

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



June 4, 2014

Enervest Operating
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7042-A
Administrative Application Reference No. pMAM14136400098

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	606 FSL & 1958 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
S/2 of Section 9	320	Blanco-Mesaverde	72319

Reference is made to your application received on May 16, 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 the 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.

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It is our understanding that you are seeking this unorthodox "as drilled" bottom hole location of this well due to unintentional drift of 54 feet south of the original bottom hole location.

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 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.

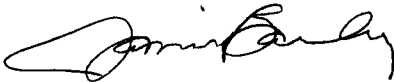
Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This Order supersedes Order No. NSL-7042, issued on April 7, 2014.

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.

DONE at Santa Fe, New Mexico, on June 4, 2014

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/mam

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