



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 29, 2008

Enervest Operating, L.L.C.

Attn: Ronnie L. Young

1001 Fannin St, Suite 800

Houston, TX 77002-6707

Administrative Order SD-198902-B

Re: State E Com. Well No. 6
Unit J, Section 16, Twsp 21S, Range 36E
Lea County

Dear Mr. Young:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-00356348**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 3, 2008, and

(b) the Division's records pertinent to your request.

Enervest Operating, L.L.C. (Enervest) has requested to simultaneously dedicate its proposed State E Com. Well No. 6 (API No. 30-025-38671) [the proposed well], along with the following existing gas wells:

State E Com. No. 2	API No. 30-025-04668	660 FSL & 660 FEL (Unit P)
State E Com. No. 4	API No. 30-025-30619	990 FSL & 1960 FEL (Unit O)
State E Com. No. 5	API No. 30-025-37956	1780 FSL & 660 FEL (Unit I)

to an existing, non-standard 160-acre gas spacing unit in Eumont-Yates/Seven Rives/Queen Gas Pool (76480), comprising the SE/4 of Section 16, Township 21 South, Range 37 East, N.M.P.M., in Lea County, New Mexico.

The proposed well will be drilled at a standard gas well location 1860 feet from the South line and 1770 feet from the East line (Unit J) of Section 16. Division approval of simultaneous dedication is required because Rule 3(C) of the Special Pool Rules for the Eumont Gas Pool, as provided in Order R-8170-P, adopted December 14, 2001, prohibits the dedication of more than one gas well per 160 acres in that pool. Simultaneous dedication of this unit to the three existing gas wells was approved by Administrative Order SD-198902-A, issued on May 11, 2006.

Your application has been duly filed under the provisions of Division Rules 104.D(3) and 1210.A, and Rule 4(B) of the Special Pool Rules for the Eumont Gas Pool.

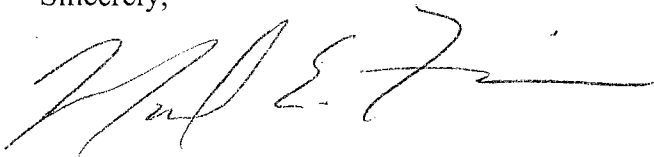
It is our understanding that you are seeking simultaneous dedication of this unit to the four wells described for geological reasons, in order to prevent waste and maximize production from this unit. As required by Rule 4(B) of the applicable pool rules, you have furnished evidence to support your conclusion that the granting of this application will prevent waste and will not impair correlative rights.

We also understand that you have given due notice of this application to all "affected persons," as defined in Rule 1210.A(2)(a), in all spacing units in the Eumont adjoining the proposed unit.

Pursuant to the provisions of Division Rule 104.D(3) and Rule 4(B) of the Special Pool Rules for the Eumont Gas Pool, the above-described simultaneous dedication is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe