

DATE IN 1/17/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 1/17/08	TYPE NSL	PKURO8017500108 APP NO. PKURO80174910210
-----------------	----------	-----------------	-------------------	----------	---

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



NSL
Enervest Operating LLC
State A Cam #8
200612-13

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

Coordinator, Regulatory Compliance
Title

Date

RYOUNG@ENERVEST.NET
E-Mail Address

RECEIVED
2008 JAN 17 AM 11 37

January 2, 2008

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

Attention: Mr. Mark E. Fesmire, P.E.
Director

Re: Amendment of Division Order No. SD-06-12
Increased Well Density, Unorthodox Gas Well Location
& Simultaneous Dedication
Eumont (Yates-Seven Rivers-Queen) Gas Pool ("Eumont Gas Pool")

Dear Mr. Fesmire:

By Division Order No. SD-06-12 (also shown as SD-200612) dated May 17, 2006, Plantation Operating, L.L.C. was authorized to drill the State "A" Com No. 6 (API No. 30-025-37957) as a new Eumont Gas Pool (76480) producing well within an existing 280-acre non-standard gas proration unit ("GPU") comprising Units Q, R and X of Irregular Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was approved by Division Order No. R-9332 dated October 24, 1990. Order No. SD-06-12 also authorized the simultaneous dedication of the following-described wells to the subject GPU:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" Com No. 4	30-025-04567	660' FNL & 660' FEL, Unit A, Section 8
State "A" Com No. 5	30-025-31117	1650' FSL & 845' FEL, Unit Q, Section 5
State "A" Com No. 6	30-025-37957	1780' FNL & 1980' FEL, Unit G, Section 8

Enervest Operating, L.L.C. ("Enervest"), the current operator of the subject GPU, hereby requests that Order No. SD-06-12 be amended to authorize the drilling of an additional gas well within the subject GPU. Enervest proposes to drill the State "A" Com No. 8 at an unorthodox gas well location in the Eumont Gas Pool 660 feet from the South line and 475 feet from the East line (Unit X) of Irregular Section 5. Enervest also requests authorization to simultaneously dedicate the State "A" Com Wells No. 4, 5, 6 and 8 to the subject GPU.

The wells and GPU are located within the Eumont Gas Pool. This pool is currently governed by special pool rules established by Order No. 8170-P effective December 14, 2001. Well location requirements and well density provisions are contained within Rule No. (3) of the special pool rules.

All of the wells within the subject GPU, with the exception of the proposed State "A" Com Well No. 8, are located at standard gas well locations for the Eumont Gas Pool.

In support of the application, Enervest states the following:

The State "A" Com Well No. 8 had to be moved 185' feet to the east of a standard well location due to the presence of the XTO Energy, Inc. Eunice Monument South Unit No. 257 (API No. 30-025-04496) which is located 660 feet from the South and East lines of Irregular Section 5. In addition, the proposed well is located within a secondary recovery project area and consequently, there are numerous pipelines and other surface obstructions that must be avoided;

Production data for the State "A" Com No. 4, which was drilled in 1952, and the State "A" Com No. 5, which was drilled in 1989, show that during 2007, the wells are producing at marginal rates of 12 MCFG per day and 11 MCFG per day, respectively, from the Eumont Gas Pool;

The State "A" Com No. 6, which was drilled and completed in the Eumont Gas Pool in December 2006, is currently producing at a rate of approximately 230 MCFG per day. The relatively high producing rate obtained from this well suggests that the SW/4 NE/4 of Section 8 had not been adequately drained by the existing wells;

During the first few months of production from the State "A" Com No. 6, no change in the rate of production from the State "A" Com Wells No. 4 and 5 was observed. This data suggests no interference between wells spaced on 40 acres. Consequently, Enervest believes that the drilling of the proposed State "A" Com No. 8 is necessary in order to effectively and efficiently drain the gas reserves from the Eumont Gas Pool within Unit X of Irregular Section 5;

Due to inefficient drainage and the marginal producing rates of the wells currently dedicated to this GPU, Enervest believes that no offset operator will be adversely affected by the approval of this application;

Attachment No. 1 is a plat that identifies the subject GPU, and the wells that are to be simultaneously dedicated to this unit. All of the acreage within Irregular Section 5 is currently dedicated to a Eumont Gas Pool GPU.

Attachment No. 2 is a plat that identifies the subject GPU, and all offsetting GPU's in the Eumont Gas Pool;

Attachment No. 2A is a compilation of all active Eumont Gas Pool producing wells within the offsetting GPU's. There are currently five offset operators, ConocoPhillips Company, BP America Production Company, XTO Energy, Inc., Apache Corporation, and Lewis B. Burleson, Inc.

