

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-7048
Administrative Application Reference No. pMAM14047738736

Enervest Operating L.L.C.
OGRID 143199
Jicarilla A Well No. 1M
API No. 30-039-31172

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
1807 FSL & 2527 FWL	K	18	26N	5W	Rio Arriba

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 18	319.2	Basin Dakota	71599
W/2 of Section 18	319.2	Blanco-Mesaverde	72319

Reference is made to your application received on March 18, 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 and Blanco-Mesaverde 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 proposed well will be dedicated to the 319.2 acre gas spacing and proration units in both the Blanco-Mesaverde and Basin Dakota gas Pools.

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.

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It is our understanding that you are seeking this location at the request of Bureau of Land Management (BLM) to avoid prime wildlife habitat and rugged topography.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (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 Rule 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 written in a cursive style with a large, sweeping initial "J".

Jami Bailey
Director

JB/mam

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