

DATE IN 8/16/12	SUSPENSE	ENGINEER u) Jones	LOGGED IN 8/16/12	TYPE DHC (758)	APP NO. PKUR122955504
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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



Enervest Operating LLC
 PYRO ABK State # 2

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 _____

[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

[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.

Ronnie L. Young
 Print or Type Name

Ronnie L. Young
 Signature

Regulatory Manager
 Title

8.15.12
 Date

ryoung@enervest.net
 E-Mail Address

August 15, 2012

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Form C-107A
Enervest Operating, L.L.C.
Pyro ABK State No. 2
API No. 30-025-29564
660' FNL & 2310' FWL (Unit C)
Section 33, T-13S, R-33E, NMPM,
Lea County, New Mexico

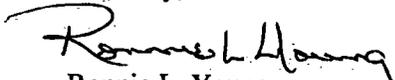
Dear Ms. Bailey,

Enclosed please find a Division Form C-107A for the Enervest Operating, L.L.C. Pyro ABK State Well No. 2. It is proposed to downhole commingle the South Baum-Wolfcamp and Lazy J Upper-Penn Pools within the subject well. Approval of the application will allow Enervest Operating, L.L.C. to economically produce the oil and gas reserves in the Wolfcamp and Pennsylvanian intervals, thereby preventing waste. Please note that the interest ownership between the commingled zones is common throughout. Consequently, the proposed downhole commingling will not violate correlative rights.

The Pyro ABK State No. 2 is located on a State of New Mexico lease and pursuant to Division rules, the Commissioner of Public Lands is being provided a copy of this application.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (713) 495-6530.

Sincerely,


Ronnie L. Young
Regulatory Manager
Enervest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002

Xc: OCD-Hobbs

District I
1033 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 87010

District III
1000 Rio Grande Blvd., Aztec, NM 87410

District IV
1220 E. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Enervest Operating, L.L.C. Address 1001 Fannin Street, Suite 800 Houston, Texas 77002
Lease Pyro ABK State Well No. 2 Unit Letter-Section-Township-Range C-33-13S-33E County Tea
OGRID No. 143199 Property Code _____ API No. 30-025-29564 Lease Type: Federal State Fee

DA-4581

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Baum-Wolfcamp Pool		Lazy J Upper-Penn Pool
Pool Code	OIL-4967		OIL-37430
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,998'-9,120' (Proposed Perfs)		9,718'-10,030' (Existing Perfs) 9,732'-10,004' (Proposed Perfs)
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom performance in the lower zone is within 150% of the depth of the top performance in the upper zone)	Not Required		Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	41.9° API		41.9° API
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates:	Date: Rates:	Date: 02/2012 Rates: 3.95 BOPD 0 MCFCPD 158 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas To Be Provided After Completion	Oil Gas % %	Oil Gas To Be Provided After Completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____
Are all produced fluids from all commingled zones compatible with each other? Yes No _____
Will commingling decrease the value of production? Yes _____ No
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No _____

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Ronnie L. Young TITLE Regulatory Manager DATE 8/15/2012

TYPE OR PRINT NAME Ronnie L. Young TELEPHONE NO. (713) 495-6530

E-MAIL ADDRESS ryoung@enervest.net

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 30-025-29564	Pool Code 37430	Pool Name Lazy J Upper-Penn Pool
Property Code	Property Name Pyro ABK State	Well Number 2
OGRID No. 143199	Operator Name Enervest Operating, L.L.C.	Elevation 4,247' Gr

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	33	13 South	33 East		660	North	2310	West	Lea

