

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

RECEIVED  
2009 APR 14 AM 8 41

March 13, 2009

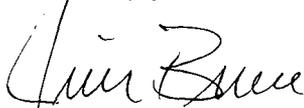
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14317*

Dear Florene:

Enclosed for filing, on behalf of Enervest Operating LLC, are an original and one copy of an application for statutory unitization, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 14, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Enervest Operating LLC

Parties Being Unitized

Audrey Aston Bean  
Charles A. Aston III  
Valerie Aston Kobal  
Ellen Aston Paull  
Rogers Aston  
P.O. Box 1090  
Roswell, New Mexico 88202

Aston Family Limited Partnership  
Lincoln Aston Estate  
P.O. Box 830308  
Dallas, Texas 75283

Aston Partnership  
8150 North Central Expressway  
Dallas, Texas 75206

Harvey E. Yates Company  
P.O. Box 1933  
Roswell, New Mexico 88202

Attention: Melissa Randle

Jalapeno Corporation  
P.O. Box 1608  
Albuquerque, New Mexico 87103

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
John A. Yates  
Sacramento Partners L.P.  
Trust Q  
105 South Fourth Street  
Artesia, New Mexico 88210

Sharbro Oil, Ltd. Co.  
P.O. Box 840  
Artesia, New Mexico 88211

Paul Slayton  
P.O. Box 2035  
Roswell, New Mexico 88202

Yates Energy Corporation  
P.O. Box 2323  
Roswell, New Mexico 88202

Pathfinder Exploration Company  
4306 Crestgate  
Midland, Texas 79707

William P. Dooley Estate  
Florence M. Dooley  
P.O. Box G  
Artesia, New Mexico 88211

H.L. Brinson  
P.O. Box 314  
Midland, Texas 79702

Mary D. Duggan  
Gladys A. Duggan  
Shirley N. Duggan  
10031 Cedar Creek  
Houston, Texas 77042

Chisos, Ltd.  
670 Dona Ana Road SW  
Deming, New Mexico 88030

Edge Petroleum Exploration Company  
Suite 2000  
1301 Travis  
Houston, Texas 77002

Attention: R. Keith Turner

Fred Brainard Estate  
Clyde Guy  
P.O. Box 368  
Artesia, New Mexico 88211

Charles E. Nearburg  
P.O. Box 823085  
Dallas, Texas 75382

Pure Energy Group Inc.  
Suite 220  
153 Treeline Drive  
San Antonio, Texas 78209

Clifford Cone  
P.O. Box 1629  
Lovington, New Mexico 88260

Douglas Cone  
P.O. Box 64244  
Lubbock, Texas 79464

Kenneth Cone  
P.O. Box 11310  
Midland, Texas 79702

Tom R. Cone  
P.O. Box 778  
Jay, Oklahoma 74346

Cathie Cone McCown  
P.O. Box 658  
Dripping Springs, Texas 78620

Fair Oil, Ltd.  
N. Fair Trust  
P.O. Box 689  
Tyler, Texas 75710

O.H. Randel  
P.O. Box 239  
Artesia, New Mexico 88211

V.S. Welch  
P.O. Box 1343  
Midland, Texas 79702

Lobos Energy Partners, LLC  
Suite 950  
3817 NW Expressway  
Oklahoma City, Oklahoma 73112

Clayton Williams Energy Inc.  
Suite 6500  
Six Desta Drive  
Midland, Texas 79705

ConocoPhillips Company  
P.O. Box 2197  
Houston, TX 77252

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ENERVEST OPERATING LLC  
TO AMEND THE UNIT AGREEMENT FOR THE  
WEST LOCO HILLS GRAYBURG NO. 4 SAND  
UNIT, AND FOR STATUTORY UNITIZATION,  
EDDY COUNTY, NEW MEXICO.

Case No. 14317

APPLICATION

Enervest Operating LLC, for its application, states:

1. Applicant is engaged in the business of producing and selling oil and gas as defined in the Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.* (the "Act").

