

DATE IN 5/16/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 5/16/2014	TYPE NSL	APP NO. P14M1413640098
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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



### 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 \*Application to Amend Order NSL-7042

- NSL - 7042A  
 Enervest Operating, LLC  
 143199 well  
 - Jicarilla Apache  
 14M  
 30-039-31143  
 Pool  
 - Basin Dakota  
 71599

#### [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

- Blanco Mesquite  
 72319

#### [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 Catanaach  
 Print or Type Name

David Catanaach  
 Signature

Agent-Enervest Operating, LLC  
 Title

5/16/14  
 Date

drcatanach@netscape.com  
 E-Mail Address

May 16, 2014

**Hand Delivered**

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey  
Division Director

Re: Application to Amend Order No. NSL-7042  
Jicarilla Apache 102 No. 14M  
API No. (30-039-31193)  
Surface Location: 1310' FSL & 1482' FWL (Unit N)  
BHL (As Drilled): 606' FSL & 1958' FWL (Unit N)  
Section 9, T-26 North, R-4 West, NMPM,  
Rio Arriba County, New Mexico

Dear Ms. Bailey:

By Order No. NSL-7042 dated April 7, 2014, Enervest Operating, LLC ("Enervest") was authorized to drill its Jicarilla Apache 102 No. 14M at a surface location 1310 feet from the South line and 1482 feet from the West line (Unit N), to an unorthodox bottomhole location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 9, Township 26 North, Range 4 West, NMPM, to test the Basin-Dakota Gas Pool. An existing 320-acre standard gas spacing and proration unit comprising the W/2 of Section 9 is dedicated to the well in the Basin-Dakota Gas Pool. The unorthodox location was a result of an irregular section whose W/2 dimension is 2622.44 feet wide. The subject well was also to be completed in the Blanco-Mesaverde Gas Pool, but since the spacing unit for that pool is the S/2 of Section 9, the originally proposed bottomhole location was standard for that pool.

Enervest has completed drilling operations on the Jicarilla Apache 102 No. 14M. The bottomhole location of the subject well has now been determined to be 606 feet from the South line and 1958 feet from the West line (Unit N) of Section 9. As a result of the change in bottomhole location, Enervest respectfully requests to amend Order No. NSL-7042 to approve an unorthodox bottomhole location in both the Blanco-Mesaverde and Basin-Dakota Gas Pools 606 feet from the South line and 1958 feet from the West line (Unit) N of Section 9.

In the Basin-Dakota Gas Pool, the Jicarilla Apache 102 No. 14M will be dedicated to an existing 320-acre gas spacing and proration unit comprising the W/2 of Section 9. This unit is currently dedicated to Enervest's existing: i) Jicarilla Apache 102

No. 14 (API No. 30-039-06594) located at a standard well location 1620 feet from the North line and 1730 feet from the West line; ii) Jicarilla Apache 102 No. 14E (API No. 30-039-22457) located at a standard well location 1110 feet from the South line and 800 feet from the West line; and iii) Jicarilla Apache 102 No. 14F (API No. 30-039-29666) located at a surface location 120 feet from the North line and 660 feet from the West line, and an unorthodox bottomhole location 218 feet from the North line and 725 feet from the West line.

In the Blanco-Mesaverde Gas Pool, the Jicarilla Apache 102 No. 14M will be dedicated to an existing 320-acre gas spacing and proration unit comprising the S/2 of Section 9. This unit is currently dedicated to Enervest's existing: i) Jicarilla Apache 102 No. 12M (API No. 30-039-27851) located at a standard well location 1740 feet from the South line and 1865 feet from the East line; ii) Jicarilla Apache 102 No. 15 (API No. 30-039-20188) located at a standard well location 790 feet from the South line and 1190 feet from the East line; and iii) Jicarilla Apache 102 No. 15A (API No. 30-039-23198) located at a standard well location 1520 feet from the South line and 1000 feet from the West line.

Both the Blanco-Mesaverde and Basin-Dakota Gas Pools are currently governed by the "Special Rules and Regulations for the Basin-Dakota Gas Pool" and "Special Rules and Regulations for the Blanco-Mesaverde Gas Pool" as contained within Division Order No. R-10987, as amended. These rules require standard 320-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

The unorthodox "as drilled" bottomhole location of this well is approximately 54 feet south and 22 feet west of the originally targeted bottomhole location, and was a result of unintentional drift.