Enervest Operating, L.L.C.

Amendment of Order No. SD-06-12

Increased Well Density, Unorthodox Gas Well Location & Simultaneous Dedication

Page 3

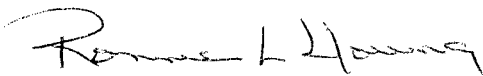
A copy of the notice letter that has been sent to all offset operators is enclosed, as is Attachment No. 3, which is a list of the parties to whom notice has been provided. Upon obtaining the signed receipts, they will be forwarded to the Oil Conservation Division; and

Also enclosed is a copy of Order No. SD-06-12, and SD-06-12 (Corrected).

In summary, Enervest Operating, L.L.C. believes that approval of the application is in the best interest of conservation, prevention of waste and protection of correlative rights.

If you should have any questions, please call me at (713) 495-6530 or E-Mail me at RYOUNG@ENERVEST.NET.

Sincerely

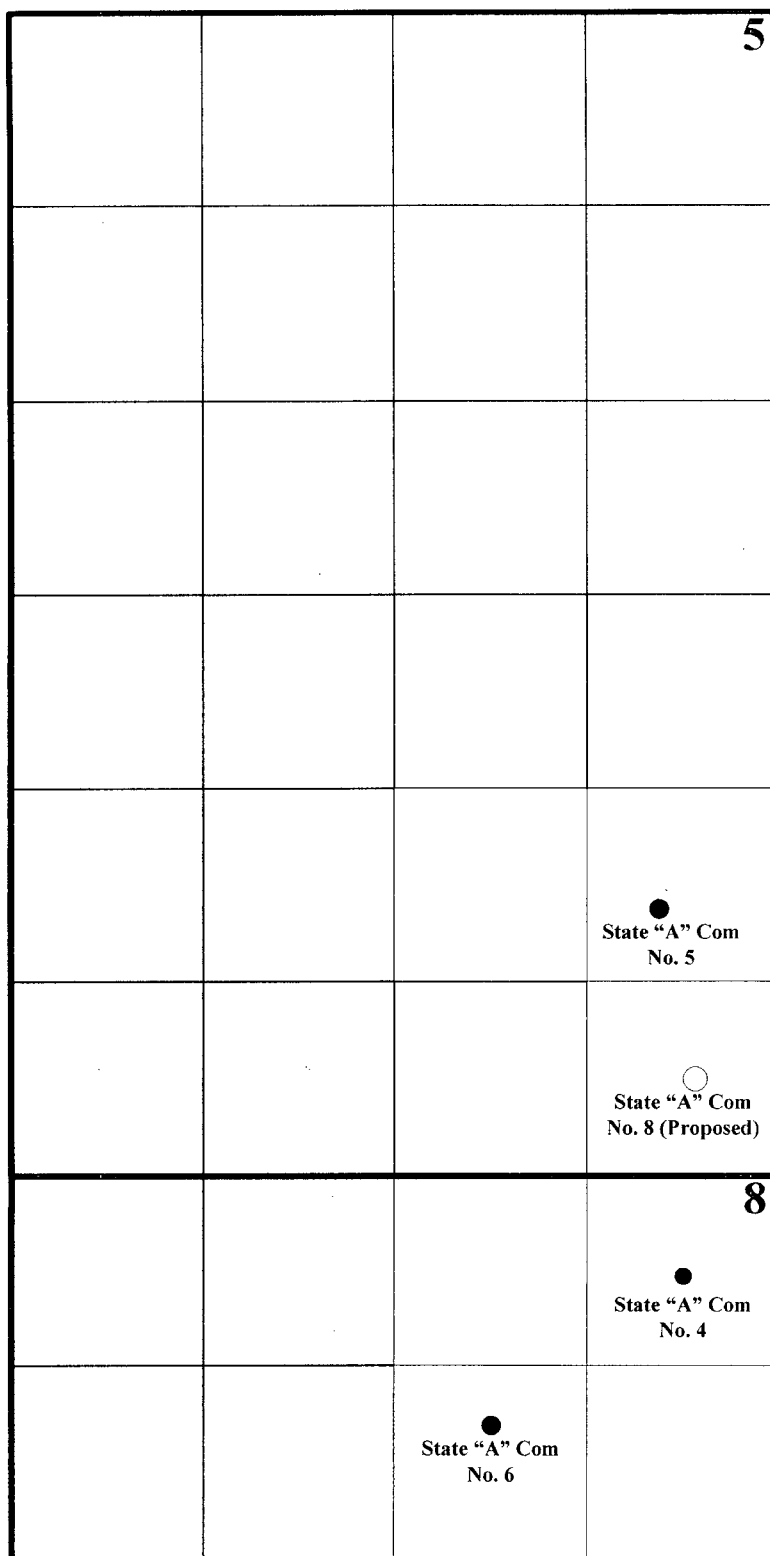


Ronnie L. Young
Enervest Operating, L.L.C.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

