

DATE IN <u>8.4.11</u>	SUSPENSE	ENGINEER <u>DB.</u>	LOGGED IN <u>8.4.11</u>	TYPE <u>NSL</u>	APP NO. <u>1121633505</u>
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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



PTG-W
Enervest
 RECEIVED OGD
 143199

2011 AUG -4 A 8:26

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 _____

Amend
NSL 5397-A

[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

Date

8/4/11

Agent-Enervest Operating, LLC

Title

drcatanach@netscape.com
 E-Mail Address



August 4, 2011

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

Attn: Jami Bailey, CPG
Division Director

RE: Request to Amend Administrative Order No. NSL-5397, as amended
Jicarilla A No. 8N (API No. 30-039-29839)
Surface Location: 1420' FSL & 2475' FEL (Unit J)
Bottomhole Location: 1432' FSL & 2563' FEL (Unit J)
Section 17, T-26 North, R-5 West, NMPM,
Rio Arriba County, New Mexico

Dear Ms. Bailey,

By Order No. NSL-5397-A dated May 4, 2011 the Division approved unorthodox well locations in the Tapacito-Gallup Associated Pool (58090) for the following-described wells operated by Enervest Operating, LLC ("Enervest"):

Jicarilla A No. 8M
750' FNL & 2240' FEL (Unit B)
Section 17, T-26 North, R-5 West

Jicarilla A No. 8N
1420' FSL & 2475' FEL (Unit J)
Section 17, T-26 North, R-5 West

Prior Order No. NSL-5397 dated June 9, 2006 approved unorthodox well locations in the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Gas Pools for the above-described wells.

The Jicarilla A No. 8N was recently drilled. At that time, Enervest completed the well in the Blanco-Mesaverde and Basin-Dakota Gas Pools, and, after reviewing geologic data, elected not to complete the well in the Tapacito-Gallup Associated Pool.

A deviation survey conducted on the Jicarilla A No. 8N determined that the well deviated more than 5 degrees in several tested intervals. Consequently, Enervest conducted a directional survey on the well. The results of the directional survey indicate that the bottomhole

location of the Jicarilla A No. 8N is more unorthodox than the surface location approved by NSL-5397, as amended.

Consequently, Enervest requests an amendment to NSL-5397, as amended, in the following manner:

Order No. NSL-5397, as amended, should reflect that unorthodox location approval for the Jicarilla A No. 8N in the Tapacito-Gallup Associated Pool is no longer necessary; and,

Enervest requests approval of an unorthodox bottomhole location 1432 feet from the South line and 2563 feet from the East line (Unit J) of Section 17, Township 26 North, Range 5 West, NMPM, in the Blanco-Mesaverde and Basin-Dakota Gas Pools.

In both the Blanco-Mesaverde and Basin-Dakota Gas Pools, the Jicarilla A No. 8N is the fourth infill well drilled on a standard 320-acre spacing and proration unit comprising the E/2 of Section 17. This unit is currently dedicated in both pools to Enervest's: i) Jicarilla A No. 8 (API No. 30-039-08163 located 2365' FNL & 790' FEL (Unit H); ii) Jicarilla A No. 8E (API No. 30-039-22897) located 1120' FSL & 1065' FEL (Unit P); and iii) Jicarilla A No. 8M (API No. 30-039-29848) located 750' FNL & 2240' FEL (Unit B).

Pursuant to the Special Rules and Regulations for the Basin-Dakota Gas Pool and Blanco-Mesaverde Gas Pool as established by Division Order No. R-8170, as amended, Enervest is required to provide notice of this application to the operator and/or interest owners in the spacing unit toward which the unorthodox location encroaches. This notice requirement is based upon the fact that the well is located too close to the outer boundary of the spacing unit.

The affected acreage is the W/2 of Section 17, Township 26 North, Range 5 West. This acreage is an existing standard 320-acre gas spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Gas Pools that is currently operated by Enervest. Please be advised that the interest ownership between the E/2 and W/2 of Section 17 is common. Consequently, notice of this application is not required to any party.

Attached is a C-102 plat showing the surface and bottomhole well locations, the existing wells in the spacing unit, and the affected offset acreage.

Approval of the requested amendment will provide Enervest the opportunity to recover additional oil and gas reserves from the Blanco-Mesaverde and Basin-Dakota Gas Pools underlying the E/2 of Section 17 that may not be recovered by the existing wells, thereby preventing waste, and will not violate correlative rights.

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

Thank you,

A handwritten signature in black ink that reads "David Catanach". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

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 July 16, 2010

Submit one copy to appropriate

District Office

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

API Number 30-039-29839	Pool Code 72319 & 71599	Pool Name Blanco-Mesaverde & Basin-Dakota Gas Pools
Property Code 306755	Property Name Jicarilla A	Well Number 8N
OGRID No. 143199	Operator Name Enervest Operating, LLC	Elevation 6665'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	17	26 North	5 West		1420'	South	2475'	East	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
J	17	26 North	5 West		1432'	South	2563'	East	Rio Arriba
Dedicated Acres Mesaverde: E/2 Dakota: E/2	Joint or Infill	Consolidate Code	Order No.						
			NSL-5397, as amended						

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>Affected Offset Acreage</p> <p>Enervest operates the W/2 in both the Blanco-Mesaverde & Basin-Dakota Gas Pools</p> <p>Interest Ownership between the E/2 & W/2 is common.</p>	<p>750'</p> <p>2240'</p> <p>Jicarilla A No. 8M</p>	<p>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 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p>2365'</p> <p>790'</p> <p>Jicarilla A No. 8</p>	
<p>Jicarilla A No. 8N</p> <p>BHL: 1432' FSL 2563' FEL</p> <p>SL: 1420' FSL 2475' FEL</p>	<p>1065'</p> <p>Jicarilla A 8E</p> <p>1120'</p>	<p>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>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>