

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 30 2014

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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. **Contract 108**
Jicarilla C
6. If Indian, Allottee or Tribe Name
Jicarilla Apache

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Enervest Operating, L.L.C.

3a. Address
1001 Fannin Street, Suite 800 Houston, Texas 77002

3b. Phone No. (include area code)
713-659-3500

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
817' FSL & 2000' FEL (Unit O) Section 23, Township 26 North, Range 5 West, NMPM

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Jicarilla C No. 3F

9. API Well No.
30-039-31210

10. Field and Pool or Exploratory Area
Blanco-Mesaverde & Basin-Dakota Gas Pools

11. Country or Parish, State
Rio Arriba

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

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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Downhole</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with 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 recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices 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.)

Enervest Operating, L.L.C. respectfully requests permission to downhole commingle production in this well. The well will be completed in the Blanco-Mesaverde and Basin-Dakota Gas Pools. This well has not yet been drilled.

Interest ownership between the Mesaverde and Dakota formations is common. Attached is a copy of NMOC Form C-103 which specifies the allocation percentages for each of the commingled zones.

OIL CONS. DIV DIST. 3

JUN 3 2014

DHC 3889 A2

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Jeanie McMillan

Title Sr. Regulatory Analyst

Signature

Jeanie McMillan

Date 05/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe H. H. H.

Title GCO

Date 5-30-14

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.

Office FFO

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 to 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)

NMOCDA

3

Submit 1 Copy To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-039-31210
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jicarilla C
8. Well Number 3F
9. OGRID Number 143199
10. Pool name or Wildcat Blanco-Mesaverde & Basin-Dakota

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
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 <u>O</u> : <u>817</u> feet from the <u>South</u> line and <u>2000</u> feet from the <u>East</u> line Section <u>23</u> Township <u>26 North</u> Range <u>5 West</u> NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,557' GR	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Enervest Operating, L.L.C. ("Enervest") is proposing to drill the Jicarilla C Well No. 3F 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: 7,225'-7,408'; Blanco-Mesaverde: 4,952'-5,311'

Allocation Method: Based upon the 2013 average production from seven wells offsetting the Jicarilla C No. 3F (See Attached Table)
Enervest proposes to allocate production to the well as follows:

Blanco-Mesaverde Gas Pool: Oil: 58% Gas: 41% Water: 64%

Basin-Dakota Gas Pool: Oil: 42% Gas: 59% Water: 36%

Interest Ownership between the Mesaverde and Dakota is common. The well is dedicated to the S/2 of Section 23 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:

DHC 3889 A2

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

5/29/14

Type or print name David Catanach

E-mail address: drcatanach@netscape.com

PHONE: 505-690-9453

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY:

W/M 10/7/14

TITLE

DATE

6/4/14

Conditions of Approval (if any):

DHC Application
Jicarilla C No. 3F
Offset Well Production

Offset Well Name & Number	Well Location	2013 Avg. Mesaverde Oil Production	2013 Avg. Mesaverde Gas Production	2013 Avg. Mesaverde H2O Prod.	2013 Avg. Dakota Oil Production	2013 Avg. Dakota Gas Production	2013 Avg. Dakota H2O Prod.
Jicarilla C No. 1	E-23-26N-5W	0.22 BOPD	64 MCFG/D	2.9 BWPD	0.003 BOPD	19 MCFG/D	0.027 BWPD
Jicarilla C No. 1E	G-23-26N-5W	0.111 BOPD	26 MCFG/D	0.19 BWPD	0.275 BOPD	62 MCFG/D	0.49 BWPD
Jicarilla C No. 3	I-23-26N-5W	0.20 BOPD	83 MCFG/D	1.02 BWPD	0.166 BOPD	28 MCFG/D	0.83 BWPD
Jicarilla C No. 3M	N-23-26N-5W	0.18 BOPD	64 MCFG/D	0.69 BWPD	0.372 BOPD	172 MCFG/D	1.4 BWPD
Jicarilla 153 No. 9E	D-26-26N-5W	0.005 BOPD	15 MCFG/D	0.33 BWPD	0.008 BOPD	40 MCFG/D	0.326 BWPD
Jicarilla 153 No. 10	I-26-26N-5W	0.211 BOPD	32 MCFG/D	0.39 BWPD	0.214 BOPD	43 MCFG/D	0.39 BWPD
Jicarilla 153 No. 10E	N-26-26N-5W	0.50 BOPD	12.5 MCFG/D	0.58 BWPD	0.0 BOPD	61 MCFG/D	0.0 BWPD
Well Average		0.204 BOPD	42 MCFG/D	0.88 BWPD	0.15 BOPD	61 MCFG/D	0.49 BWPD
Recommended Allocation		58%	41%	64%	42%	59%	36%