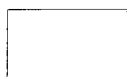
Enclosures

Enervest Operating, L.L.C.
Amendment of Order No. SD-06-12
Increased Well Density, Unorthodox Gas Well Location & Simultaneous Dedication

21 South



36 East

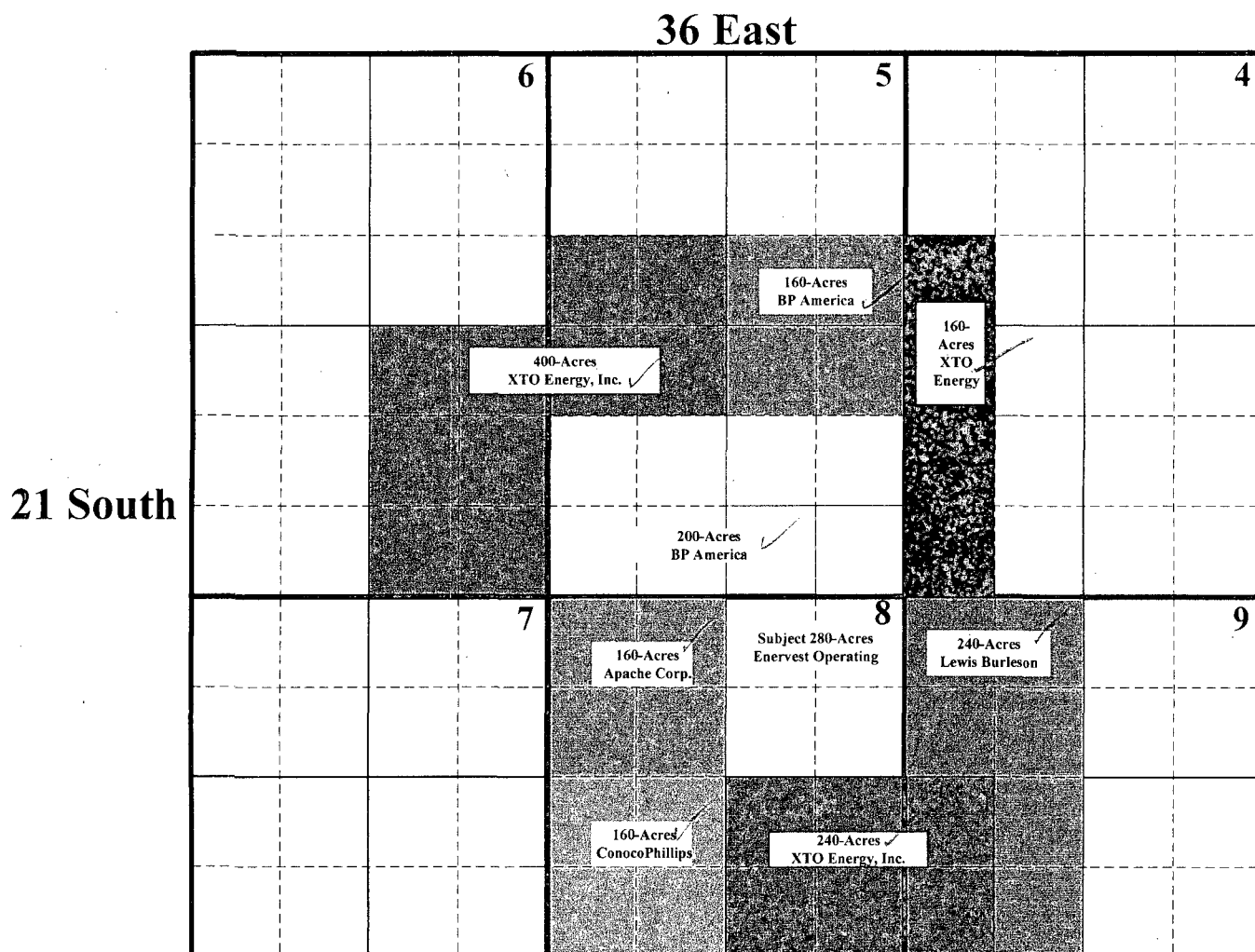


Existing 280-acre Non-standard GPU
Approved by Division Order No. R-9332
Comprising Units Q, R & X of Irregular Section 5 & the
NE/4 of Section 8

Enervest Operating, L.L.C.

