

DATE IN 7/13	SUSPENSE	ENGINEER WJS	LOGGED IN 7/13	TYPE DHC 4437	APP NO. PWVTJ1119447508
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



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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]

[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.

David Catanach
 Print or Type Name

Signature

Date

Agent-Enervest Operating, L.L.C.
 Title

drcatanach@netscape.com
 E-Mail Address



July 13, 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. 8N (API No. 30-039-29839)
1420' FSL & 2475' FEL (Unit J)
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. 8N. 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-2883-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 Aztec District Office of the Division and notification of the proposed downhole commingling is being provided to the Bureau of Land Management.

If you have any questions, please contact me at (505) 690-9453.

Thank you,

David Catanach
Agent-Enervest Operating, L.L.C.

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

Oil Conservation Division

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

APPLICATION TYPE

X Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

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

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

OGRID No. 143199 Property Code API No. 30-039-29839 Lease Type: X 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)	5,084'-5,322' (Estimated)	6,785'-6,810' (Estimated)	7,328'-7,524' (Estimated)
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: (See Attached Supporting Data) 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 Gas 36 % 36 %	Oil Gas 45 % 45 %	Oil Gas 19 % 19 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No

Will commingling decrease the value of production? Yes _____ No X

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 X 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: Dan C. Cavanaugh TITLE: Agent-Enervest Operating, L.L.C. DATE: 7/13/11

TYPE OR PRINT NAME: David Catanach TELEPHONE NO.: (505) 690-9453

E-MAIL ADDRESS: drcatanach@netscape.com

Form C-107-A
Enervest Operating, L.L.C.
Jicarilla A No. 8N
API No. 30-039-29839
1420' FSL & 2475' FEL (Unit J) Section 17, T-26N, R-5W

Proposed Allocation Percentages Based Upon Production From Offset Well

<u>Well Name & No.</u>	<u>Well Location UL-S-T-R</u>	<u>Formation</u>	<u>2010 Average Oil Production</u>	<u>2010 Average Gas Production</u>	<u>Allocation % Oil</u>	<u>Gas</u>
Jicarilla A No. 8 (30-039-08163)	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 30-039-29839		Pool Code 72319, 58090, 71599		Pool Name Blanco-Mesaverde/Tapacito-Gallup/Basin-Dakota	
Property Code		Property Name Jicarilla A			Well Number 8N
OGRID No. 143199		Operator Name Enervest Operating, LLC			Elevation 6665'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	17	26 North	5 West		1420'	South	2475'	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.			

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

				OPERATOR CERTIFICATION <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>	
				Signature _____ Date _____ Printed Name _____ E-mail Address _____	
				SURVEYOR CERTIFICATION <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>	
Mesaverde Spacing Unit: S/2 Dakota Spacing Unit: S/2 Gallup Spacing Unit: S/2				Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____	