2. Applicant is the operator of the West Loco Hills Grayburg No. 4 Sand Unit (the "Unit Area"). The Unit Area was approved by Commission Order No. R-2166, and covers the lands located in Eddy County, New Mexico described below, containing 5307.73 acres, more or less:

Township 17 South, Range 29 East, N.M.P.M.  
Section 36: S $\frac{1}{2}$ SW $\frac{1}{4}$

Township 18 South, Range 29 East, N.M.P.M.  
Section 1: W $\frac{1}{2}$  and S $\frac{1}{2}$ SE $\frac{1}{4}$   
Section 2: All  
Section 3: All  
Section 4: E $\frac{1}{2}$ SE $\frac{1}{4}$   
Section 9: E $\frac{1}{2}$   
Section 10: All  
Section 11: All  
Section 12: All  
Section 13: NE $\frac{1}{4}$   
Section 15: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , and NW $\frac{1}{4}$

Township 18 South, Range 30 East, N.M.P.M.  
Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , and SE $\frac{1}{4}$ SE $\frac{1}{4}$   
Section 18: Lots 1, 2, W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and N $\frac{1}{2}$ SE $\frac{1}{4}$

A plat of the Unit Area is attached hereto as Exhibit A.

3. The vertical limits of the unitized formation are defined as:

"Unitized Formation" shall mean that heretofore established underground reservoir, the top of which is found at 2767 feet, and the base of which is found at 2792 feet, on the Gamma Ray Neutron Log of the Newmont-Ballard Well No. B-6 located in the SE/4SW/4NE/4 of Section 1, Township 18 South, Range 29 East, Eddy County, New Mexico, together with Grayburg Sand Stringers encountered at varying intervals between the depths from 100 feet above the top and 50 feet below the bottom of the principal sand body shown by said log, insofar as the same lies within the Unit Area.

The Grayburg reservoir underlying the Unit Area has been reasonably defined by development.

4. A waterflood project was previously approved for the Unit Area, as described in Commission Order Nos. R-2178 and R-3204. Applicant proposes to expand the waterflood project in the Unit Area.

5. The Unit Area is subject to a voluntary Unit Agreement, approved by the Commission under statutes in effect in 1962 when the Unit Area was formed. Applicant proposes to amend the Unit Agreement to conform with current unitization practices and the Statutory Unitization Act. The amended plan of unitization for the Unit Area is embodied in the Amended Unit Agreement for the Unit Area, previously submitted to the Division. The amended plan of unitization is fair, reasonable, and equitable, and the participation formula contained therein allocates the produced and saved hydrocarbons to the separately owned tracts in the Unit Area on a fair, reasonable, and equitable basis.

6. The statutorily unitized management, operation, and further development of the Grayburg reservoir underlying the Unit Area is reasonably necessary in order to effectively carry on waterflood operations and to substantially increase the ultimate recovery of oil and gas therefrom. Statutory unitization will benefit the working interest owners and royalty owners in the Grayburg reservoir underlying the Unit Area.

7. To obtain approval final of the Amended Unit Agreement from the Commissioner of Public Lands and the Bureau of Land Management, applicant must obtain the consent of the record title owners of the state and federal leases in the Unit Area. Applicant has made a good faith effort secure the voluntary unitization of record title owners in the Unit Area, but has not been able to voluntarily secure all necessary ratifications. This application is filed to obtain the consent of the non-ratifying record title owners through the statutory unitization process.

8. Approval of this application will prevent waste and protect correlative rights.

**WHEREFORE,** Beach requests that, after notice and hearing, the Division enter its order approving statutory unitization of record title owners of state and federal leases within the West Loco Hills Grayburg No. 4 Sand Unit.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Enervest Operating LLC

Enervest  
Operating, LLC.



PROPOSED ADVERTISEMENT

Case No. 14317:

***Application of Enervest Operating LLC to amend the Unit Agreement for the West Loco Hills Grayburg No. 4 Sand Unit, and for statutory unitization, Eddy County, New Mexico.***

Applicant seeks an order amending the Unit Agreement, and statutorily unitizing all mineral and leasehold interests in the Grayburg formation, in the previously approved West Loco Hills Grayburg No. 4 Sand Unit underlying 5307.73 acres of state, federal, and fee lands covering all or parts of Section 36, Township 17 South, Range 29 East, NMPM, Sections 1-4, 9-13, and 15, Township 18 South, Range 29 East, NMPM, and Sections 7 and 18, Township 18 South, Range 30 East, NMPM. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be the joinder of all record title owners of state and federal leases within the Unit Area, and such other matters as may be necessary and appropriate. The unit area is centered approximately 6 miles southwest of Loco Hills, New Mexico.