

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



November 3, 2008

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

Administrative Order SD-200616-B

Re: Martin B Well No. 5
API No. 30-025-39183
1980 FNL and 660 FWL
Lot 2, Unit E, Section 31, Twsp 24S, Range 37E
Lea County

Dear Mr. Young:

Reference is made to the following:

(a) your application (**administrative simultaneous dedication [SD] application reference No. pKVR08-26829684**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 23, 2008, and

(b) the Division's records pertinent to your request, including, but not limited to, the Division's records pertinent to Administrative Orders SD-200616 and SD-200616-A.

EnerVest Operating, L.L.C. (EnerVest) has requested to simultaneously dedicate its proposed Martin B Well No. 5 (the proposed well), to be drilled at a standard gas well location described in the caption of this letter, along with the following existing gas wells:

Martin B No. 1	API No. 30-025-11295	1650 FNL & 1650 FWL (Unit F)
Martin B No. 3	API No. 30-025-37959	660 FNL & 1917 FWL (Unit C)
Martin B No. 4	API No. 30-025-38883	660 FNL & 660 FWL (Unit D)



In Section 31-24S-37E, to an existing, non-standard 156.19-acre gas spacing unit in the Jalmat-Tansill/Yates/Seven Rivers Gas Pool (79240), comprising Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) of said section, in Lea County, New Mexico. This non-standard gas spacing unit was established by Order No.R-520, issued in Case No. 673 on August 12, 1954.

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, 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-200616, issued on June 15, 2006, as amended by Order SD 200616-A, issued on June 24, 2008.

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 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.

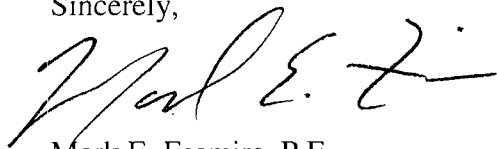
We also understand that you have given due notice of this application to all "affected persons," as defined in Rule 1210.A(2)(a), in all spacing units in the Jalmat adjoining the proposed unit.

Pursuant to the provisions of Division Rule 104.D(3) and Rule 4(B) of the Special Pool Rules for the 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,



Mark E. Fesmire, P.E.
Director

MEF/db

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