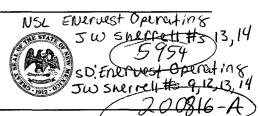
ABOVE THIS LINE FOR DIVISION USE ONLY

### NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



	_		
		ADMINISTRATIVE APP	LICATION CHECKLIST
Tŀ	IIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLIC WHICH REQUIRE PROCESSING AT	ATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS THE DIVISION LEVEL IN SANTA FE
Applic	[DHC-Dow [PC-Po	indard Location] [NSP-Non-Standard nhole Commingling] [CTB-Lease Cool Commingling] [OLS - Off-Lease	K-Pressure Maintenance Expansion] PI-Injection Pressure Increase]
[1]	TYPE OF AI	PPLICATION - Check Those Which Location - Spacing Unit - Simultan NSL NSP SD	
	Checl [B]	k One Only for [B] or [C]  Commingling - Storage - Measuren  DHC CTB PLC	
	[C]	Injection - Disposal - Pressure Incr	
	[D]	Other: Specify	
[2]	NOTIFICAT [A]	TION REQUIRED TO: - Check Thos  Working, Royalty or Overridin	e Which Apply, or Does Not Apply g Royalty Interest Owners
	[B]	Months of the American Control	s or Surface Owner
	[C]	Application is One Which Req	uires Published Legal Notice
	[D]	Notification and/or Concurrent U.S. Bureau of Land Management - Commission	Approval by BLM or SLO ner of Public Lands, State Land Office
	[E]	For all of the above, Proof of I	Notification or Publication is Attached, and/or,
	[F]	Waivers are Attached	
[3]		CURATE AND COMPLETE INFO ATION INDICATED ABOVE.	RMATION REQUIRED TO PROCESS THE TYPE
	val is <b>accurate</b> :	• •	mation submitted with this application for administrative edge. I also understand that <b>no action</b> will be taken on this are submitted to the Division.
	Note	: Statement must be completed by an individual	dual with managerial and/or supervisory capacity.
	ie L. Young or Type Name	Signature L	Compliance Supervisor Title
		9/17/08 Date	RYOUNG@ENERVEST.NET E-Mail Address

### September 15, 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: Application for Unorthodox Gas Well Location(s),
Application to Amend Order No. SD-200816
Increased Well Density & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

### Dear Mr. Fesmire:

By Division Order SD-200816 dated June 5, 2008, the Division authorized EnerVest Operating, L.L.C. ("EnerVest") to drill its J. W. Sherrell Well No. 12 (API No. 30-025-38882) at a standard gas well location 660 feet from the South line and 1815 feet from the East line (Unit O) of Section 31, Township 24 South, Range 37 East, NMPM to test the Jalmat Gas Pool. The order further authorized EnerVest to simultaneously dedicate the J. W. Sherrell No. 12 and the existing J. W. Sherrell No. 9 (API No. 30-025-26070) located at a previously approved unorthodox gas well location 2250 feet from the South line and 1650 feet from the East line (Unit J) of Section 31, to an existing 160-acre non-standard gas proration unit ("GPU") in the Jalmat Gas Pool comprising the SE/4 of Section 31. Division Order No. R-5948 dated March 16, 1979 approved the non-standard GPU and the unorthodox gas well location for the J. W. Sherrell No. 9.

EnerVest hereby requests that Order No. SD-200816 be amended to authorize:

- a) the drilling of two additional gas wells within the subject GPU. EnerVest proposes to drill its J. W. Sherrell No. 13 at an unorthodox gas well location 2422 feet from the South line and 971 feet from the East line (Unit I), and its J. W. Sherrell No. 14 at an unorthodox gas well location 990 feet from the South line and 1040 feet from the East line (Unit P) of Section 31; and
- b) the simultaneous dedication of the J. W. Sherrell Wells No. 9, 12, 13 and 14 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 unorthodox location for the J. W. Sherrell No. 13 is necessitated by the presence of electric power lines that traverses the NE/4 SE/4 of Section 31 in a north-south and east-west direction. This surface feature is shown on the attached land plat. The unorthodox location for the J. W. Sherrell No. 14 is also necessitated by the presence of an electric power line and a pipeline that traverse the SE/4 SE/4 of Section 31 in a north-south direction. These surface features are also shown on the attached land plat. The affected offset acreage for the J. W. Sherrell No. 13 is the NE/4 of Section 31, which is operated by Lewis B. Burleson, Inc. The location for the J. W. Sherrell No. 14 is unorthodox with respect to the interior quarter-quarter section line, and therefore, does not affect offset operators.

