

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



April 7, 2014

Enervest Operating
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7042
Administrative Application Reference No. pMAM1404538550

Enervest Operating LLC
OGRID 143199
Jicarilla Apache 102 Well No. 14M
API No. 30-039-31193

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	1310 FSL & 1482 FWL	N	9	26N	4W	Rio Arriba
Bottom Hole	660 FSL & 1980 FWL	N	9	26N	4W	Rio Arriba

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 9	320	Basin Dakota	71599

Reference is made to your application received on February 14, 2014.

You have requested to drill this well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by special pool rules for the Basin Dakota Gas Pool which provides for 320-acre units with wells located at least 660 feet from a unit or lot outer boundary. This location is less than 660 feet from a unit outer boundary.

The west half of the section is 2622 feet wide, thereby making the bottom-hole location of this well unorthodox.

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Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that you are seeking this location because section 9 is an irregular section.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12.A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/mam

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