LOGGED IN

3/3/08

NSL

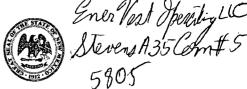
APP NO. pTDS0806340801

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



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] TYPE OF APPLICATION - Check Those Which Apply for [A] [1] Location - Spacing Unit - Simultaneous Dedication [A] 📉 NSL 🔲 NSP 👼 SD Check One Only for [B] or [C] Commingling - Storage - Measurement [B] ☐ 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 Working, Royalty or Overriding Royalty Interest Owners [A] [B] Offset Operators, Leaseholders or Surface Owner Application is One Which Requires Published Legal Notice [C] DNotification 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. CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] 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 Coordinator, Regulatory Compliance Print or Type Name RYOUNG@ENERVEST.NET E-Mail Address

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

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

Director

HAND DELIVERED

Re: Application for Unorthodox Gas Well Location,

Increased Well Density & Simultaneous Dedication

Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

By Division Order No. NSL-4931 (NSP)(SD) dated August 5, 2003, Doyle Hartman, Oil Operator, was authorized to simultaneously dedicate an existing 280-acre non-standard gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising the SW/4, W/2 SE/4, and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM, to the following described wells:

<u>Well Name & Number</u>	<u>API Number</u>	Well Location
Stevens A 35 Com No. 1 Stevens A 35 Com No. 2	30-025-09465 30-025-09467	1980' FSL & 1980' FEL, Unit J 1650' FSL & 990' FWL, Unit L
Stevens A 35 Com No. 4	30-025-26267	990' FSL & 660' FEL, Unit P

Order No. NSL-4931 (NSP)(SD) also approved an unorthodox gas well location in the Jalmat Gas Pool for the Stevens A 35 Com No. 4, and restored approval of the 280-acre non-standard GPU, which was initially established by Division Order No. R-3425.

EnerVest Operating, L.L.C. ("EnerVest"), the current operator of the subject GPU, hereby requests approval to drill an additional gas well within the subject GPU. EnerVest proposes to drill the Stevens A 35 Com No. 5 at an unorthodox gas well location in the Jalmat Gas Pool 2030 feet from the South line and 1830 feet from the West line (Unit K) of Section 35. EnerVest also requests authorization to simultaneously dedicate the Stevens A 35 Com Wells No. 1, 2, 4 and 5 to the subject GPU.

The wells and GPU are located within the Jalmat 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.

The proposed Stevens A 35 Com No. 5 had to be moved 50 feet north of a standard gas well location due to the presence of an east-west pipeline that traverses the NE/4 SW/4 of Section 35. This pipeline is shown on the enclosed location verification map.

The Stevens A 35 Com Wells No. 1 and 2 are located at standard gas well locations, and the Stevens A 35 Com Well No. 4, is located at a previously approved unorthodox gas well location.

In support of the application, EnerVest states the following:

Production data for the Stevens A 35 Com No. 1, which was drilled in 1945, and the Stevens A 35 Com No. 2, which was drilled in 1949, show that during 2007, the wells produced at marginal rates of 50 MCFG per day and 49 MCFG per day, respectively, from the Jalmat Gas Pool;

The Stevens A 35 Com No. 4, which was re-entered and completed in the Jalmat Gas Pool in 2003, is also currently producing at a marginal rate of approximately 46 MCFG per day;

During the first few months of production from the Stevens A 35 Com No. 4, no change in the rate of production from the Stevens A 35 Com No. 1 was observed. This data suggests no interference between wells spaced on 40 acres. Consequently, EnerVest believes that the drilling of the proposed Stevens A 35 Com No. 5 is necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the NE/4 SW/4 of Section 35;

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 Section 35 is currently dedicated to a Jalmat Gas Pool GPU;

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

Attachment No. 2A is a compilation of all active Jalmat Gas Pool producing wells within the offsetting GPU's. There are currently twelve (12) offset operators including BP America Production Company, Pogo Producing Company, EnerVest Operating, L.L.C., Westbrook Oil Corp., ConocoPhillips Company, Lewis B. Burleson, Inc., XTO Energy, Inc., Cimarex Energy Company, Tenison Oil Company, Saxet Oil Corporation, Petrohawk Operating Company and Herman L. Loeb. Please be advised that EnerVest owns 100% of the working interest in the offset GPU that comprises the NW/4 and W/2 NE/4 of Section 36, Township 23 South, Range 36 East;