Bottom Hole Location If Different From Surface

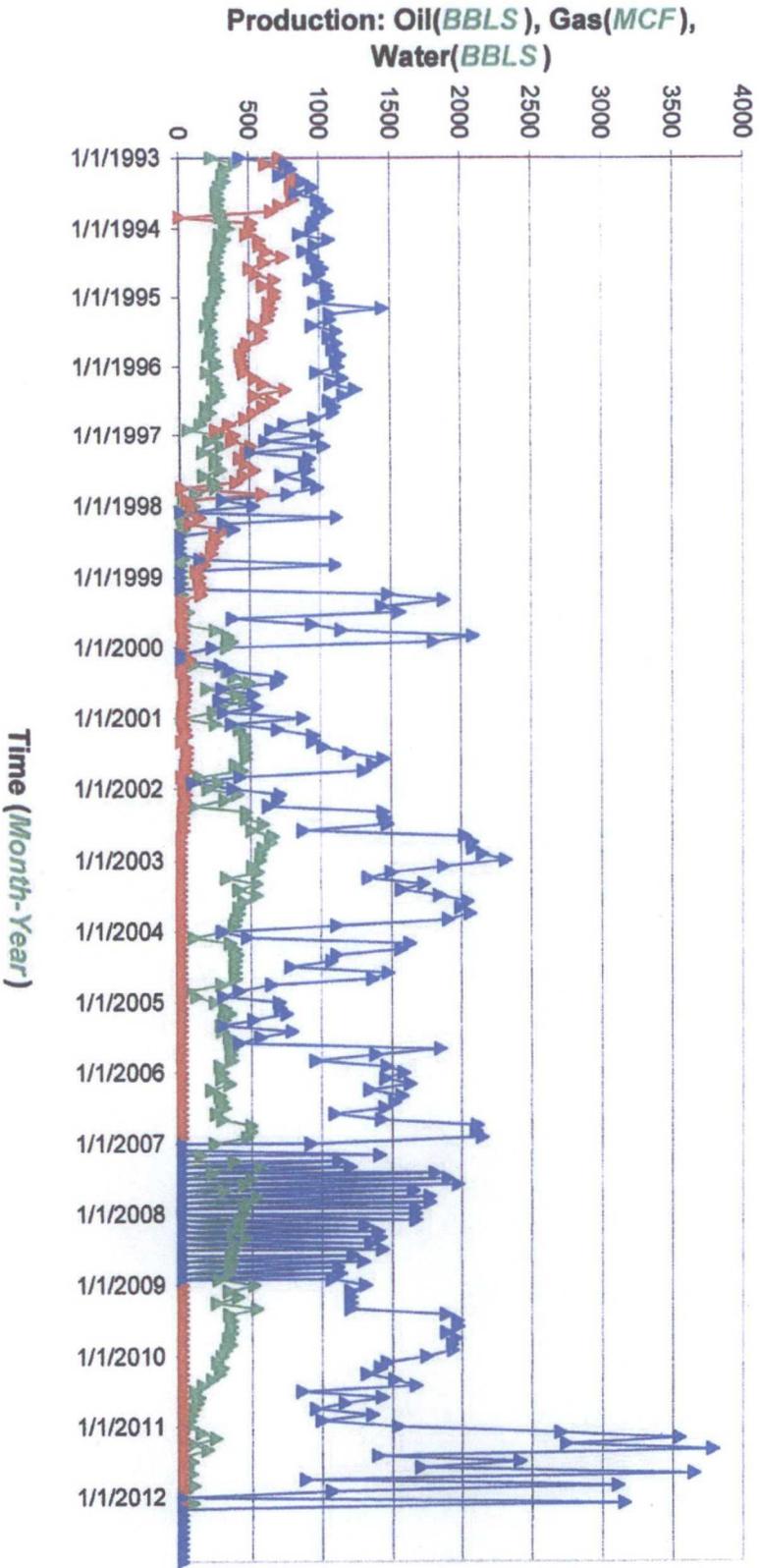
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidate Code	Order No.						

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>OPERATOR CERTIFICATION</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 heretofore entered by the Division.</i></p> <p><u>David Catanach</u> 8/15/12 Signature Date</p> <p><u>David Catanach</u> Printed Name</p> <p><u>drcatanach@netscape.com</u> E-mail Address</p>
	<p>SURVEYOR CERTIFICATION</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>Originally surveyed by Herschel Jones on December 5, 1985. Certificate No. 3640</p> <p>_____ Certificate Number</p>

Oil & Gas Production Logarithmic Curve of Well:

PYRO ABK STATE # 002



Attachments and/or Supporting Data
Application for Downhole Commingling
Enervest Operating, L.L.C. ("Enervest")
Pyro ABK State No. 2 (API No. 30-025-29564)
Unit C, Section 33, Township 13 South, Range 33 East, NMPM,
Lea County, New Mexico

Production Data & Proposed Allocation

The Pyro ABK State No. 2 is currently completed in the Lazy J Upper-Penn Pool through the perforated interval from 9,718 feet to 10,030 feet. The well is currently producing at a rate of approximately 3.95 barrels of oil per day, 0 MCF of gas per day, and 158 barrels of water per day.

Enervest proposes to perforate additional pay in the Lazy J Upper-Penn Pool from 9,732 feet to 10,004 feet. Enervest also proposes to complete the well in the South Baum-Wolfcamp Pool through perforations from 8,998 feet to 9,120 feet.

After perforating the South Baum-Wolfcamp Pool, Enervest will swab test the Wolfcamp interval for several days prior to removing the bridge plug separating the Wolfcamp and Pennsylvanian intervals. This should provide an accurate estimate of Wolfcamp production. Pennsylvanian production subsequent to downhole commingling will be determined by subtracting Wolfcamp test production from the well's total production.

All test data will be forwarded to the NMOCD after completion of commingling operations.

August 15, 2012

Commissioner of Public Lands
Oil, Gas & Minerals Division
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Pete Martinez
Petroleum Engineering Specialist

Re: Form C-107A
Enervest Operating, L.L.C.
Pyro ABK State Well No. 2
API No. 30-025-29564
660' FNL & 2310' FWL (Unit C)
Section 33, T-13S, R-33E, NMPM,
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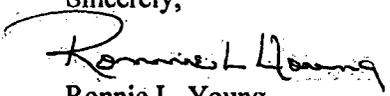
Dear Mr. Martinez,

Enclosed please find a copy of the New Mexico Oil Conservation Division Form C-107A for the Enervest Operating, L.L.C. Pyro ABK State Well No. 2. It is proposed to downhole commingle the South Baum-Wolfcamp and Lazy J Upper-Penn Pools within the subject well. Approval of the application will allow Enervest Operating, L.L.C. to economically produce the oil and gas reserves in the Wolfcamp and Pennsylvanian intervals, thereby preventing waste, and will not violate correlative rights.

Enclosed is a check for the filing fee in the amount of \$30.00.

If you should have any questions, please contact me at (713) 495-6530.

Sincerely,


Ronnie L. Young
Regulatory Manager
Enervest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002