



ENERVEST

January 9, 2013

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

Attn: Jami Bailey, CPG
Division Director

RE: Application for Unorthodox Well Location
Jicarilla A No. 3N (API No. N/A)
1164' FNL & 2548' FWL (Unit C)
Section 19, T-26 North, R-5 West, NMPM,
Rio Arriba County, New Mexico

Dear Ms. Bailey,

Pursuant to Division Rule 19.15.15.13, Enervest Operating, LLC ("Enervest") respectfully requests administrative approval of an unorthodox gas well location for its proposed Jicarilla A No. 3N. This well will be drilled as a development gas well in the Blanco-Mesaverde (Prorated Gas-72319) and Basin-Dakota (Prorated Gas-71599) Gas Pools at an unorthodox location for both pools 1164 feet from the North line and 2548 feet from the West line (Unit C) of Section 19, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The proposed Jicarilla A No. 3N will be dedicated to existing 320-acre gas spacing and proration units in both the Blanco-Mesaverde and Basin-Dakota Gas Pools comprising the W/2 of Section 19. **In the Blanco-Mesaverde Gas Pool**, this unit is currently dedicated to Enervest's existing Jicarilla A No. 4M (API No. 30-039-29928) located at an unorthodox well location 1780 feet from the South line and 580 feet from the West line (Unit L). The Jicarilla A No. 3N will be the first infill well on this unit. **In the Basin-Dakota Gas Pool**, this unit is currently dedicated to Enervest's existing: i) Jicarilla A No. 4M (described above); ii) Jicarilla A No. 4E (30-039-22292) located at a standard well location 950 feet from the North line and 1075 feet from the West line (Unit D); and iii) Jicarilla A No. 4 (API No. 30-039-08062) located at a standard well location 1850 feet from the South and West lines (Unit K). The Jicarilla A No. 3N will be the third infill well on this unit.

Both the Blanco-Mesaverde and Basin-Dakota Gas Pools are currently governed by special rules established by Order No. R-10987, as amended. Pursuant to these rules, wells are to be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. These rules also allow the drilling of up to four wells within a standard spacing unit provided that no more than

two wells may be drilled within a quarter section, and further provided that no more than one well may be drilled within a quarter-quarter section.

The attached map shows that the proposed unorthodox location is necessary due to surface topography in this area.

The affected offset acreage is the E/2 of Section 19 in both the Blanco-Mesaverde and Basin-Dakota Gas Pools. The E/2 of Section 19 is an existing 320-acre spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Gas Pools, and both units are operated by Enervest. Please note that the working interest ownership between the W/2 and the E/2 of Section 19 is common. Consequently, notice of this application is not required to be provided to any party.

Attached are C-102 forms for both the Blanco-Mesaverde and Basin-Dakota Gas Pools showing the proposed well, spacing unit, other existing wells in the spacing unit and the affected offset acreage. Also attached is a topographic map.

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 W/2 of Section 19 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 77002-6707

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 N/A	Pool Code 72319	Pool Name Blanco-Mesaverde (Prorated Gas) Pool
Property Code 306750	Property Name Jicarilla A	Well Number 3N
OGRID No. 143199	Operator Name Enervest Operating, LLC	Elevation 6562'