Notice of this application has been provided to the following parties:

a) All offset operators, as described above;

b) Cimarex Energy Company, the current operator of the E/2 NW/4 and SW/4 NW/4 of Section 2, Township 24 South, Range 36 East. This acreage is not currently contained within a Jalmat Gas Pool GPU;

- c) Herman L. Loeb and Morris E. Schertz, the owners of operating rights within the E/2 NW/4, W/2 NE/4 and the SE/4 NE/4 of Section 34, Township 23 South, Range 36 East. This acreage is not currently contained within a Jalmat Gas Pool GPU;
- d) Petrohawk Operating Company, the operator and lessee of the S/2 SW/4 of Section 34, Township 23 South, Range 36 East. This acreage is not currently contained within a Jalmat Gas Pool GPU; and
- e) All lessees and unleased mineral interest owners within the SE/4 of Section 34, Township 23 South, Range 36 East. A list of these parties is shown on Attachment No. 2A. This acreage is not currently contained within a Jalmat Gas Pool GPU.

A copy of the notice letter that has been sent to all affected offset parties 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.

Also enclosed is a copy of Order No. NSL-4931 (NSP)(SD) and a Form C-102 for the proposed Stevens A 35 Com No. 5.

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.

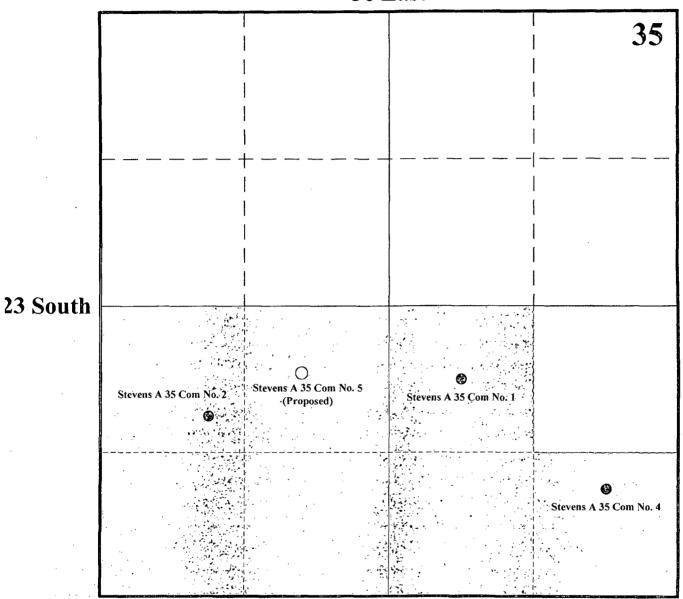
1001 Fannin Street

Suite 800

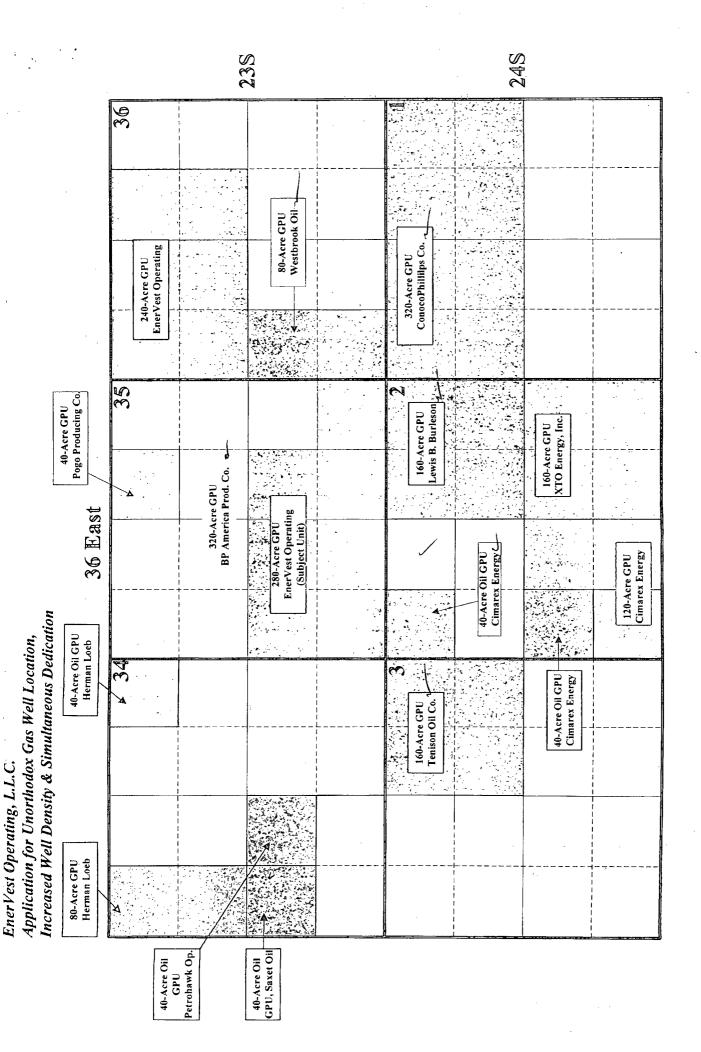
Houston, Texas 77002-6707

Enclosures

36 East



Existing 280-Acre Non-Standard GPU Approved by Division Order No. R-3425 (Restored by NSL-4931 (NSP)(SD))



Attachment 2

OFFSET JALMAT (OIL & GAS) OPERATORS

GPU Description	Operator	Lease Name & Well Number	Well Location
NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 Section 35, T-23S, R-36E	BP America Production Co.	John P. Combest WN No. 1Y John P. Combest WN No. 2 John P. Combest WN No. 3 John P. Combest WN No. 4 John P. Combest WN No. 5	Unit H, Section 35, T-23S, R-36E Unit G, Section 35, T-23S, R-36E Unit A, Section 35, T-23S, R-36E Unit E, Section 35, T-23S, R-36E Unit I, Section 35, T-23S, R-36E