In support of the application, EnerVest states the following:

The existing J. W. Sherrell No. 9 is currently marginally productive. During January-June, 2008 the J. W. Sherrell No. 9 produced at an average rate of approximately 62 MCF of gas per day;

The J. W. Sherrell No. 12 has been drilled, but has not yet been completed;

Recent drilling in this area by EnerVest and other operators has demonstrated that there is little or no interference between gas wells spaced on 40 acres within the Jalmat Gas Pool. Consequently, EnerVest believes that the drilling of the proposed J. W. Sherrell Wells No. 13 and 14 are necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the NE/4 SE/4 and SE/4 SE/4 of Section 31;

Due to inefficient drainage and the marginally productive nature of the existing well, 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;

Attachment No. 2 is a plat that identifies the subject GPU and all offsetting GPU's in the Jalmat Gas Pool. As shown on Attachment No. 2, there are four offsetting GPU's that are operated by EnerVest. Please be advised that EnerVest owns 100% of the working interest in these four offsetting GPU's. Consequently, there are no additional working interest owners to notify.

Attachment No. 2A is a compilation of all active Jalmat Gas Pool producing wells within the offsetting GPU's;

Notice of this application has been provided to Lewis B. Burleson, Inc., and Herman L. Loeb.

A copy of the notice letter that has been sent to all 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 return receipt cards, they will be forwarded to the Oil Conservation Division.

Also enclosed is a copy of Order No. SD-200816 and a Form C-102 for the proposed J. W. Sherrell No. 13 and the J. W. Sherrell No. 14.

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

Compliance Supervisor

EnerVest Operating, L.L.C.

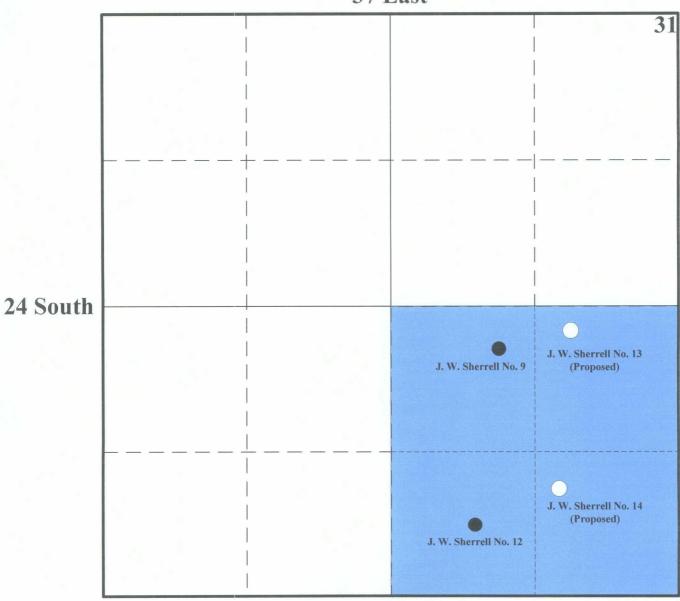
1001 Fannin Street

Suite 800

Houston, Texas 77002-6707

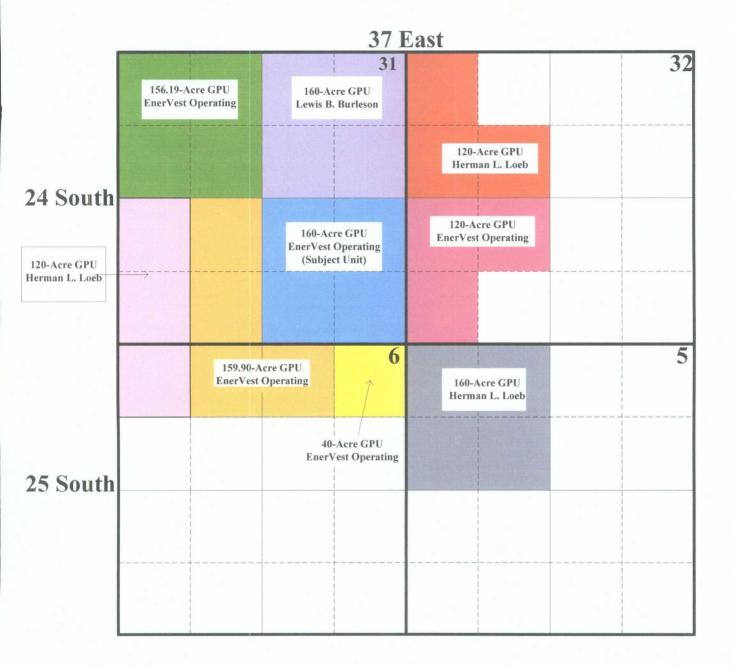
Enclosures

### 37 East



Existing 160-Acre Non-standard GPU Approved by Order No. R-5948

**Attachment 1** 



# OFFSET JALMAT OPERATORS

GPU Description  NE/4 Section 31, T-24S, R-37E  NW/4 Section 31, T-24S, R-37E	Operator  Lewis B. Burleson, Inc.  EnerVest Operating, L.L.C.	Lease Name & Well Number  Martin "A" No. 2  Martin "B" No. 1  Martin "B" No. 3  Martin "B" No. 4 (Proposed)	Well Location  Unit A, Section 31, T-24S, R-37E  Unit F, Section 31, T-24S, R-37E  Unit C, Section 31, T-24S, R-37E  Lot 1. Section 31, T-24S, R-37E
NW/4 Section 31, T-24S, R-37E	EnerVest Operating, L.L.C.	Martin "B" No. 1 Martin "B" No. 3 Martin "B" No. 4 (Proposed)	Unit F, Section Unit C, Section Lot 1, Section
E/2 SW/4 Section 31, T-24S, R-37E NE/4 NW/4 & NW/4 NE/4 Section 6, T-25S, R-37E	EnerVest Operating, L.L.C.	J. W. Sherrell No. 5 J. W. Sherrell No. 10 J. W. Sherrell No. 11 (Proposed)	Unit N, Section 31, T-24S, R-37E Unit C, Section 6, T-25S, R-37E Unit K, Section 31, T-24S, R-37E
Lots 3 & 4 Section 31, T-24S, R-37E NW/4 NW/4 Section 6, T-25S, R-37E	Herman L. Loeb	Jalmat Federal Com No. 1	Unit D, Section 6, T-25S, R-37E
NE/4 NE/4 Section 6, T-25S, R-37E	EnerVest Operating, L.L.C.	Wells B-6 No. 1	Unit A, Section 6, T-25S, R-37E
NW/4 Section 5, T-25S, R-37E	Herman L. Loeb	Wells Federal No. 15 Wells Federal No. 4	Unit D, Section 5, T-25S, R-37E Unit F, Section 5, T-25S, R-37E
N/2 SW/4, SW/4 SW/4 Section 32, T-24S, R-37E	EnerVest Operating, L.L.C.	Skelly "M" State No. 4	Unit L, Section 32, T-24S, R-37E
S/2 NW/4, NW/4 NW/4 Section 32, T-24S, R-37E	Herman L. Loeb	State A 32 No. 5 State A 32 No. 4	Unit D, Section 32, T-24S, R-37E Unit F, Section 32, T-24S, R-37E

# ATTACHMENT 2A

### <u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: EnerVest Operating, L.L.C.

Application for Unorthodox Gas Well Location(s), Application to Amend Order No. SD-200816 Increased Well Density & Simultaneous Dedication Jalmat (Tansil-Yates-Seven Rivers) Gas Pool (79240)

Section 31, T-24 South, R-37 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 J. W. Sherrell Well No. 13, located at an unorthodox gas well location 2422 feet from the South line and 971 feet from the East line (Unit I) of Section 31, and its proposed J. W. Sherrell Well No. 14, located at an unorthodox gas well location 990 feet from the South line and 1040 feet from the East line (Unit P) of Section 31, both in Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, to an existing 160-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 24 South, Range 37 East, NMPM. Pursuant to the authority granted by Division Order No. SD-200816 dated June 5, 2008, this unit is currently dedicated to EnerVest Operating, L.L.C.'s J. W. Sherrell Wells No. 9 and 12 located respectively, in Units J and O of Section 31.

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

Compliance Supervisor

EnerVest Operating, L.L.C.

1001 Fannin Street

Suite 800

Houston, Texas 77002-6707

Enclosure

### Offset Operator Notification List

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

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

### **Attachment 3**

### DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005 Submit to Appropriate District Office

## State Lease - 4 Copies Fee Lease - 3 Copies

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

DISTRICT III

DISTRICT IV

1000 Rio Brazos Rd., Aztec. NM 87410

### OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT ☐ AMENDED REPORT

$\frac{\text{API Number}}{30 - 025 - 39}$		Poo	ol Name
Property Code	•	rty Name HERRELL	Well Number 13
OGRID No.	•	tor Name Operating	Elevation 3230'

### Surface Location

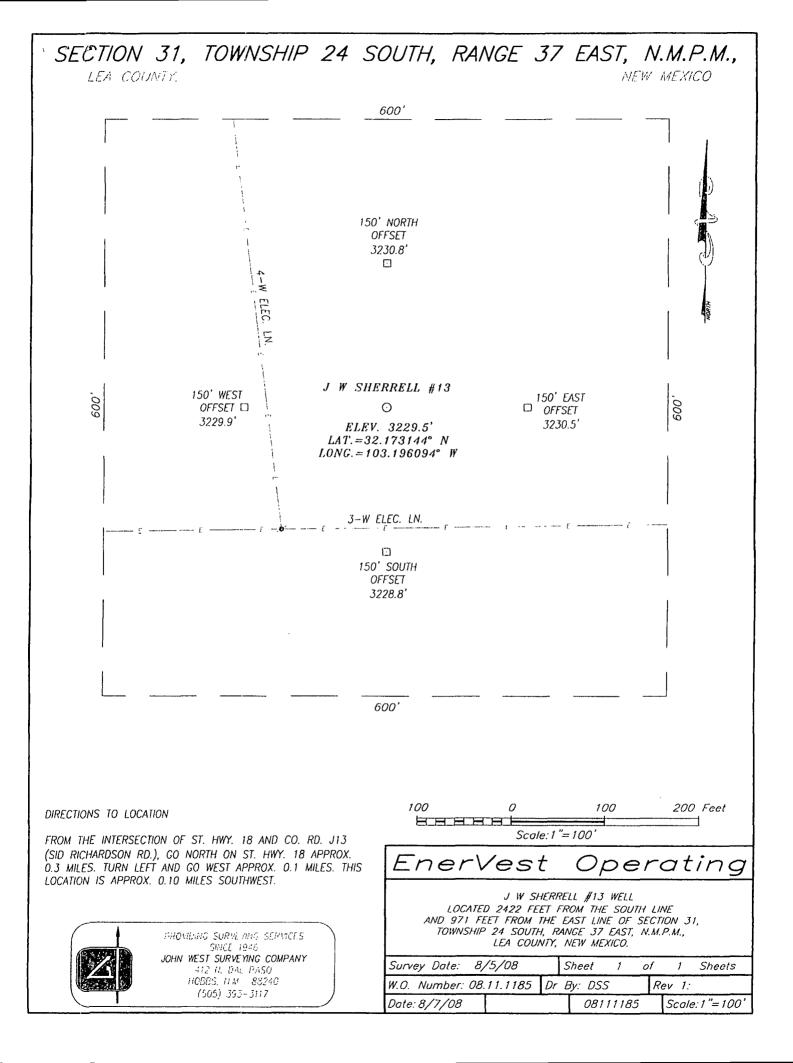
~·····		,						,	,	-
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	ļ
l	31	24-S	37-E		2422	SOUTH	971	EAST	LEA	

### Bottom Hole Location If Different From Surface

UL or le	ot No	.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicat			Joint or	Intill Co.	nsolidation (	ode / Ore	ler No.				
Dealege	cu A	.163	Joint of	initia Co.	nsonuación (	ore ore	iei No.				į
						1					!

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1		OPERATOR CERTIFICATION
		I hereby certify that the information
		berein is true and complete to the best of
		my knowledge and belief, and that this organization either owns a working interest
	1	or unleased mineral interest in the land
		including the proposed bottom hole location or has a right to drill this well at this
	,	location pursuant to a contract with an owner of such mineral or working interest,
		or to a voluntary pooling agreement or a
38.09 AC		compulsory pooling order heretofore entered by the division.
LOT 2		
	i I	Signature Date
		Signature pare
		Printed Name
		Control of the Contro
70.00.00		SURVEYOR CERTIFICATION
38.10 AC		Solve for Centification
LOT 3	GEODETIC COORDINATES	I hereby certify that the well location
	NAD 27 NME	shown on this plat was plotted from field notes of actual surveys made by me or
1	TYND 27 TYML	under my supervision, and that the same is
	Y=428570.2 N	true and correct to the best of my belief.
	X=851884.3 E	
		Similar Of Cally
	LAT.=32.173144° N	AUQUST5. 2008,
70.10.10	LONG. = 103.196094" W	Date Surveyed ME
38.12 AC		Signature & Scal of
LOT4		Professional Surveyor
	l i	0) DASS: 1 DIASTO 508/11/08
		7 ( 14:1185 ) F
		"Management
	1	Certificate No. WARY EIDSON 12641 RONALD J. EIDSON 3239
38.13 AC		ROWALD J. EIDSON SESS
JO. 13 AC		



### DISTRICT I

1625 N. FRENCH DR., HOBDS, NM 90240

### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

### 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

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT ☐ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 API Number Pool Code Pool Name 30-025 - 39 Well Number Property Code Property Name J W SHERRELL 14 OGRID No. Operator Name Elevation EnerVest Operating 3231

### Surface Location

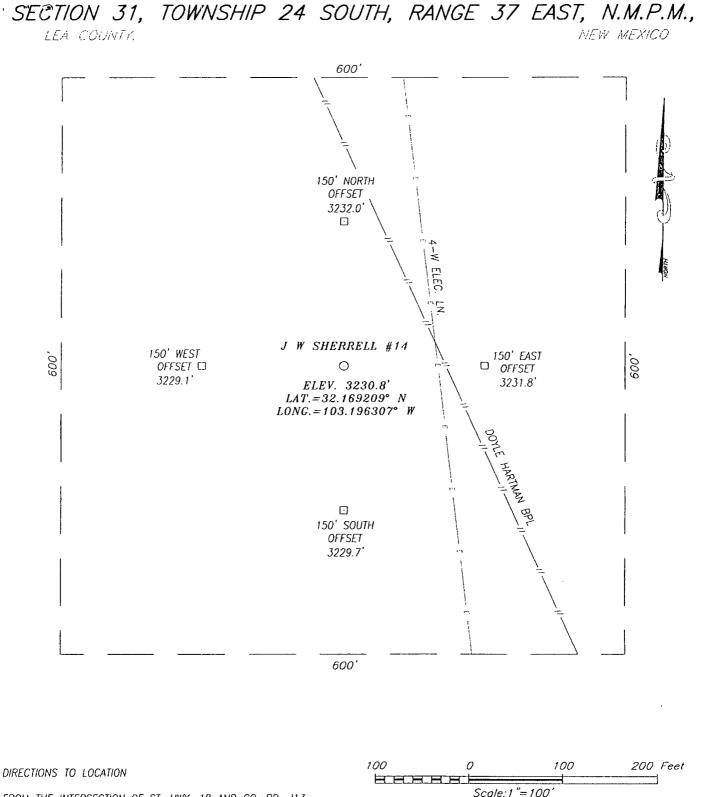
Ul. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	31	24-S	37-E		990	SOUTH	1040	EAST	LEA

### Bottom Hole Location If Different From Surface

i	UL or lot No.	Section	Township	Range	løt ldn	Feet from the	North/South line	Feet from the	East/West line	County
	Dedicated Acres	Joint of	r Infill Co	nsolidation (	Code Ore	ler No.				
		•								
		1	į							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1		OPERATOR CERTIFICATION
38.09 AC LOT 2		I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
101 2		
		Signature Date
		Printed Name
		The same state of the same sta
38.10 AC	1	SURVEYOR CERTIFICATION
LOT 3	GEODETIC COORDINATES NAD 27 NME	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
	Y=427137.8 N X=851833.2E	Secretary J. E. O. O. O.
	LAT. =32.169209° N	=AOCUST 5, 2008) //
38.12 AC	LONG. = 103.196307° W	Date Surveyed, DSS
LOT4		Signafure & Soul of Profossional Surveyed
		Geneldel Endan 8/11/08
		Certificate No. GARY EIDSON 12641
		RONALD J. EIDSON 3239
38.13 AC		



FROM THE INTERSECTION OF ST. HWY. 18 AND CO. RD. J13 (SID RICHARDSON RD.), GO NORTH ON ST. HWY. 18 APPROX. 280 FEET. TURN LEFT AND GO WEST APPROX. 0.2 MILES. THIS LOCATION IS APPROX. 0.1 MILE SOUTH.



PROVIEWS SURVEYING SERVICES SINCE 1946 JOHN WEST SURVEYING COMPANY #12 N D4L PASO #0865, NM 88240 (505) 393-3117

100	0	100	200 Feet
H.H.H.	HH		
	Scale:1	"=100°	

# \_\_\_\_\_ EnerVest Operating

J W SHERRELL #14 WELL LOCATED 990 FEET FROM THE SOUTH LINE AND 1040 FEET FROM THE EAST LINE OF SECTION 31, TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 8/5/0	3	Sheet	1	of	1	Sheets
W.O. Number: 08.11.1	86 Dr	By: DSS		Re	ev 1:	
Date: 8/7/08		0811	1186		Scale	:1"=100'

# 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



June 5, 2008

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

Administrative Order SD-200816

Re:

J.W. Sherrell Well No. 12 API No. 30-025-38882 Unit O, 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. pKVR08-12357881) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 2, 2008, and
- (b) the Division's records pertinent to your request, including, but not limited to, the Division's records pertinent to Order R-5948, issued in Case No. 6465 on March 16, 1979.

Enervest Operating, L.L.C. (Enervest) has requested to simultaneously dedicate its proposed J.W. Sherrell Well No. 12, API No. 30-025-38882 (the proposed well), be drilled at a standard gas well location 660 feet from the South line and 1815 feet from the East line (Unit O) of Section 31, Township 24 South, Range 37 East, NMPM, in Lea County, along with the existing J.W. Sherrell Well No. 9 (API No. 30-025-26070), a gas well located 2250 feet from the South line and 1650 feet from the East line (Unit J) of the same section, to an existing, non-standard 160-acre gas spacing unit in the Jalmat-Tansill/Yates/Seven Rivers Gas Pool (79240), comprising the SE/4 of said Section 31. This 160-acre non-standard gas spacing unit was established by Order No.R-5984.



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.

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 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.

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

57B CERTIFIED WAIL RECEIPT **E**O /For delivery information visit our website at www.usps.com ıΠ LAWRENCEVILLE IL 62439 574 \$1.34 0507 \$ Postage 000 \$2.70 Certified Fee Return Receipt Fee (Endorsement Required) 2 2005 \$2.20 Here 0100 Restricted Delivery Fee (Endorsement Required) \$0.00 \$6.24 Total Postage & Fees \$ 7005 Herman Street, Apt. No.; or PO Box No. City, State, ZIP+4

561 CHARLED MAILE REGERA 40 LN MIDLAND TX 79702 S 574 \$1.34 0507 Postage 0002 INDA STA Certified Fee \$2.70 10 Return Receipt Fee (Endorsement Required) \$2.20 Here 070 SEP 22 2005 ゴラ Restricted Delivery Fee (Endorsement Required) \$0.00 \$6.24 Total Postage & Fees 7006 USP Lowis Street, Apt. No.; or PO Box No. City, State, ZIP+ 79702 Texas