Amendment of Order No. SD-06-12

***Increased Well Density, Unorthodox Gas Well Location & Simultaneous Dedication
Eumont Gas Pool***



Enervest Operating, L.L.C.
Application to Amend Order No. SD-06-12
Increased Well Density, Unorthodox Gas Well Location & Simultaneous Dedication
Eumont Gas Pool

OFFSET EUMONT (GAS) OPERATORS

<u>GPU Description</u>	<u>Operator</u>	<u>Lease Name & Well Number</u>	<u>Well Location</u>
Units I, J, O & P, Section 5, T-21S, R-36E	BP America Prod. Co.	State "H" No. 6	Unit P, Section 5, T-21S, R-36E
Units K, L, M & N, Section 5, T-21S, R-36E	XTO Energy, Inc.	Graham Orcutt Gas Com No. 4	Unit L, Section 5, T-21S, R-36E
Units O, P, Q, R, W & X, Section 6, T-21S, R-36E		Graham Orcutt Gas Com No. 3	Unit R, Section 6, T-21S, R-36E
		Graham Orcutt Gas Com No. 1	Unit O, Section 6, T-21S, R-36E
Units S, T, U, V & W, Section 5, T-21S, R-36E	BP America Prod. Co.	State "G" Com No. 4	Unit S, Section 5, T-21S, R-36E
		State "G" Com No. 5	Unit U, Section 5 T-21S, R-36E
NW/4 of Section 8, T-21S, R-36E	Apache Corporation	Meyer B-8 No. 4	Unit D, Section 8, T-21S, R-36E
		Meyer B-8 No. 6	Unit E, Section 8, T-21S, R-36E
SW/4 of Section 8, T-21S, R-36E	ConocoPhillips Co.	Meyer A-1 No. 18	Unit K, Section 8, T-21S, R-36E
SE/4 of Section 8 & W/2 SW/4 of Section 9, T-21S, R-36E	XTO Energy, Inc.	RR Bell NCT-A Com No. 2	Unit P, Section 8, T-21S, R-36E
		RR Bell NCT-A Com No. 3	Unit J, Section 8, T-21S, R-36E
NW/4 & E/2 SW/4 of Section 9, T-21S, R-36E	Lewis B. Burleson, Inc.	Meyer Bell Ramsay Com No. 5	Unit N, Section 9, T-21S, R-36E
		Meyer Bell Ramsay Com No. 6	Unit C, Section 9, T-21S, R-36E
Units L, M, T & U, Section 4, T-21S, R-36E	XTO Energy, Inc.	Bell Ramsay NCT-A No. 5	Unit M, Section 4, T-21S, R-36E
		Bell Ramsay NCT-A No. 8	Unit L, Section 4, T-21S, R-36E

ATTACHMENT 2A

January 2, 2008

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: Enervest Operating, L.L.C.
Application for Increased Well Density, Unorthodox Gas
Well Location & Simultaneous Dedication
Eumont (Yates-Seven Rivers-Queen) Gas Pool (76480)
Section 5, T-21 South, R-36 East, NMPM,
Lea County, New Mexico

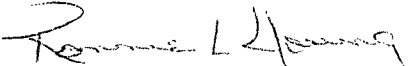
Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Enervest Operating, L.L.C. to amend Division Order No. SD-06-12, for authorization to dedicate its proposed State "A" Com Well No. 8, located at an unorthodox gas well location 660 feet from the South line and 475 feet from the East line (Unit X) of Irregular Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to an existing 280-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the Units Q, R and X of Irregular Section 5, and the NE/4 of Section 8, both in Township 21 South, Range 36 East, NMPM. This unit is currently dedicated to Enervest Operating, L.L.C.'s State "A" Com Wells No. 4, 5 and 6 located respectively in Unit A of Section 8, Unit Q of Section 5 and Unit G of Section 8.

As the owner of an interest that may be affected by the proposed simultaneous dedication, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

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

Sincerely,



Ronnie L. Young
Coordinator, Regulatory Compliance
Enervest Operating, L.L.C.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

Enclosure

Enervest Operating, L.L.C.

