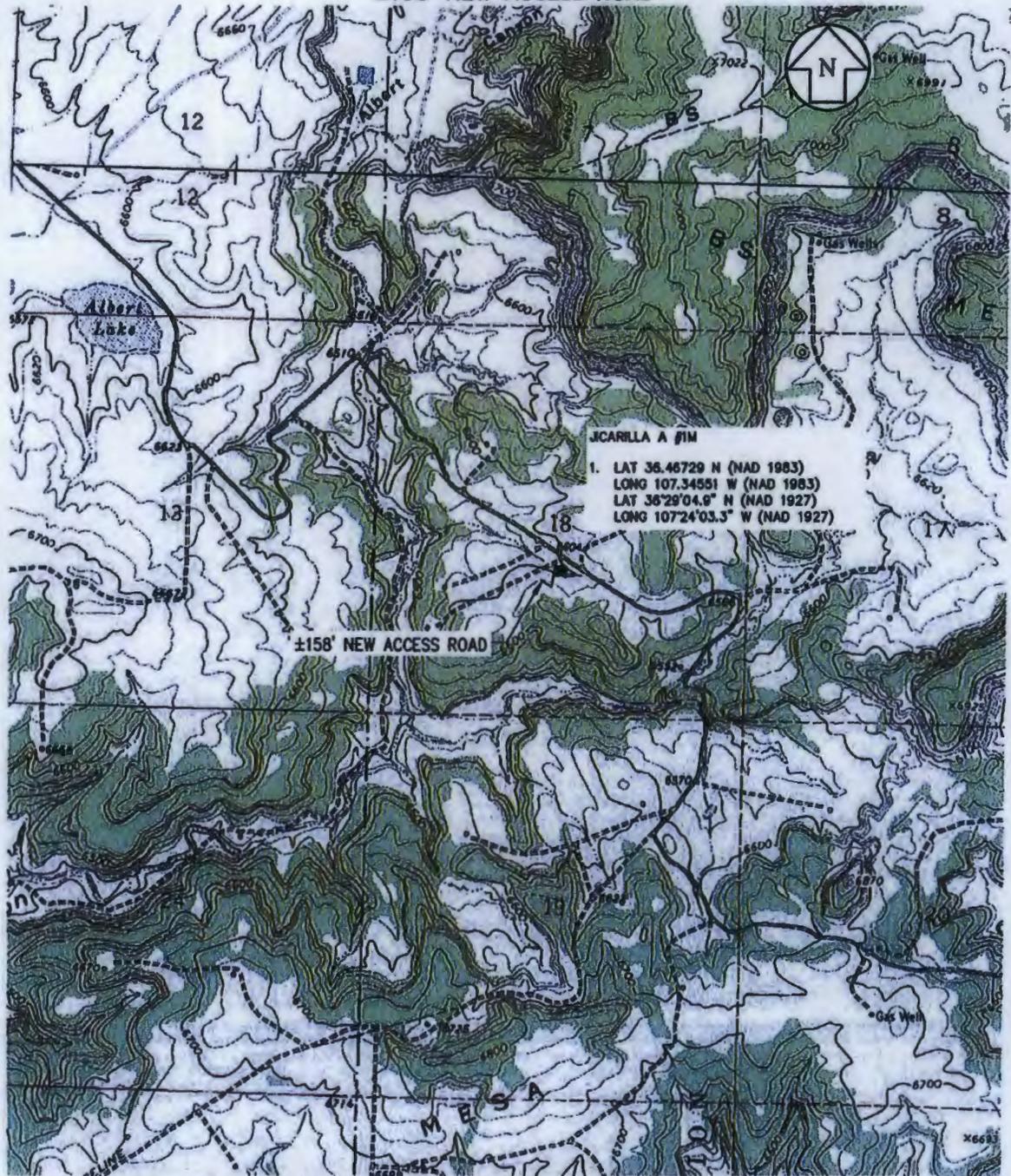
18

26N



-  Existing 319.2-Acre Gas Spacing and Proration Unit in the Blanco-Mesaverde & Basin-Dakota Gas Pools
-  Affected Offset Spacing and Proration Unit/Mesaverde & Dakota

ENERVEST INC. JICARILLA A #1M
1807' FSL & 2527' FWL, SECTION 18, T26N, R5W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO ELEVATION: 6616'
LAT: 36.46729° N LONG: 107.34551° W NAD 1983
±158' NEW ACCESS ROAD



JICARILLA A #1M
 1. LAT 36.46729 N (NAD 1983)
 LONG 107.34551 W (NAD 1983)
 LAT 36°29'04.9" N (NAD 1927)
 LONG 107°24'03.3" W (NAD 1927)

**NOTE: THIS MAP IS FOR ESTIMATING PURPOSES, CONSTRUCTION FOOTAGES ARE APPROXIMATE
 CONTRACTOR SHOULD CONTACT ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED UNDERGROUND UTILITIES
 OR PIPELINES ON WELL PAD AND/OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION**



SOUDER, MILLER & ASSOCIATES
 2101 SAN JUAN BOULEVARD
 FARMINGTON, NM 87401-2247

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ENERVEST OPERATING, LLC. HOUSTON, TEXAS

ENERVEST OPERATING, LLC
JICARILLA A #1M QUAD MAP
NE/4SW/4 OF SECTION 18, T26N, R5W, NMPM

RIO ARRIBA COUNTY, NEW MEXICO

Designed KRS	Drawn G.J.F.	Checked KRS
Date SEPTEMBER, 2013		
Scale 1"=2000' Vertical 1/4"	Project No 5122519	
Sheet 5 of 6		

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate District Office
RECEIVED
DEC 19 2013
AMENDED REPORT
Farmington Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

