

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: April 7th, 2014(BLM), March 24th, 2014 (OCD)

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other:

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|-------------|--------|---------------------------|------|------|------------|------------|----|-----|-----|-----|-----|-----|
| 30-039-06448-00-00 | JICARILLA B | 003 | ENERVEST OPERATING L.L.C. | G | A | Rio Arriba | J | M | 15 | 26 | N | 5 | W |

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies prior to perforations

Pressure test BP and casing prior to perforations

NMOCD Approved by Signature

4-15-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

APR 09 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
JIC 109
6. If Indian, Allottee, or Tribe Name
Jicarilla

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

7. If Unit or CA/Agreement Name and/or No.
8. Well Name and No.
Jicarilla B #3
9. API Well No.
30-039-06448
10. Field and Pool, or Exploratory Area
Basin-Dakota/Blanco-Mesaverde
11. County or Parish, State
Rio Arriba, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EnerVest Operating, LLC

3a. Address
1001 Fannin St., Suite 800, Houston, TX 77002

3b. Phone No. (include area code)
713-970-1847

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter M, 990' FSL & 860' FWL, Sec. 15, T26N, R05W

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

LMW

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/ Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Mesa Verde</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Pay Add <u>E DHC</u> |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notice must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Jicarilla B #3 is currently completed in the Basin-Dakota Gas Pool through perforations 7319'-7542'. Enervest Operating LLC is proposing to complete the Blanco-MesaVerde Gas Pool in this well and downhole commingle these pools. The proposed procedure to add the Mesa Verde perforations is as follows:

Menefee / Point Lookout Pay Add:

1. Isolate existing Dakota perforations with CBP
2. Perforate MV intervals (~4675'--5500')
3. Fracture stimulate the Mesa Verde intervals via 3 1/2" N-80 frac string
4. Evaluate MV intervals
5. Remove frac string, CBP and return well to production as a MV/ DK w/ DH commingle pending appropriate approval

Copy of wellbore schematic is attached along with Form C-103 filed with the NMOCD.

DHC 3877 AZ

RCVD APR 11 '14
OIL CONS. DIV.
DIST. 3

14. Signature: Jeanie McMillan Title: Sr. Regulatory Analyst
Date: April 7, 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: Original Signed: Stephen Mason Title: _____ Date: APR 10 2014
Office: _____

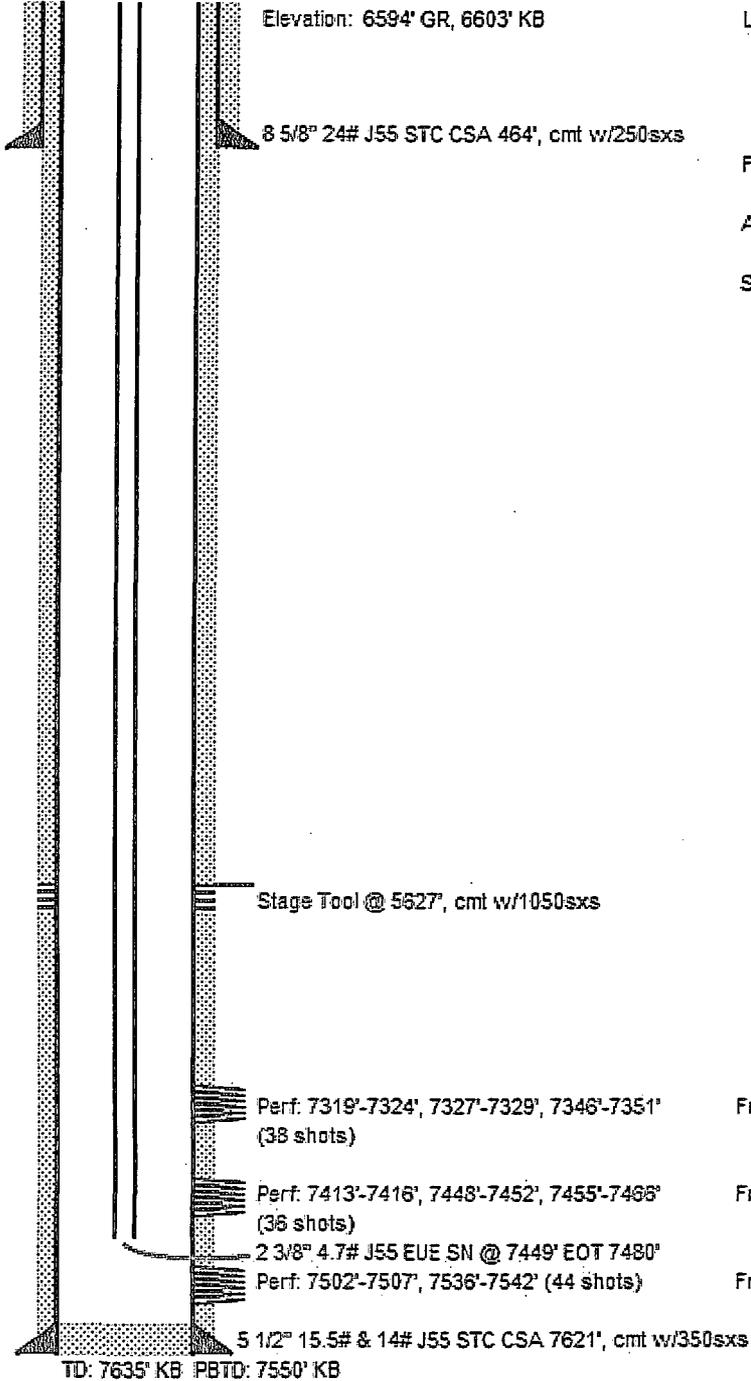
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

ENERVEST



Elevation: 6594' GR, 6603' KB

8 5/8" 24# J55 STC CSA 464', cmt w/250sxs

Stage Tool @ 5627', cmt w/1050sxs

Perf. 7319'-7324', 7327'-7329', 7346'-7351'
(38 shots)

Perf. 7413'-7416', 7448'-7452', 7455'-7466'
(38 shots)

2 3/8" 4.7# J55 EUE SN @ 7449' EOT 7480'
Perf. 7502'-7507', 7536'-7542' (44 shots)

5 1/2" 15.5# & 14# J55 STC CSA 7621', cmt w/350sxs

TD: 7635' KB PBTD: 7550' KB

Jicarilla B No. 3

Location: 990' FSL, 860' FWL, Sec 15, T26N,
R5W, Rio Arriba County, New
Mexico
Lse #: Jicarilla Contract #109

Field: Basin Dakota

API #: 30-039-06448

Spud Date: August 1, 1965

Frac: 7319'-7351': 9/17/65 56.5Kgal wt,
42K# 20-40 sn.

Frac: 7413'-7466': 9/17/65 44Kgal wt,
30K# 40-60 sn, 3K# 20-40 sn.

Frac: 7502'-7542': 9/15/65 75Kgal wt,
40K# 40-60 sn, 20K# 20-40 sn.

Well History

8/4/2004 CO scale and sand from 7519'-7538', landed tbg @ 7480'.