Amendment of Order No. SD-06-12

***Increased Well Density, Unorthodox Gas Well Location & Simultaneous Dedication
Eumont Gas Pool***

(Company Name)

Hereby waives objection to the application filed by Enervest Operating, L.L.C. to authorize the drilling of its State "A" Com No. 8 as an infill gas well in the Eumont Gas Pool (76480) at an unorthodox gas well location 660 feet from the South line and 475 feet from the East line (Unit X) of Irregular Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, and to simultaneously dedicate this well and the State "A" Com Wells No. 4, 5 and 6 to an existing 280-acre non-standard GPU in the Eumont Gas Pool comprising Units Q, R and X of Irregular Section 5 and the NE/4 of Section 8, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(Signature)

(Date)

Please mail this waiver of objection to:

Enervest Operating, L.L.C.
1001 Fannin Street
Suite 800
Houston, Texas 77002-6707

Attn: Mr. Ronnie L. Young

Enervest Operating, L.L.C.

Application to Amend Order No. SD-06-12

*Increased Well Density, Unorthodox Gas Well Location & Simultaneous Dedication
Eumont Gas Pool*

Offset Operator Notification List

XTO Energy, Inc.
200 North Loraine
Suite 800
Midland, Texas 79701

BP America Production Company
Box 22048
Tulsa, Oklahoma 74121

Apache Corporation
2000 Post Oak Blvd.
Suite 100
Houston, Texas 77056-4400

ConocoPhillips Company
Box 2197
WL3 6106
Houston, Texas 77252-2197

Lewis B. Burleson, Inc.
Box 2479
Midland, Texas 79702



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 17, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Plantation Operating, L.L.C.
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380

Attention: John Allred, P.E.
jallred@plantationpetro.com

Administrative Order SD-06-12

Dear Mr. Allred:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 26, 2006 (***administrative application reference No. pMES0-612149908***); and (ii) the Division's records in Hobbs and Santa Fe, including the file on Division Case No. 9994: all concerning Plantation Operating, L.L.C.'s ("Plantation") plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 280-acre gas spacing unit comprising the N/2 SE/4 and SE/4 SE/4 of Irregular Section 5 and the NE/4 of Section 8, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

Division Order No. R-9332, issued in Case No. 9994 on October 24, 1990, initially established the subject 280-acre unit for the following two wells:

- (1) State "A" Com. Well No. 4 (***API No. 30-025-04567***), located at a standard gas well location 660 feet from the North and East lines (Unit A) of Section 8; and
- (2) State "A" Com. Well No. 5 (***API No. 30-025-31117***), located at a standard infill gas well location 1650 feet from the South line and 845 feet from the East line (Unit Q) of Irregular Section 5.

It is the Division's understanding that Plantation now intends to drill its proposed State "A" Com. Well No. 6 at a standard infill gas well location 1780 feet from the North line and 1980 feet from the East line (Unit G) of Section 8.

Plantation Operating, L. L. C.

May 17, 2006

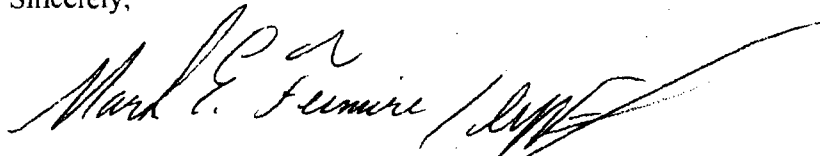
Page 2

Division Administrative Order SD-06-12

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Eumont Gas Pool, Plantation is hereby authorized to simultaneously dedicate Eumont gas production to this 160-acre non-standard gas spacing unit from the three above-described State "A" Wells No. 4, 5, and 6. Furthermore, all provisions applicable to the subject unit in Division Order No. R-9332 shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire", followed by a long, sweeping horizontal line that extends to the right.

Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: Division Case No. 9994



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 22, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Plantation Operating, L.L.C.
2203 Timberloch Place, Suite 229
The Woodlands, Texas 77380

Attention: John Allred, P.E.
jallred@plantationpetro.com

CORRECTED Division Administrative Order SD-06-12

Dear Mr. Allred:

Due to inadvertence Division Administrative Order SD-06-12 issued on Division administrative application reference No. pTDS0-612149908 and dated May 17, 2006 does not correctly state the intended of the Division.

The forth paragraph on the top of page 2 of Division Administrative Order SD-06-12, be and the same, is hereby amended to read in its entirety as follows:

"By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Eumont Gas Pool, Plantation is hereby authorized to simultaneously dedicate Eumont gas production to this 280-acre non-standard gas spacing unit from the three above-described State "A" Wells No. 4, 5, and 6. Furthermore, all provisions applicable to the subject unit in Division Order No. R-9332 shall remain in full force and affect until further notice."

The corrections set forth in this order, which is hereby entered into the Division's administrative database as administrative application reference No. pMES0-617349455, shall be entered retroactively as of May 17, 2006; all other provisions of Division Administrative Order SD-06-12 shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: Division Case No. 9994
Division Administrative Order SD-06-12