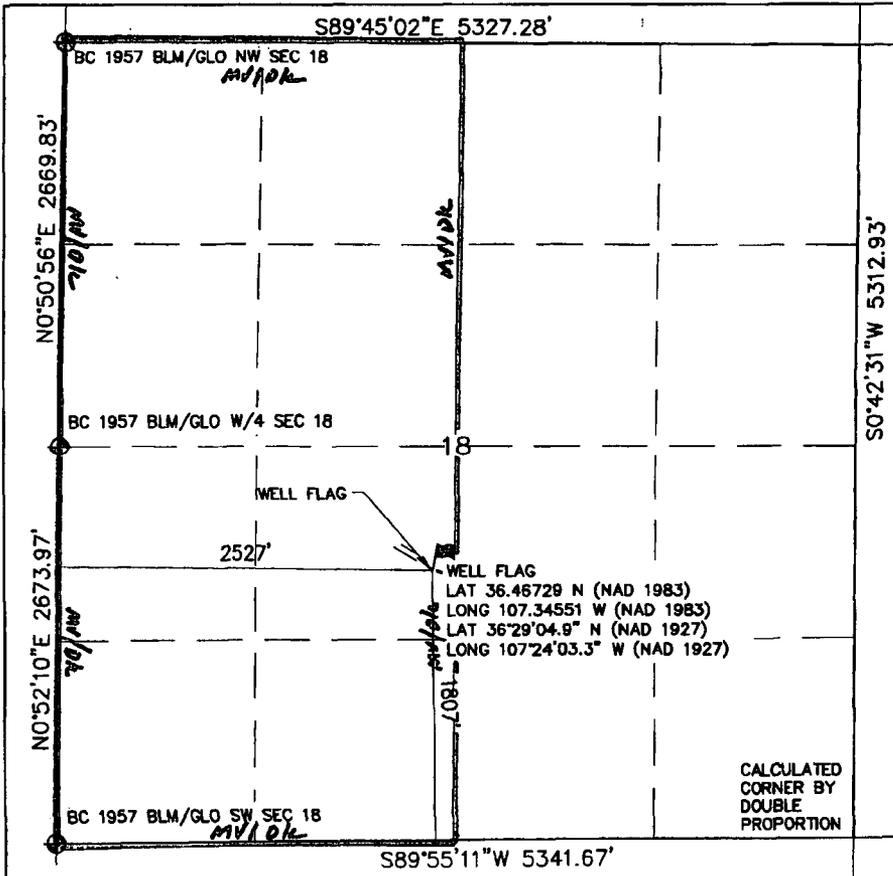
¹ API Number 30-039-31172	² Pool Code 72319/71599	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA
⁴ Property Code 306750	⁵ Property Name JICARILLA A	
⁷ OGRID No. 143199	⁶ Well Number #1M	
	⁸ Operator Name ENERVEST OPERATING, LLC	⁹ Elevation 6616'

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
K	18	26N	5W		1807'	SOUTH	2527'	WEST	RIO ARRIBA

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
K	18	26N	5W		1807'	SOUTH	2527'	WEST	RIO ARRIBA

¹² Dedicated Acres 319.20 <i>MV - W/3/20</i>	319.20 <i>DK - W/3/20</i>	¹³ Joint of Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

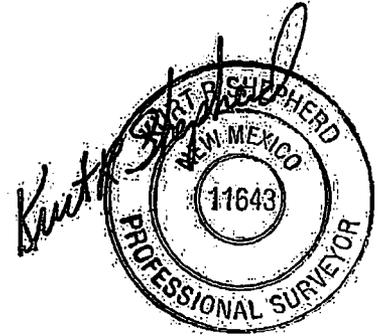


¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to 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.

[Signature] **12/18/13**
Signature Date
BART TRIVIÑO
Printed Name
BTRIVIÑO@ENERVEST.NET
E-mail Address

¹⁸SURVEYOR CERTIFICATION
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.

Survey Date: **SEPTEMBER 4, 2013**
Signature and Seal of Professional Surveyor



Certificate Number **11643**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OMB No. 1004-0137
Expires: October 31, 2014

5. Lease Serial No.

Jicarilla Contract 110

6. If Indian, Allottee, or Tribe Name

Jicarilla Apache

SUNDRY NOTICES AND REPORTS ON WELLS DEC 19 2013
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Bureau of Land Management

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

7. If Unit or CA/Agreement Name and/or No.

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.

Jicarilla A #1M

2. Name of Operator

EnerVest Operating, L.L.C.

9. API Well No.

30-039-31172

3a. Address

1001 Fannin Street, Suite 800 Houston, TX 77002

3b. Phone No. (include area code)

713-659-3500

10. Field and Pool, or Exploratory Area

Blanco Mesaverde/Basin Dakota

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1807' FSL & 2527' FWL (UL K), Sec. 18 T26N R5W

11. County or Parish, State

Rio Arriba, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Changed SHL &</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Drilling Plan</u>

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 recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notice must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EnerVest Operating, L.L.C. intends to modify the drilling plan submitted with the original APD dated 12/31/2012. The surface casing will be 8 5/8" 24# J-55 and the production casing will be 4 1/2" 11.6# N-80 with a hole size of 7 7/8".

The surface location has also been changed. New plats are attached.

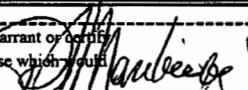
RCVD MAR 12 '14
OIL CONS. DIV.
DIST. 3

Attachments: Plats, Revised Drilling Plan, & Updated SUPO.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **Bart Treviño** Title **Regulatory Analyst**

Signature  Date **December 18, 2013**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by  Title **FEO** Date **3/11/14**

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.

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)

NMCCD IV