

DATE IN 8/16/12	SUSPENSE	ENGINEER u Jones	LOGGED IN 8/16/12	TYPE DHC 158	APP NO. PKUR122955504
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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



Enervest Operating LLC
 PYRO ABK State #2

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 _____

[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.

Ronnie L. Young
 Print or Type Name

Ronnie L. Young
 Signature

Regulatory Manager
 Title

8.15.12
 Date

ryoung@enervest.net
 E-Mail Address

August 15, 2012

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Form C-107A
Enervest Operating, L.L.C.
Pyro ABK State No. 2
API No. 30-025-29564
660' FNL & 2310' FWL (Unit C)
Section 33, T-13S, R-33E, NMPM,
Lea County, New Mexico

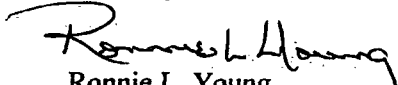
Dear Ms. Bailey,

Enclosed please find a Division Form C-107A for the Enervest Operating, L.L.C. Pyro ABK State Well No. 2. It is proposed to downhole commingle the South Baum-Wolfcamp and Lazy J Upper-Penn Pools within the subject well. Approval of the application will allow Enervest Operating, L.L.C. to economically produce the oil and gas reserves in the Wolfcamp and Pennsylvanian intervals, thereby preventing waste. Please note that the interest ownership between the commingled zones is common throughout. Consequently, the proposed downhole commingling will not violate correlative rights.

The Pyro ABK State No. 2 is located on a State of New Mexico lease and pursuant to Division rules, the Commissioner of Public Lands is being provided a copy of this application.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (713) 495-6530.

Sincerely,



Ronnie L. Young
Regulatory Manager
Enervest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002

Xc: OCD-Hobbs

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 30-025-29564	Pool Code 4967	Pool Name South Baum-Wolfcamp Pool
Property Code	Property Name Pyro ABK State	Well Number 2
OGRID No. 143199	Operator Name Enervest Operating, L.L.C.	Elevation 4,247' Gr

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	33	13 South	33 East		660	North	2310	West	Lea

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
Dedicated Acres 40	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 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 heretofore entered by the Division. Signature: <u>David Catanach</u> Date: <u>7/19/12</u> Printed Name: <u>David Catanach</u> E-mail Address: <u>drcatanach@netscape.com</u>	
	SURVEYOR 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. Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Originally surveyed by Herschel Jones on December 5, 1985. Certificate No. 3640 Certificate Number: _____	

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
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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 30-025-29564	Pool Code 37430	Pool Name Lazy J Upper-Penn Pool
Property Code	Property Name Pyro ABK State	Well Number 2
OGRID No. 143199	Operator Name Enervest Operating, L.L.C.	Elevation 4,247' Gr

Surface Location

UL or lot no. C	Section 33	Township 13 South	Range 33 East	Lot Idn	Feet from the 660	North/South line North	Feet from the 2310	East/West line West	County Lea
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Bottom Hole Location If Different From Surface

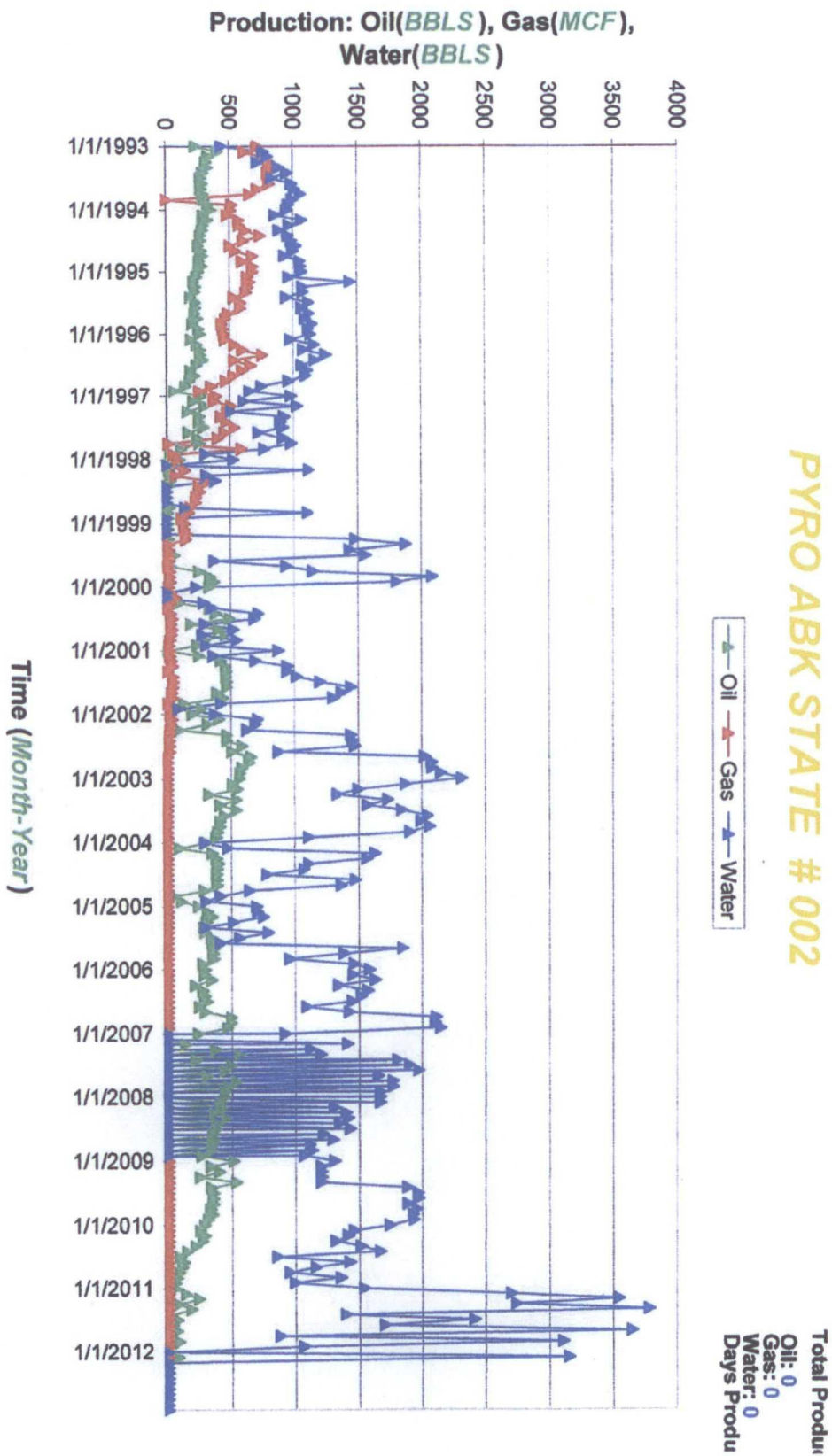
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidate Code	Order No.						