NW/4 NE/4 Section 35, T-23S, R-36E	Pogo Producing Company	Manda NCT C No. 1	Unit B, Section 35, T-23S, R-36E
NW/4, W/2 NE/4 Section 36, T-23S, R-36E	EnerVest Operating; L.L.C.	State LMT No. 8 State LMT No. 9 State LMT No. 11	Unit D, Section 36, T-23S, R-36E Unit C, Section 36, T-23S, R-36E Unit B, Section 36, T-23S, R-36E
W/2 SW/4 Section 36, T-23S, R-36E	Westbrook Oil Corporation	Penroc State "Q" No. 1	Unit L, Section 36, T-23S, R-36E
N/2 Section 1, T-24S, R-36E	ConocoPhillips Company	Vaughan B 1 No. 1 Vaughan B 1 No. 2 Vaughan B 1 No. 5 Vaughan B 1 No. 6 Vaughan B 1 No. 9	Unit H, Section 1, T-24S, R-36E Unit F, Section 1, T-24S, R-36E Unit D, Section 1, T-24S, R-36E Unit E, Section 1, T-24S, R-36E Unit G, Section 1, T-24S, R-36E
NE/4 Section 2, T-24S, R-36E	Lewis B. Burleson, Inc.	New Mexico "Z" State No. 1	Unit H, Section 2, T-24S, R-36E
SE/4 Section 2, T-24S, R-36E	XTO Energy, Inc.	State "T" No. 2	Unit O, Section 2, T-24S, R-36E
S/2 SW/4, NE/4 SW/4 Section 2, T-24S, R-36E	Cimarex Energy Company	Cooper State No. 1 Cooper State No. 2	Unit N, Section 2, T-24S, R-36E Unit K, Section 2, T-24S, R-36E
NW/4 SW/4 Section 2, T-24S, R-36E (Oil) Cimarex Energy) Cimarex Energy Company	Cooper State No. 3	Unit L, Section 2, T-24S, R-36E

OFFSET JALMAT (OIL & GAS) OPERATORS (Cont.)

NW/4 NW/4 Section 2, T-24S, R-36E (Oil) Cimarex Energy Company	Cimarex Energy Company	Citgo "AS" State No. 4	Unit D, Section 2, T-24S, R-36E
NE/4 Section 3, T-24S, R-36E	Tenison Oil Company	Vaughn B 3 No. 4	Unit H, Section 3, T-24S, R-36E
NE/4 NE/4 Section 34, T-23S, R-36E (Oil) Herman L. Loeb	Herman L. Loeb	Stevens A 34 No. 5	Unit A, Section 34, T-23S, R-36E
W/2 NW/4 Section 34, T-23S, R-36E	Herman L. Loeb	Stevens A 34 No. 1	Unit E, Section 34, T-23S, R-36E
NW/4 SW/4 Section 34, T-23S, R-36E (Oil) Saxet Oil Corporation	Saxet Oil Corporation	B Davis No. 1	Unit L, Section 34, T-23S, R-36E
NE/4 SW/4 Section 34, T-23S, R-36E (Oil) Petrohawk Operating Co.	Petrohawk Operating Co.	B Davis No. 3	Unit K, Section 34, T-23S, R-36E

