

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|   |  |  |
|---|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                   |  | WELL API NO.<br>30-039-22579   |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other   |  | 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator<br>Enervest Operating, LLC  |  | 6. State Oil & Gas Lease No.   |
| 3. Address of Operator<br>1001 Fannin Street, Suite 800 Houston, Texas 77002  |  | 7. Lease Name or Unit Agreement Name<br>Jicarilla B                                      |
| 4. Well Location<br>Unit Letter <u>J</u> : <u>1640</u> feet from the <u>South</u> line and <u>1520</u> feet from the <u>East</u> line<br>Section: <u>16</u> Township <u>26 North</u> Range <u>5 West</u> NMPM Rio Arriba County |  | 8. Well Number <u>2E</u>   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>6,609' GL   |  | 9. OGRID Number<br>143199  |
|   |  | 10. Pool name or Wildcat<br>Blanco-Mesaverde & Basin-Dakota                              |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO:  |   | SUBSEQUENT REPORT OF:                            |  |
|--|---|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/>                 | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>           | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>                   | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>                  | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>       |  |
| DOWNHOLE COMMINGLE <input type="checkbox"/>                    |   |  |  |
| CLOSED-LOOP SYSTEM <input type="checkbox"/>                    |   |  |  |
| OTHER: Surface Commingling <input checked="" type="checkbox"/> |   | OTHER: <u>PC-1275</u> <input type="checkbox"/>   |  |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In order to compare the productivity of a downhole commingled well completion vs. a multiple completion, Enervest Operating, LLC ("Enervest") respectfully requests authority to surface commingle Blanco-Mesaverde and Basin-Dakota Gas Pool production originating from the Jicarilla B No. 2E.

The Jicarilla B No. 2E is currently completed in the Basin-Dakota Gas Pool. Enervest will complete the Blanco-Mesaverde Gas Pool within the well and configure the well as a multiple completion. The S/2 of Section 16 is dedicated to both the Blanco-Mesaverde and Basin-Dakota Gas Pools.

Ownership of the two zones is common. See attached landman verification.

Allocation Method: The Basin-Dakota Gas Pool will be shut-in for a 24-hour period on a monthly basis via the controller (see attached diagram). During that test period, the Blanco-Mesaverde Gas Pool will be tested and measured via the WFS sales meter. Blanco-Mesaverde and Basin-Dakota Gas Pool production will then be allocated monthly using the 24-hour test data. Any liquids produced from the zones will also be allocated using the 24-hour test data.

The United States Bureau of Land Management has been sent a copy of this application (see attached certified mail receipt). Approval of the surface commingling will not result in waste and will not violate correlative rights.

Spud Date:

Rig Release Date:

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

SIGNATURE

David Catanach

TITLE Agent-Enervest Operating, LLC

DATE

4/16/14

Type or print name David Catanach

E-mail address: drcatanach@netscape.com

PHONE: (505) 690-9453

**For State Use Only**

APPROVED BY:

[Signature]

TITLE

Director

DATE

5/8/14

Conditions of Approval (if any):