The affected offset tracts are the W/2 and E/2 of Section 16, Township 26 North, Range 4 West. Both of these affected offset tracts are currently developed in both the Blanco-Mesaverde and Basin-Dakota Gas Pools, and both are operated by ConocoPhillips Company. Notice of this application is being provided to ConocoPhillips Company in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing units and other existing wells in the spacing unit. Also attached is a map showing the affected offset acreage, and a notice letter.

In summary, approval of the application will provide Enervest the opportunity to recover additional oil and gas reserves from the Blanco-Mesaverde and Basin-Dakota Gas Pools underlying the S/2 and W/2, respectively, of Section 9 that may otherwise not

be recovered by the existing wells, thereby preventing waste, and will not violate correlative rights.

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

Sincerely,



David Catanach, Agent  
Enervest Operating, LLC  
1001 Fannin Street, Suite 800  
Houston, Texas 77002

Xc: OCD-Aztec

**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 <b>30-039-31193</b>	Pool Code <b>72319 &amp; 71599</b>	Pool Name <b>Blanco-Mesaverde &amp; Basin-Dakota Gas Pools</b>
Property Code <b>306751</b>	Property Name <b>Jicarilla Apache 102</b>	Well Number <b>14M</b>
OGRID No. <b>143199</b>	Operator Name <b>Enervest Operating, LLC</b>	Elevation <b>7112'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	26 North	4 West		1310	South	1482	West	Rio Arriba

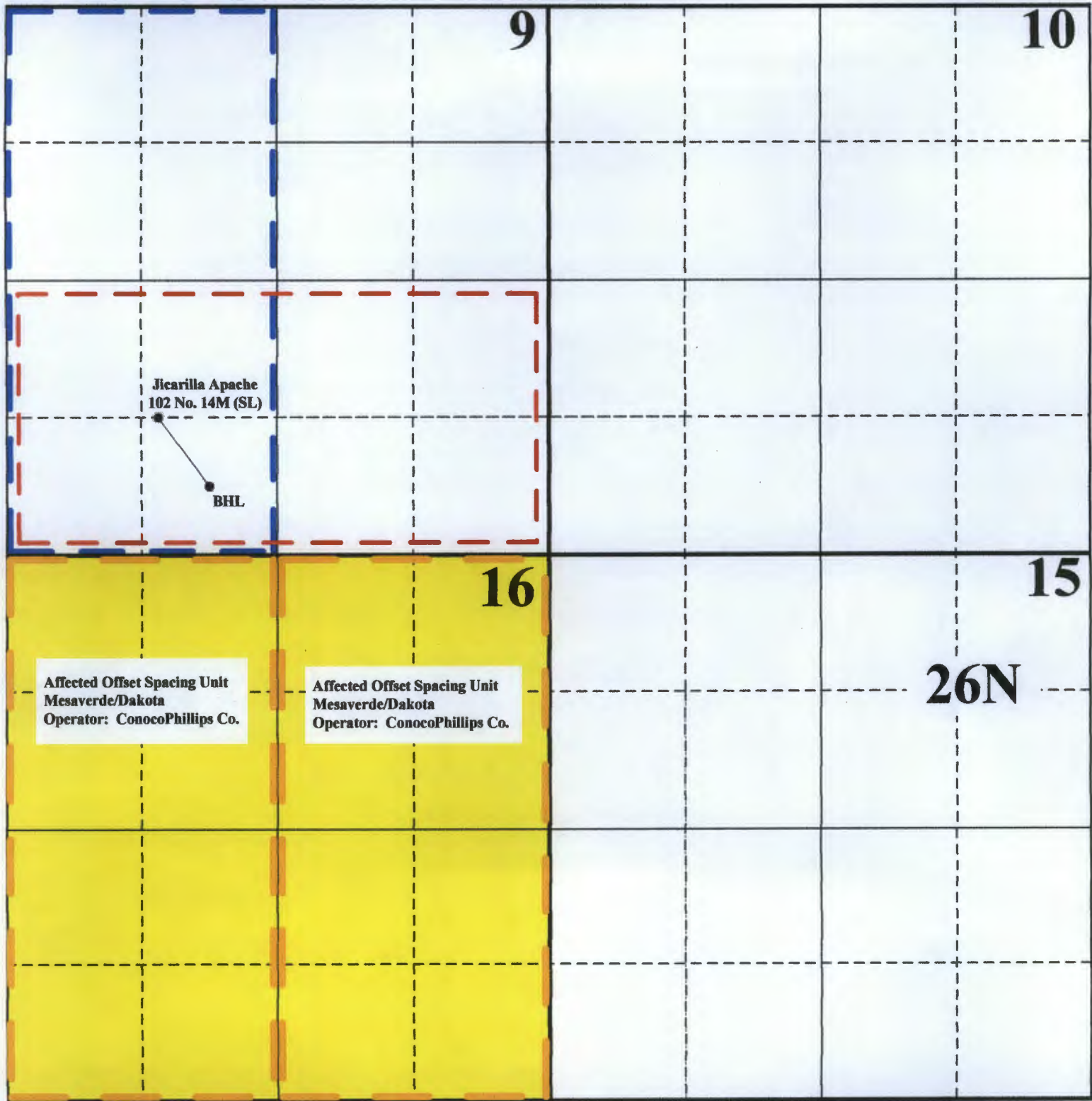
**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	26 North	4 West		606	South	1958	West	Rio Arriba
Dedicated Acres MV-S/2 DK-W/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