OFFSET OPERATORS, LESSEE AND/OR MINERAL INTEREST OWNERS OTHER FORMATIONS/POOLS

Cimarex Energy Company	g Rights: Morris E. Schertz Herman L. Loeb	Petrohawk Operating Company	ners: Oxy USA WTP, L.P. Exxon Mobil Corporation GCO Minerals Company XTO Energy, Inc.	AleAnna Kesources
Operator:	Owners of Operating Rights:	Operator & Lessee:	Mineral Interest Owners:	, essee.
NE/4 NW/4 & S/2 NW/4	E/2 NW/4, W/2 NE/4, SE/4 NE/4	S/2 SW/4	SE/4	
Section 2, T-24S, R-36E	Section 34, T-23S, R-36E	Section 34, T-23S, R-36E	Section 34, T-23S, R-36E	

ATTACHMENT 2A

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: EnerVest Operating, L.L.C.

Application for Unorthodox Gas Well Location, Increased Well Density & Simultaneous Dedication Jalmat (Tansil-Yates-Seven Rivers) Gas Pool (79240)

Section 35, T-23 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. for authorization to dedicate its proposed Stevens A 35 Com Well No. 5, located at an unorthodox gas well location 2030 feet from the South line and 1830 feet from the West line (Unit K) of Section 35, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to an existing 280-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the SW/4, W/2 SE/4 and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM. Pursuant to the authority previously granted by Order No. NSL-4931 (NSP)(SD), this unit is currently dedicated to EnerVest Operating, L.L.C.'s Stevens A 35 Com Wells No. 1, 2 and 4 located, respectively in Units J, L and P of Section 35.

As the owner of an interest that may be affected by the proposed unorthodox gas well location and 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

Offset Operator and/or Interest Owner Notification List

BP America Production Company Box 22048 Tulsa, Oklahoma 74121

Pogo Producing Company Box 10340 Midland, Texas 79702-7340

Westbrook Oil Corp. 1320 N. West County Road Hobbs, New Mexico 88240

ConocoPhillips Company Box 2197 WL3 6106 Houston, Texas 77252

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

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

Cimarex Energy Company 600 E. Las Colinas Blvd. Suite 1100 Irving, Texas 75038

Tenison Oil Company 401 Cypress St. Suite 500 Abilene, Texas 79601 Petrohawk Operating Company 1100 Louisiana Suite 4400 Houston, Texas 77002

Herman L. Loeb Rte. 2, Country Club Road Lawrenceville, Il 62439

Morris E. Schertz P.O. Drawer 2588 Roswell, New Mexico 88201

Oxy USA WTP L.P. Box 4294 Houston, Texas 77210-4294

Exxon Mobil Corporation
Box 4721
Houston, Texas 77210-4721

GCO Minerals Company P.O. Box 4258 Houston, Texas 77210-4258

AleAnna Resources 2409 Ella Lee Lane Houston, Texas 77019

Saxet Oil Corporation Box 187 Midland, Texas 79702

State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

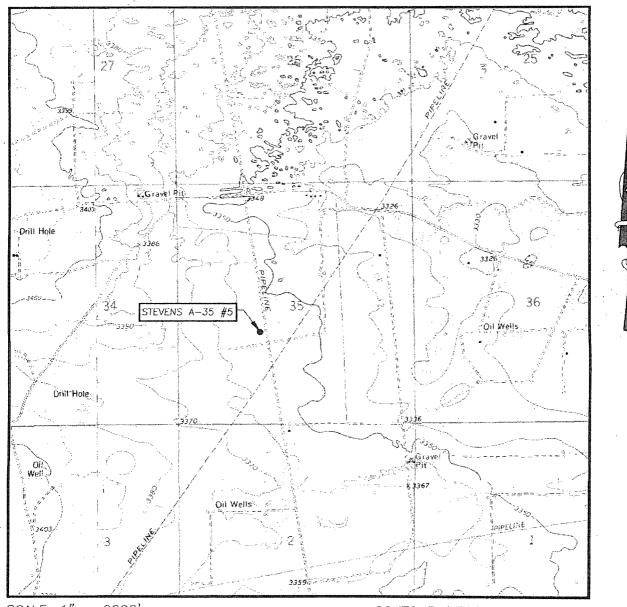
OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

