



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Jim Noel  
Cabinet Secretary

Karen W. Garcia  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



Administrative Order DHC-4294

Order Date: 7/30/2010

Application Reference Number: pTGW1020850572

ENERVEST OPERATING L.L.C.  
1001 FANNIN ST, STE 800,  
HOUSTON, TX 77002

Attention: Ronnie Young

JICARILLA APACHE 102 Well No. 009M  
API No: 30-039-29771  
Unit O, Section 4, Township 26 North, Range 4 West, NMPM  
Rio Arriba County, New Mexico

|        |                                 |           |
|--------|---------------------------------|-----------|
| Pool:  | BASIN DAKOTA (PRORATED GAS)     | Gas 71599 |
| Names: | BLANCO-MESAVERDE (PRORATED GAS) | Gas 72319 |
|        | BS MESA-GALLUP (GAS)            | Gas 72920 |

Reference is made to your recent application for an exception to Rule 12.9A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| BASIN DAKOTA (PRORATED GAS) Pool     | Pct Gas: 63 | Pct Oil: 55 |
| BS MESA-GALLUP (GAS) Pool            | Pct Gas: 18 | Pct Oil: 33 |
| BLANCO-MESAVERDE (PRORATED GAS) Pool | Pct Gas: 19 | Pct Oil: 12 |

Oil Conservation Division \* 1220 South St. Francis Drive  
\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462\* <http://www.emnrd.state.nm.us>



REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.  
Acting Director

MEF/wvj

cc: Oil Conservation Division – Aztec  
Bureau of Land Management - Farmington



July 23, 2010

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

Attn: Mark Fesmire, Division Director

RE: Request to Amend Administrative Order No. NSL-5293-A  
Jicarilla Apache "102" No. 9M  
935' FSL & 2225' FEL (Unit O)  
Section 4, T-26 North, R-4 West, NMPM,  
Rio Arriba County, New Mexico

Dear Mr. Fesmire,

By Order No. NSL-5293-A dated June 9, 2006, the Division authorized CDX Rio, L.L.C. to drill the Jicarilla Apache "102" Well No. 9M at an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Gas Pools 935 feet from the South line and 2225 feet from the East line (Unit O) of Section 4, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Enervest Operating, L.L.C. ("Enervest"), the successor operator of this well, hereby requests an amendment to Order No. NSL-5293-A to authorize non-standard location approval for the BS Mesa-Gallup Pool (Gas-72920). The BS Mesa-Gallup Pool is currently governed by statewide rules that require standard 160-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 330 feet to any interior quarter-quarter section line. The SE/4 of Section 4 is to be dedicated to the subject well in the BS Mesa-Gallup Pool thereby forming a standard 160-acre gas spacing and proration unit.

Enervest is in the process of drilling the Jicarilla Apache "102" No. 9M and anticipates encountering commercial production in the Gallup formation. The well is proposed to be completed as a downhole commingled completion in the Basin-Dakota, Blanco-Mesaverde and BS Mesa-Gallup Pools. The Aztec District Office of the Division has already approved the downhole commingling of the Basin-Dakota and Blanco-Mesaverde Gas Pools within the well (DHC-2361-AZ), however, due to the addition of the Gallup interval, Enervest is preparing an amended downhole commingling application to add the BS Mesa-Gallup Pool.

There are currently no wells producing from the BS Mesa-Gallup Pool within the SE/4 of Section 4. The Enervest Jicarilla Apache "102" No. 9E (30-039-22456) located 970 feet from the South

line and 920 feet from the East line (Unit P) was tested in the Gallup interval and found to be non-productive.

The only affected offset acreage is the SW/4 of Section 4, Township 26 North, Range 4 West. The SW/4 of Section 4 is being produced in the BS Mesa-Gallup Pool by the Enervest Jicarilla Apache "102" No. 10E (30-039-22455) located 1700 feet from the South line and 1530 feet from the West line (Unit K). The interest ownership between the SW/4 of Section 4 and the SE/4 of Section 4 is common throughout. Consequently, pursuant to Division rules, no notice of this application is required.