	<p><b>OPERATOR CERTIFICATION</b></p> <p><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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

# 4 West







 Affected Offset Acreage

**Energvest Operating, LLC**

**Application to Amend NSL-7042**

**Jicarilla Apache 102 No.14M (API No. 30-039-31193)**

  Mesaverde Spacing Unit

  Dakota Spacing Unit

May 16, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: ConocoPhillips Company  
3401 E. 30<sup>th</sup> Street  
Farmington, New Mexico 87402

Re: Enervest Operating, LLC  
Application to Amend Order No. NSL-7042  
Jicarilla Apache 102 No. 14M (API No. 30-039-31193)  
Surface Location: 1310' FSL & 1482' FWL (Unit N)  
Bottomhole Location: 606' FSL & 1958' FWL (Unit N)  
Section 9, T-26 North, R-4 West, NMPM,  
Blanco-Mesaverde & Basin-Dakota Gas Pools  
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Enervest Operating, LLC ("Enervest") to amend Order No. NSL-7042, which order approved an unorthodox bottomhole location for the Jicarilla Apache 102 No. 14M 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 9, Township 26 North, Range 4 West, NMPM, in the Basin-Dakota Gas Pool. Enervest has drilled the subject well and now seeks approval of an unorthodox bottomhole location 606 feet from the South line and 1958 feet from the West line (Unit N) in the Blanco-Mesaverde and Basin-Dakota Gas Pools. The well will be dedicated to existing 320-acre gas spacing and proration units in the Blanco-Mesaverde and Basin-Dakota Gas Pools comprising the S/2 and W/2, respectively, of Section 9.

As the owner of an interest that may be affected by the proposed unorthodox gas well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

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

Sincerely,



David Catanach-Agent  
Enervest Operating, LLC  
1001 Fannin Street, Suite 800  
Houston, Texas 77002

Enclosure

7012 3050 0000 6819 6646

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

FARMINGTON NM 87402

Postage	\$	\$1.19
Certified Fee		\$3.30
Return Receipt Fee (Endorsement Required)		\$2.70
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage and Fees	\$	\$7.19

0501

JUN 16 2014

Postmark  
Here

Sent To

**ConocoPhillips Company**  
**3401 E. 30th Street**  
**Farmington, New Mexico 87402**

Street, Apt,  
or PO Box  
City, State

PS Form 3849, July 2011

Instructions



State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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.

April 7, 2014  
Page 2

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", written in a cursive style.

Jami Bailey  
Director

JB/mam

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

## McMillan, Michael, EMNRD

---

**From:** David Catanach <drcatanach@netscape.com>  
**Sent:** Wednesday, June 04, 2014 7:18 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: NSL-Enervest

Michael,

The C-102 I submitted with the NSL application is not the "official" as drilled plat. However, this plat is accurate with regards to the surface and bottomhole locations of the well, as it was drilled.

I would think that for the purpose of the NSL application, this plat would be just fine to use.

Thanks,

David

--- [Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us) wrote:

From: "McMillan, Michael, EMNRD" <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>  
To: "[drcatanach@netscape.com](mailto:drcatanach@netscape.com)" <[drcatanach@netscape.com](mailto:drcatanach@netscape.com)>  
Subject: RE: NSL-Enervest  
Date: Tue, 3 Jun 2014 20:23:46 +0000

The C-102 that was submitted is the "as drilled" ? It did not clearly state this, and I will use this for the record.

Mike

**From:** David Catanach [<mailto:drcatanach@netscape.com>]  
**Sent:** Tuesday, June 03, 2014 7:13 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** NSL-Enervest

Michael,

On May 16th I filed an NSL application to amend Order NSL-7042 on behalf of Enervest Operating, LLC.

NSL-7042 had to be amended due to a change in the bottomhole location of the well.