

12/08/2014 DATE IN	SUSPENSE	ENGINEER	12/08/2014 LOGGED IN	NSL TYPE	PMA1434235886 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

COPY ORDER
7042

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OOD

2014 DEC -9 A 9:46

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 7207
 - ENERVEST OPERATING, LLC
 143 144
 UCL
 - JICANILLA B #2F
 30-039 - Pending
 POOL
 - BASIN DAKOTA
 71599
 - BLANCOMESQUE
 72319

[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

12/8/14
 Date

Agent-Enervest Operating, LLC

Title

drcatanach@netscape.com
 E-Mail Address

December 8, 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 B No. 2F (API No. N/A)
2047' FSL & 1690' FWL (Unit K)
Section 16, 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 B No. 2F. 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 2047 feet from the South line and 1690 feet from the West line (Unit K) of Section 16, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The proposed Jicarilla B No. 2F will be dedicated to existing 320-acre gas spacing and proration units in both the Blanco-Mesaverde and Basin-Dakota Gas Pools comprising the S/2 of Section 16. **In the Blanco-Mesaverde Gas Pool**, this unit is currently dedicated to Enervest's existing: i) Jicarilla B No. 2 (API No. 30-039-08135) located at a standard well location 815 feet from the South line and 845 feet from the West line (Unit M); and ii) Jicarilla B No. 2M (API No. 30-039-29914) located at a standard well location 1190 feet from the South line and 2630 feet from the East line (Unit O). The Jicarilla B No. 2F will be the second infill well on this unit. **In the Basin-Dakota Gas Pool**, this unit is currently dedicated to the above-described Jicarilla B No. 2 and Jicarilla B No. 2M, and to Enervest's existing Jicarilla B No. 2E (API No. 30-039-22579) located at a standard well location 1640 feet from the South line and 1520 feet from the East line (Unit J). The Jicarilla B No. 2F will be the third 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 10 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 attached map shows that the proposed unorthodox location is necessary due to surface topography in this area.

The affected offset tract is the N/2 of Section 16, which is an existing 320-acre spacing unit in both the Blanco-Mesaverde and Basin-Dakota Gas Pools. This unit is currently operated by Enervest. Please note that the working interest ownership between the N/2 and S/2 of Section 16 is common. Consequently, notice of this application is not required to working interest owners in the N/2 of Section 16.

Attached is a Form C-102 for both the Blanco-Mesaverde and Basin-Dakota Gas Pools showing the proposed well, spacing unit, other existing wells in the spacing unit and the affected offset acreage. 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 S/2 of Section 16 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

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 N/A	Pool Code 72319 & 71599	Pool Name Blanco-Mesaverde (Prorated Gas) & Basin-Dakota (Prorated Gas) Pools
Property Code 306753	Property Name Jicarilla B	Well Number 2F
OGRID No. 143199	Operator Name Enervest Operating, LLC	Elevation

Surface Location

UL or lot no. K	Section 16	Township 26 North	Range 5 West	Lot Idn	Feet from the 2047	North/South line South	Feet from the 1690	East/West line West	County Rio Arriba
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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 320: S/2	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>Affected Offset Spacing Unit Mesaverde & Dakota Operator: Enervest Operating, LLC WI Ownership Common W/Drill Tract</p>				<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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>1690'</p> <p>Jicarilla B No. 2F (Proposed Well) Mesaverde/Dakota</p> <p>2047'</p> <p>Jicarilla B No. 2E (Existing) Dakota</p> <p>Jicarilla B No. 2 (Existing) Mesaverde/Dakota</p> <p>Jicarilla B No. 2M (Existing) Mesaverde/Dakota</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>Certificate Number _____</p>	

ENERVEST OPERATING, LLC. JICARILLA B #2F
2047' FSL & 1690' FWL, SECTION 16, T26N, R5W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6556'
LAT: 36.48556° N LONG: 107.36806° W NAD 1983
NEW 514'± ACCESS ROAD



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
 401 West Broadway Avenue
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ENERVEST OPERATING, LLC

HOUSTON, TEXAS

ENERVEST OPERATING, LLC

JICARILLA B #2F QUAD MAP

NE/4SW/4 OF SECTION 16, T26N, R5W, NMPM

RIO ARriba COUNTY, NEW MEXICO

THIS DRAWING IS INCOMPLETE AND NOT TO BE USED FOR CONSTRUCTION UNLESS IT IS STAMPED, SIGNED AND DATED.

Designed KRS	Drawn DJB	Checked KRS
Date:	JUNE, 2014	
Scale:	Horiz: 1"=2000'	Vert: NA
Project No:	5122089	
Sheet:	5 of 5	