Attached is a plat showing the spacing unit, unorthodox well location and the affected adjoining spacing unit and well; a copy of the C-102; the Administrative Application Checklist.

Approval of the requested amendment will provide Enervest the opportunity to recover Gallup reserves underlying the SE/4 of Section 4, thereby preventing waste, and will not violate correlative rights.

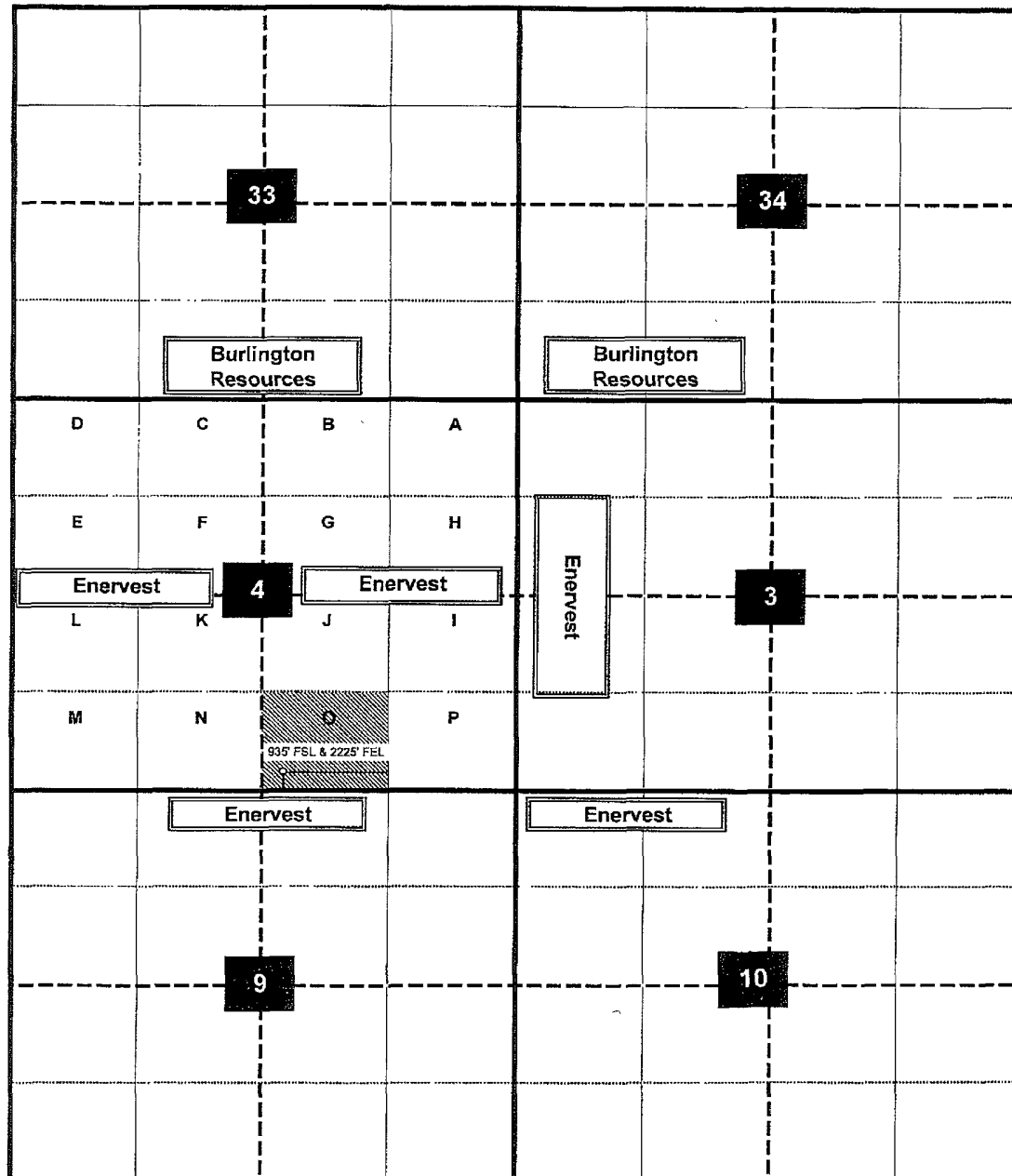
Because the well will be completed and ready to produce in the next several days, Enervest further requests that the Division, to the extent possible, issue an expedited order in the matter.