RONALD J. EIDSON 3239

DISTRICT IV 1220 S. ST. FRANCIS D	R., SANTA FE.	NM 87505	WELL LO	CATION	AND AC	REA	GE DEDICATI	ON PLAT	□ AMENDI	ED REPORT
	Number			Pool Code				Pool Name		
Property C	Code				Property STEVEN				Well Nu	mber
OGRID No).		,	ENE	Operator CRVEST (r Nam	e		Elevati 335	
		<u> </u>			Surface	Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet from the	East/West line	County
G	35	23-S	36-E		2030		SOUTH	1830	WEST	LEA
			Bottom	Hole Loc	eation If	Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill C	Consolidation	Code Or	der No.				<u></u>	<u> </u>
										<u></u>
NO ALLO	WABLE V						NTIL ALL INTER APPROVED BY		EEN CONSOLIDA	ATED
	830'		Y=4597	77 NME 732.8 N 548.7 E 259174° N	1			I hereby herein is true my knowledge organization ei or unlessed mincluding the including the or has a right location pursus owner of such or to a volunt compulsory pot by the division Signature Printed Nam SURVEYOUS Shown on this notes of actual under my super true and correct	Da OR CERTIFICAT certify that the well plat was plotted fro i surveys made by in rision, and that the ct to the best of my	ormation e best of t this r interest e land le location t this th an interest, nt or a e entered te
		2030,——						Date Surveye Signature & Professional	Seal of	AR
								\ 	o. GARY EIDSON	12641

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 35 TWP. 23—S RGE. 36—E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 2030' FSL & 1830' FWL

ELEVATION 3354'

OPERATOR ENERVEST OPERATING

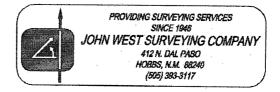
LEASE STEVENS A—35

U.S.G.S. TOPOGRAPHIC MAP

RANTTLESNAKE CANYON, N.M.

CONTOUR INTERVAL:

RATTLESNAKE CANYON, N.M. — 10'
CUSTER MOUNTAIN, N.M. — 10'
EAST LAKE, N.M. — 10'
JAL NW, N.M. — 10'





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 5, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Doyle Hartman, Oil Operator P. O. Box 10426 Midland, Texas 79702 Telefax No. (915) 682-7616

Administrative Order NSL-4931 (NSP) (SD)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 6, 2003 (administrative application reference No. pKRV0-316135921); and (ii) the Division's records in Santa Fe, including the file on Division Case No. 3754: all concerning your request for an unorthodox infill Jalmat gas well location within a previously established 280-acre non-standard gas spacing unit comprising the SW/4, W/2 SE/4, and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

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

This 280-acre gas spacing unit was initially established by Division Order No. R-3425, issued in Case No. 3754 on June 5, 1968 for the following two wells:

- (1) your existing Stevens "A-35" Com. Well No. 1 (API No. 30-025-09465), located at a standard gas well location for this GPU 1980 feet from the South and East lines (Unit J) of Section 35; and
- (2) your recently recompleted Stevens "A-35" Com. Well No. 2 (API No. 30-025-09467), located a standard infill gas well location for this 280-acre GPU 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 35.

By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool, the above-described non-standard 280-acre gas spacing unit is hereby restored. Further, the following described well to be reentered and recompleted into the Jalmat Gas Pool at an unorthodox infill gas well location within this 280-acre gas spacing unit is hereby approved:

Stevens "B-35" Well No. 1, to be redesignated the Stevens "A-35" Com. Well No. 4 990' FSL & 660' FEL (Unit P) (API No. 30-025-26267).

Also, pursuant to Rule 6 (B) of the Jalmat special pool rules, you are hereby authorized to simultaneously dedicate Jalmat gas production from the three above-described Stevens "A-35" Com. Wells No. 1, 2, and 4.

All provisions applicable to this restored 280-acre non-standard gas spacing unit in Division Orders No. R-3425 not in conflict with this order 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,

Lori Wrotenbery

Director

LW/mes

cc: New Mexico Oil Conservation Division – Hobbs

U. S. Bureau of Land Management - Carlsbad

