

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 _____

- NSL 7155
- Enervest operating, LLC
143199
well
- Jicamilla Apache Trail
124# 15
30-039-31228
Pool
- West Lindnith
Gallup-Dakota
39189

[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.

David Catanach

Print or Type Name

Signature

9/15/14

Date

Agent-Enervest Operating, LLC

Title

drcatanach@netscape.com

E-Mail Address



September 15, 2014

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

Attn: Jami Bailey
Division Director

RE: Application for Unorthodox Well Location
Jicarilla Apache Tribal 124 No. 15 (30-039-31228)
Surface Location: 1586' FSL & 465' FWL (Unit L)
"As Drilled" Bottomhole Location: 1648' FSL & 706' FWL (Unit L)
Section 24, T-25 North, R-4 West, NMPM,
West Lindrith Gallup-Dakota Pool (39189)
Rio Arriba County, New Mexico

Dear Ms. Bailey,

Enervest Operating, LLC ("Enervest") respectfully requests approval of an unorthodox oil well location for its existing Jicarilla Apache Tribal 124 No. 15 which has been directionally drilled from a surface location 1586 feet from the South line and 465 feet from the West line (Unit L) to an unorthodox bottomhole location 1648 feet from the South line and 706 feet from the West line (Unit L), both in Section 24, Township 25 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

The Jicarilla Apache Tribal 124 No. 15 will be dedicated to an existing standard 160-acre spacing and proration unit in the West Lindrith Gallup-Dakota Pool comprising the SW/4 of Section 24. This unit is currently dedicated to Enervest's Jicarilla Apache Tribal 124 No. 14 (API No. 30-039-23248) located at a standard well location 415 feet from the South line and 2065 feet from the West line (Unit N).

The West Lindrith Gallup-Dakota Pool is currently governed by the "Special Rules for the West Lindrith Gallup-Dakota Pool" as established by Division Order No. R-4314, as amended. These rules provide that:

- 1) A standard oil proration unit shall be 160 acres, and
- 2) Wells shall be located no closer than 330 feet to the outer boundary of the spacing unit nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary. Wells shall be located no closer than 660 feet to the nearest well drilling to or capable of producing from this pool.

The directional drilling of the Jicarilla Apache Tribal 124 No. 15 was necessitated by topographic issues within the SW/4 of Section 24. The "as drilled" bottomhole location will enable Enervest to maximize the recovery of oil and gas reserves underlying the SW/4 of Section 24. Please note that the "as drilled" bottomhole location is only unorthodox with respect to the interior boundaries of the spacing unit and does not encroach on the outer boundaries of the spacing unit.

Also please note that:

- 1) The Jicarilla Apache Tribal 124 No. 15 is not located within 660 feet from the nearest well drilling to or capable of producing from the West Lindrith Gallup-Dakota Pool; and;
- 2) The Jicarilla Apache Tribal 124 No. 15 was directionally drilled in a manner such that all perforations in the well are located at the "as drilled" bottomhole location.

Enervest currently operates all offset 160-acre spacing units in the West Lindrith Gallup Dakota Pool with the exception of the NE/4 of Section 24, which is currently undeveloped in that pool. These offset units include the NW/4 and SE/4 of Section 24, NE/4 and SE/4 of Section 23, NE/4 of Section 26 and NW/4 and NE/4 of Section 25.

There are no affected offset operators/interest owners because the unorthodox well location does not encroach on the outer boundary of the spacing unit. Consequently, notice of this application is not required, and has not been provided to any party.

Attached is a Form C-102 that shows the surface and "as drilled" bottomhole location of the Jicarilla Apache Tribal 124 No. 15, the existing spacing unit, and the other existing well in the spacing unit.

Approval of this application will provide Enervest the opportunity to recover additional oil and gas reserves from the West Lindrith Gallup-Dakota Pool underlying the SW/4 of Section 24 that may otherwise not be recovered by the existing well, thereby preventing waste, and will not violate correlative rights.

If you have any questions, please contact me at (505) 690-9453

Sincerely,



David Catanach,
Agent-Enervest Operating, LLC

Xc: OCD Aztec

District I

1625 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 August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-039-31228	Pool Code 39189	Pool Name West Lindrith Gallup-Dakota Pool
Property Code 301276	Property Name Jicarilla Apache Tribal 124	Well Number 15
OGRID No. 143199	Operator Name Enervest Operating, LLC	Elevation 7024

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	25 North	4 West		1586	South	465	West	Rio Arriba

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
L	24	25 North	4 West		1648	South	706	West	Rio Arriba
Dedicated Acres 160: SW/4	Joint or Infill	Consolidate Code	Order No.						

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

				OPERATOR CERTIFICATION <i>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 bottomhole 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 heretofor entered by the Division.</i>	
				Signature _____ Date _____	
				Printed Name _____	
				E-mail Address _____	
				SURVEYOR CERTIFICATION <i>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.</i>	
				Date of Survey _____	
				Signature and Seal of Professional Surveyor: _____	
				Certificate Number _____	