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

	<p>OPERATOR CERTIFICATION</p> <p><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 heretofore entered by the Division.</i></p> <p><u>David Catanach</u> <u>8/15/12</u> Signature Date</p> <p><u>David Catanach</u> Printed Name</p> <p><u>drcatanach@netscape.com</u> E-mail Address</p>	
	<p>SURVEYOR CERTIFICATION</p> <p><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></p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor:</p> <p>Originally surveyed by Herschel Jones on December 5, 1985.</p> <p>Certificate No. 3640</p> <p>_____ Certificate Number</p>	

Oil & Gas Production Logarithmic Curve of Well:

PYRO ABK STATE # 002



Attachments and/or Supporting Data
Application for Downhole Commingling
Enervest Operating, L.L.C. ("Enervest")
Pyro ABK State No. 2 (API No. 30-025-29564)
Unit C, Section 33, Township 13 South, Range 33 East, NMPM,
Lea County, New Mexico

Production Data & Proposed Allocation

The Pyro ABK State No. 2 is currently completed in the Lazy J Upper-Penn Pool through the perforated interval from 9,718 feet to 10,030 feet. The well is currently producing at a rate of approximately 3.95 barrels of oil per day, 0 MCF of gas per day, and 158 barrels of water per day.

Enervest proposes to perforate additional pay in the Lazy J Upper-Penn Pool from 9,732 feet to 10,004 feet. Enervest also proposes to complete the well in the South Baum-Wolfcamp Pool through perforations from 8,998 feet to 9,120 feet.

After perforating the South Baum-Wolfcamp Pool, Enervest will swab test the Wolfcamp interval for several days prior to removing the bridge plug separating the Wolfcamp and Pennsylvanian intervals. This should provide an accurate estimate of Wolfcamp production. Pennsylvanian production subsequent to downhole commingling will be determined by subtracting Wolfcamp test production from the well's total production.

All test data will be forwarded to the NMOCD after completion of commingling operations.

August 15, 2012

Commissioner of Public Lands
Oil, Gas & Minerals Division
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Pete Martinez
Petroleum Engineering Specialist

Re: Form C-107A
Enervest Operating, L.L.C.
Pyro ABK State Well No. 2
API No. 30-025-29564
660' FNL & 2310' FWL (Unit C)
Section 33, T-13S, R-33E, NMPM,
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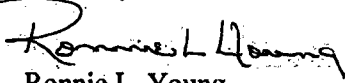
Dear Mr. Martinez,

Enclosed please find a copy of the New Mexico Oil Conservation Division Form C-107A for the Enervest Operating, L.L.C. Pyro ABK State Well No. 2. It is proposed to downhole commingle the South Baum-Wolfcamp and Lazy J Upper-Penn Pools within the subject well. Approval of the application will allow Enervest Operating, L.L.C. to economically produce the oil and gas reserves in the Wolfcamp and Pennsylvanian intervals, thereby preventing waste, and will not violate correlative rights.

Enclosed is a check for the filing fee in the amount of \$30.00.

If you should have any questions, please contact me at (713) 495-6530.

Sincerely,


Ronnie L. Young
Regulatory Manager
Enervest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002