

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 3, 2008

EnerVest Operating, L.L.C.
Attn: Ronnie L. Young
1001 Fannin St, Suite 800
Houston, TX 77002-6707

Administrative Order NSL-5931
Administrative Order SD-200823

Re: Boren Greer Gas Com. Well No. 5
API No. 30-025-38880
Unit F, Section 21, Twsp 22S, Range 36E
Lea County

Dear Mr. Young:

Reference is made to the following:

(a) your application (**administrative non-standard location [NSL] application reference No. pKVR08-24942341**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 5, 2008,

(b) your application (**administrative simultaneous dedication [SD] application reference No. pKVR08-24942702**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 5, 2008, and

(c) the Division's records pertinent to your request, including, but not limited to, the Division's records pertinent to Order No. R-8116 issued in Case No. 8770 on January 6, 1986.

Non-Standard Location (NSL) Application

EnerVest Operating, L.L.C. (EnerVvest) has requested to drill the above-referenced well (the proposed well) at an unorthodox Jalmat gas well location, 2080 feet from the North line and 2130 feet from the West line (Unit F) of Section 21, Township 22 South, Range 36 East, N.M.P.M., in Lea County, New Mexico. An existing non-standard gas spacing unit (the unit) in



the Jalmat-Tansill/Yates/Seven Rivers Gas Pool (79240), comprising the NE/4 of Section 20 and the NW/4 of Section 21, Township 22 South, Range 36 East, N.M.P.M., will be dedicated to the proposed well. This 320-acre, more or less, non-standard gas spacing unit was previously established by Order R-8116.

Spacing in the Jalmat Gas Pool is governed by Rule 3(a)(2) of the Special Rules for the Jalmat Gas Pool, as amended by Order R-8170-P, effective December 14, 2001, which provides that a gas well shall be at least 660 feet from any unit outer boundary, 660 feet from any governmental quarter section line, and 330 feet from any quarter/quarter section line. This location is less than 660 feet from the southern and eastern unit and quarter-section boundaries.

Your NSL application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location to avoid interference with an existing pipeline that crosses the unit.

It is also understood that notice of this NSL application has been duly provided to offsetting owners and operators in the E/2 and SW/4 of Section 21.

Simultaneous Dedication Application

EnerVest has also requested to simultaneously dedicate the proposed well, along with the existing Boren Greer Gas Com. Well No. 4 (API No. 30-025-38222), a gas well located 1795 feet from the North line and 1035 feet from the West line (Unit E) of Section 21, Township 22 South, Range 36 East to this existing non-standard unit.

Division approval of simultaneous dedication is required because Rule 3(C) of the Special Pool Rules for the Jalmat Gas Pool, as provided in Order R-8170-P, prohibits the dedication of more than one gas well per 160 acres in that pool.

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 Jalmat Gas Pool.

It is our understanding that you are seeking simultaneous dedication of this unit to the two 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 existing spacing units in the Jalmat adjoining the proposed unit and to all affected persons owning interests in the E/2 and SW/4 of Section 21. The S/2 of Section 20-22S-36E also adjoins to the Unit, but is not included in any existing Jalmat spacing unit. The Division has determined that notice to owners within this tract is not necessary because, by reason of the remoteness of this tract from the location of the proposed well, these owners will not be affected.

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Ordering Provisions

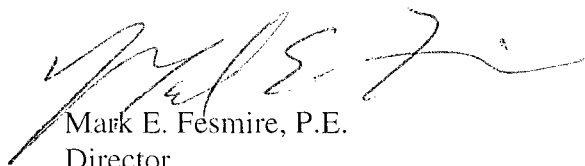
Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.

Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad