



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 9, 2011

Enervest Operating, L.L.C.
Attn: Ms. Bridget Helfrich
1001 Fannin St., Suite 800
Houston, TX 77002

Administrative Order NSL-5396-A

**Re: Jicarilla Apache 102 Well No. 11M
API No. 30-039-29912
1668 feet FSL and 468 feet FWL
Unit L, Section 10-26N-4W
Rio Arriba County, New Mexico**

Dear Ms. Helfrich:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-11235872**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 21, 2011, and

(b) the Division's records pertinent to this request, including the Division's records pertaining to Administrative Order NSL-5396, issued on June 9, 2006.

By Order NSL-5396, the Division granted the application of CDX Rio, L.L.C. to drill the above-referenced well at an unorthodox location described above in the caption of this letter, to be completed in the Blanco Mesaverde Gas Pool (72319) and the Basin Dakota Gas Pool (71599). Enervest Operating, L.L.C. (Enervest) [OGRID 143199], as successor operator of this well, now seeks authorization to complete the well at the same unorthodox location in the BS Mesa Gallup Gas Pool (72920).

The SW/4 of Section 10 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the BS Mesa Gallup Gas Pool. Spacing in the BS Mesa Gallup Gas Pool is governed by

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



statewide Rule 15.10.C [19.15.15.10.C NMAC], which provides that standard gas units shall consist of 160 acres, with wells located at least 660 feet from any unit outer boundary or quarter section line. The proposed location for this well is less than 660 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13.C [19.15.15.13.C NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this approval in order to utilize an existing wellbore.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

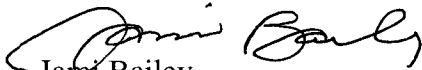
Pursuant to the authority conferred by Division Rule 15.13.B [19.15.15.13.B NMAC], the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Order NSL-5396 remains in full force and effect as supplemented by this Order.

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

Sincerely,


Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management