Surface Location

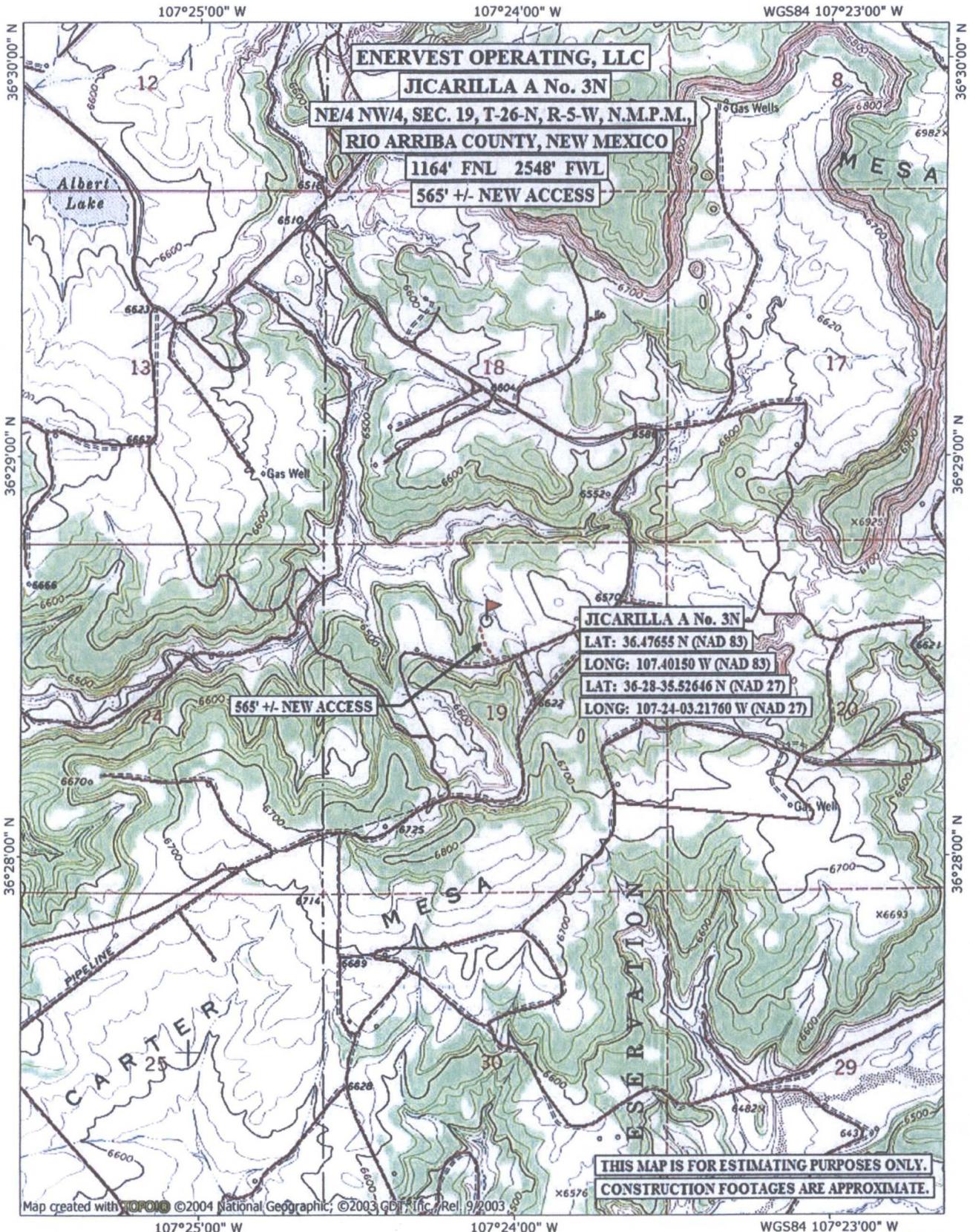
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	26 North	5 West		1164	North	2548	West	Rio Arriba

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
Dedicated Acres 320: 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

	Affected Offset Acreage Operator: Enervest Operating, LLC WI Ownership common w/ Drill Tract	<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> 1/9/13 Signature Date</p> <p>David Catanach Printed Name</p> <p>drcatanach@netscape.com 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>Well originally surveyed by Roy A. Rush on 10/07/2012. Certificate No. 8894.</p> <p>_____ Certificate Number</p>



ENERVEST OPERATING, LLC
JICARILLA A No. 3N
NE/4 NW/4, SEC. 19, T-26-N, R-5-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
1164' FNL 2548' FWL
565' +/- NEW ACCESS

JICARILLA A No. 3N
LAT: 36.47655 N (NAD 83)
LONG: 107.40150 W (NAD 83)
LAT: 36-28-35.52646 N (NAD 27)
LONG: 107-24-03.21760 W (NAD 27)

THIS MAP IS FOR ESTIMATING PURPOSES ONLY.
CONSTRUCTION FOOTAGES ARE APPROXIMATE.

Map created with **MAPINFO** ©2004 National Geographic, ©2003 GDI, Inc. Rel. 9/2003