If you have any questions, please contact me at 713-495-6537.

Thank you,

  
Bridget Helfrich  
Regulatory Tech.

Offset Operator Owner Plat  
Township 26N - Range 4W  
Jicarilla 102 No. 9M



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised July 16, 2010  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|  |   |   |
|--|---|---|
| <sup>1</sup> API Number<br><b>30-039-29771</b> | <sup>2</sup> Pool Code<br><b>72319/72920/71599</b>              | <sup>3</sup> Pool Name<br><b>Blanco-Mesaverde/BS Mesa-Gallup/Basin-Dakota</b> |
| <sup>4</sup> Property Code<br><b>33455</b>     | <sup>5</sup> Property Name<br><b>JICARILLA 102</b>              | <sup>6</sup> Well Number<br><b>9M</b>   |
| <sup>7</sup> OGRID No.<br><b>143199</b>        | <sup>8</sup> Operator Name<br><b>ENERVEST OPERATING, L.L.C.</b> | <sup>9</sup> Elevation<br><b>7136'</b>  |

<sup>10</sup> Surface Location

| UL or lot no. | Section  | Township   | Range     | Lot 1 dn | Feet from the | North/South line | Feet from the | East/West line | County            |
|---------------|----------|------------|-----------|----------|---------------|------------------|---------------|----------------|-------------------|
| <b>0</b>      | <b>4</b> | <b>26N</b> | <b>4W</b> |          | <b>935</b>    | <b>SOUTH</b>     | <b>2225</b>   | <b>EAST</b>    | <b>RIO ARriba</b> |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot 1 dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |          |               |                  |               |                |        |

|   |   |                                  |   |
|---|---|----------------------------------|---|
| <sup>12</sup> Dedicated Acres<br><b>MV- E/322.24AC</b><br><b>DK- E/322.24AC</b> | <sup>13</sup> Joint or Infill<br><b>Y</b> | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No.<br><b>NSL-5293-AB</b> |
|---|---|----------------------------------|---|

**BSMG-SE/4 160AC**

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

|  |  |  |  |  |
|--|--|--|--|--|
| <sup>16</sup><br>  |  |  |  | <sup>17</sup> <b>OPERATOR CERTIFICATION</b><br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br>Signature <u>Bridget Helfrich 7-23-10</u> Date<br>Printed Name <u>BRIDGET HELFRICH</u><br>E-mail Address <u>bhelfrich@enervest.net</u> |
| <sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.<br>Date of Survey <u>9-14-05</u><br>Signature and Seal of Professional Surveyor: <u>JOHN A. VURONICH</u><br>Certificate Number <u>14881</u> |  |  |  |  |

|         |          |   |   |           |      |         |
|---------|----------|---|---|-----------|------|---------|
| DATE IN | SUSPENSE | E | R | LOGGED IN | TYPE | APP NO. |
|---------|----------|---|---|-----------|------|---------|

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Jicarilla Apache 102 #9M

### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

**[NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion]** **[PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal]** **[IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification]** **[PPR-Positive Production Response]**

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] \*\*\*Amendment to NSL-5293-A\*\*\*

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ronnie Young

Print or Type Name

*Ronnie Young/bmh*

Signature

Compliance Supervisor

Title

7-23-10

Date

ryoung@enervest.net  
e-mail Address