

DATE IN 6.13.11	SUSPENSE	ENGINEER WJ	LOGGED IN 6.13.11	TYPE DHC 4414	APP NO 1116453849
-----------------	----------	-------------	-------------------	------------------	-------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



ENOVEST 143199  
 J. Carilla A 8M

**ADMINISTRATIVE APPLICATION CHECKLIST** 30-079-29848

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]**
- [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 \_\_\_\_\_

2011 JUN 13 P 1:33  
 RECEIVED OGD

- [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*  
 Signature

Regulatory Manager  
 Title

5-19-11  
 Date

ryoung@enervest.net  
 E-Mail Address



May 19, 2011

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

Attn: Jami Bailey, CPG  
Division Director

RE: Form C-107-A (Application to Downhole Commingle)  
Jicarilla A No. 8M (API No. 30-039-29848)  
750' FNL & 2240' FEL (Unit B)  
Section 17, T-26 North, R-5 West, NMPM,  
Rio Arriba County, New Mexico

Dear Ms. Bailey,

Attached is a Division Form C-107-A to request approval to downhole commingle the Blanco-Mesaverde Gas Pool, Tapacito-Gallup (Associated) Pool and Basin-Dakota Gas Pool within the Jicarilla A No. 8M. This well will be drilled in the near future and will be completed as a downhole commingled producer.

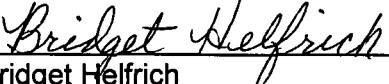
Also attached is a Form C-102 and offset well production data to support the proposed production allocation.

Please note that the Aztec District Office of the Division approved the downhole commingling of the Blanco-Mesaverde and Basin-Dakota Gas Pools within this well by Order No. DHC-2882-AZ. The proposed amendment is for the purpose of adding the Tapacito-Gallup (Associated) Pool.

A copy of this application is being provided to the Bureau of Land Management and to the Aztec District Office of the Division.

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

Thank you,

  
Bridget Helfrich  
Regulatory Tech.

District I  
1625 N French Drive, Hobbs, NM 88240

District II  
1301 W Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised June 10, 2003

449-4474

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Enervest Operating, L.L.C. Address 1001 Fannin Street, Suite 800 Houston, Texas 77002

Lease Jicarilla A Well No. 8M Unit Letter-Section-Township-Range Unit B, Section 17, T-26 North, R-5 West County Rio Arriba

OGRID No. 143199 Property Code \_\_\_\_\_ API No. 30-039-29848 Lease Type:  Federal  State  Fee \_\_\_\_\_

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco-Mesaverde	Tapacito-Gallup	Basin-Dakota
Pool Code	Prorated Gas-72319	Associated-58090	Prorated Gas-71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,284'-5,532'	6,898'-6,923'	7,402'-7,628'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone-Not Yet Drilled	New Zone-Not Yet Drilled	New Zone-Not Yet Drilled
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <b>(See Attached Supporting Data)</b> Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <b>36 %</b> Gas <b>36 %</b>	Oil <b>45 %</b> Gas <b>45 %</b>	Oil <b>19 %</b> Gas <b>19 %</b>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No \_\_\_\_\_  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes \_\_\_\_\_ No \_\_\_\_\_

Are all produced fluids from all commingled zones compatible with each other? Yes  No \_\_\_\_\_

Will commingling decrease the value of production? Yes \_\_\_\_\_ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No \_\_\_\_\_

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE: Bridget Helfrich TITLE: Regulatory Tech DATE: 6-30-11

TYPE OR PRINT NAME: Bridget Helfrich TELEPHONE NO.: (713) 495-6537

E-MAIL ADDRESS: bhelfrich@evervest.net

Form C-107-A  
 Enervest Operating, L.L.C.  
 Jicarilla A No. 8M  
 API No. 30-039-29848  
 750' FNL & 2240' FEL (Unit B) Section 17, T-26N, R-5W

**Proposed Allocation Percentages Based Upon Production From Offset Well**

<b><u>Well Name &amp; No.</u></b>	<b><u>Well Location UL-S-T-R</u></b>	<b><u>Formation</u></b>	<b><u>2010 Average Oil Production</u></b>	<b><u>2010 Average Gas Production</u></b>	<b><u>Allocation %</u></b>	
					<b><u>Oil</u></b>	<b><u>Gas</u></b>
Jicarilla A No. 8	H-17-26N-5W	Mesaverde	0.234 BOPD	33 MCFGPD	36%	36%
Jicarilla A No. 8	H-17-26N-5W	Gallup	0.288 BOPD	42 MCFGPD	45%	45%
Jicarilla A No. 8	H-17-26N-5W	Dakota	0.124 BOPD	18 MCFGPD	19%	19%

**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**

API Number 30-039-29848	Pool Code 72319/58090/71599	Pool Name Blanco-Mesaverde/Tapacito-Gallup/Basin-Dakota
Property Code	Property Name Jicarilla A	Well Number 8M
OGRID No. 143199	Operator Name Enervest Operating, L.L.C.	Elevation 6677'

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	26 North	5 West		750'	North	2240'	East	Rio Arriba

**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres Mesaverde-E/2 Dakota-E/2 Gallup-E/2	Joint or Infill	Consolidate Code	Order No. In the event the Jicarilla A No. 8M is completed as a gas well in the Tapacito-Gallup (Associated) Pool, the E/2 will be dedicated to the well. In the event the well is completed as an oil well, the W/2 NE/4 will be dedicated to the well forming a standard 80-acre oil spacing and production unit.
--	-----------------	------------------	--

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

		750'		<p><b>OPERATOR CERTIFICATION</b></p> <p><i>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 unleased mineral interest in the land including the proposed bottomhole 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.</i></p> <p><u>Bridget Helfrich 5-19-11</u>        Signature Date</p> <p><b>Bridget Helfrich</b>        Printed Name</p> <p><b>Bhelfrich@Enervest.net</b>        E-mail Address</p>
		2240'	Jicarilla A No. 8M	
			Mesaverde Spacing Unit: E/2 Dakota Spacing Unit: E/2 Gallup Spacing Unit: E/2	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>_____        Date of Survey</p> <p>_____        Signature and Seal of Professional Surveyor:</p> <p>_____        Certificate Number</p>