

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-31172
5. Indicate Type of Lease STATE [ ] FEE [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jicarilla "A"
8. Well Number 1M
9. OGRID Number 143199
10. Pool name or Wildcat Blanco-Mesaverde & Basin-Dakota
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,616' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [ ] Gas Well [ ] Other [x]
2. Name of Operator Enervest Operating, L.L.C.
3. Address of Operator 1001 Fannin Street, Suite 800 Houston, Texas 77002
4. Well Location Unit Letter K : 1807 feet from the South line and 2527 feet from the West line
Section 18 Township 26 North Range 5 West NMPM Rio Arriba County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [x]
CLOSED-LOOP SYSTEM [ ]
OTHER: [ ]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
OTHER: [ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

\* Hold C104 for NSL

Enervest Operating, L.L.C. ("Enervest") is proposing to drill the Jicarilla "A" Well No. 1M and complete the well as a downhole commingled completion in the Blanco-Mesaverde and Basin-Dakota Gas Pools.

Order No. Authorizing Pre-Approved Downhole Commingling: R-11363 dated 4/26/2000

Pools to be Downhole Commingled: Blanco-Mesaverde (Prorated Gas-72319) and Basin-Dakota (Prorated Gas-71599) Pools

Perforated Intervals (Estimated): Basin-Dakota: 7,320'-7,615'; Blanco-Mesaverde: 3,995'-5,471'

Allocation Method: Based upon the 2013 average production from seven wells offsetting the Jicarilla "A" No. 1M (See Attached Table) Enervest proposes to allocate production to the well as follows:

Blanco-Mesaverde Gas Pool: Oil: 37% Gas: 65% Water: 53%
Basin-Dakota Gas Pool: Oil: 63% Gas: 35% Water: 47%

\* DHC 3863 A2 \*
OIL CONS. DIV DIST. 3
MAR 31 2014

Interest Ownership between the Mesaverde and Dakota is common. The well is dedicated to the W/2 of Section 18 in both pools. No notification required.

The composition of the commingled fluids is such that commingling will not reduce the total remaining production's value A Copy of this Form C-103 has been provided to the United States Bureau of Land Management.

Spud Date: [ ]

Rig Release Date: [ ]

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David Catanach TITLE: Agent-Enervest Operating, L.L.C. DATE 3/27/14

Type or print name David Catanach E-mail address: drcatanach@netscape.com PHONE: 505-690-9453

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE 4/1/14

Conditions of Approval (if any):

AV

**DHC Application**  
**Jicarilla A No. 1M**  
**Offset Well Production**

<b>Offset Well Name &amp; Number</b>	<b>Well Location</b>	<b>2013 Avg. Mesaverde Oil Production</b>	<b>2013 Avg. Mesaverde Gas Production</b>	<b>2013 Avg. Mesaverde H2O Prod.</b>	<b>2013 Avg. Dakota Oil Production</b>	<b>2013 Avg. Dakota Gas Production</b>	<b>2013 Avg. Dakota H2O Prod.</b>
Jicarilla A No. 7E	D-17-26N-5W	0.142 BOPD	24 MCFGD	1.5 BWPD	0.17 BOPD	29 MCFGD	1.8 BWPD
Jicarilla A No. 1	L-18-26N-5W	0.0 BOPD	3 MCFGD	0.0 BWPD	0.7 BOPD	82 MCFGD	0.8 BWPD
Jicarilla A No. 2	B-18-26N-5W	0.67 BOPD	144 MCFGD	2.14 BWPD	0.27 BOPD	60 MCFGD	0.86 BWPD
Jicarilla A No. 2F	H-18-26N-5W	3.01 BOPD	397 MCFGD	12 BWPD	3.67 BOPD	0 MCFGD	9.8 BWPD
Jicarilla A No. 2M	I-18-26N-5W	0.62 BOPD	100 MCFGD	0.71 BWPD	0.76 BOPD	122 MCFGD	0.87 BWPD
Jicarilla A No. 3	A-19-26N-5W	1.39 BOPD	136 MCFGD	0.47 BWPD	0.18 BOPD	35 MCFGD	0.19 BWPD
Jicarilla A No. 3N	C-19-26N-5W	1.9 BOPD	136 MCFGD	5.0 BWPD	7.13 BOPD	185 MCFGD	4.68 BWPD
<b>Well Average</b>		<b>1.10 BOPD</b>	<b>134 MCFGD</b>	<b>3.1 BWPD</b>	<b>1.84 BOPD</b>	<b>73 MCFGD</b>	<b>2.7 BWPD</b>
<b>Recommended Allocation</b>		<b>37%</b>	<b>65%</b>	<b>53%</b>	<b>63%</b>	<b>35%</b>	<b>47%</b>