

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



30-039-31175-00-00
Jicarilla Apache 102
Enervest Operating LLC

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.

David Catanach

Print or Type Name

Signature

Date

David Catanach

2/15/13

Agent-Enervest Operating, LLC

Title

drcatanach@netscape.com

E-Mail Address



February 15, 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 Apache 102 No. 8M (API No. 30-039-31175)
2425' FSL & 255' FWL (Unit L)
Section 3, T-26 North, R-4 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 Apache 102 No. 8M. 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 2425 feet from the South line and 255 feet from the West line (Unit L) of Section 3, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

In the Blanco-Mesaverde Gas Pool, the well will be dedicated to an existing 321.68-acre spacing and proration unit comprising the W/2 of Section 3. This unit is currently dedicated to Enervest's existing: i) Jicarilla Apache 102 No. 6 (API No. 30-039-06666) located at a standard well location 1450 feet from the South and West lines (Unit K); ii) Jicarilla Apache 102 No. 7M (API No. 30-039-22453) located at a standard well location 790 feet from the North line and 1055 feet from the West line (Unit D); and iii) Jicarilla Apache 102 No. 7N (API No. 30-039-30068) located at a standard well location 845 feet from the North line and 1980 feet from the West line (Unit C). The Jicarilla Apache 102 No. 8M will be the third infill well on this unit.

In the Basin-Dakota Gas Pool, the well will be dedicated to an existing 320-acre spacing and proration unit comprising the S/2 of Section 3. This unit is currently dedicated to Enervest's existing: i) Jicarilla Apache 102 No. 8 (API No. 30-039-06679) located at a standard well location 1790 feet from the South line and 1480 feet from the West line (Unit K); ii) Jicarilla Apache 102 No. 8E (API No. 30-039-22454) located at a standard well location 1700 feet from the South line and 940 feet from the East line (Unit I); and iii) Jicarilla Apache 102 No. 8F (API No. 30-039-29665) located at an unorthodox location 430 feet from the South line and 965 feet

from the East line (Unit P). The Jicarilla Apache 102 No. 8M 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 in the Blanco-Mesaverde Gas Pool is the E/2 of Section 4, Township 26 North, Range 4 West. The affected offset acreage in the Basin-Dakota Gas Pool is the E/2 of Section 4 and the N/2 of Section 3, both in Township 26 North, Range 4 West (See attached map). Both of these affected offset units are existing spacing units in both the Blanco-Mesaverde and Basin-Dakota Gas Pool, and both are operated by Enervest. Please be advised that the working interest ownership between both drill tracts (W/2 and S/2 of Section 3) and both affected offset units is common. Consequently, notice of this application is not required to any party.

Attached are C-102 forms for both the Blanco-Mesaverde and Basin-Dakota Gas Pools showing the proposed well, spacing unit, and other existing wells in the spacing unit. Also attached is a map showing the affected offset acreage and 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 and S/2, respectively, of Section 3 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 30-039-31175		Pool Code 72319	Pool Name Blanco-Mesaverde Gas Pool
Property Code 306751	Property Name Jicarilla Apache 102		Well Number 8M
OGRID No. 143199	Operator Name Enervest Operating, LLC		Elevation

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	26 North	4 West		2425	South	255	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 321.68	Joint or Infill	Consolidate Code	Order No.
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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>Lot 4</p> <p>Jicarilla Apache 102 #7M (Existing Well)</p>				<p>Lot 3</p> <p>Jicarilla Apache 102 #7N (Existing Well)</p>				<p>Lot 2</p>				<p>Lot 1</p>				<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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>			
<p>Jicarilla Apache 102 # 8M (Proposed Well)</p> <p>255'</p> <p>2425'</p>				<p>Jicarilla Apache 102 # 6 (Existing Well)</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>Certificate Number _____</p>							

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-31175		Pool Code 71599	Pool Name Basin-Dakota Gas Pool
Property Code 306751	Property Name Jicarilla Apache 102		Well Number 8M
OGRID No. 143199	Operator Name Enervest Operating, LLC		Elevation

Surface Location

UL or lot no. L	Section 3	Township 26 North	Range 4 West	Lot Idn	Feet from the 2425	North/South line South	Feet from the 255	East/West line West	County Rio Arriba
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Bottom Hole Location If Different From Surface

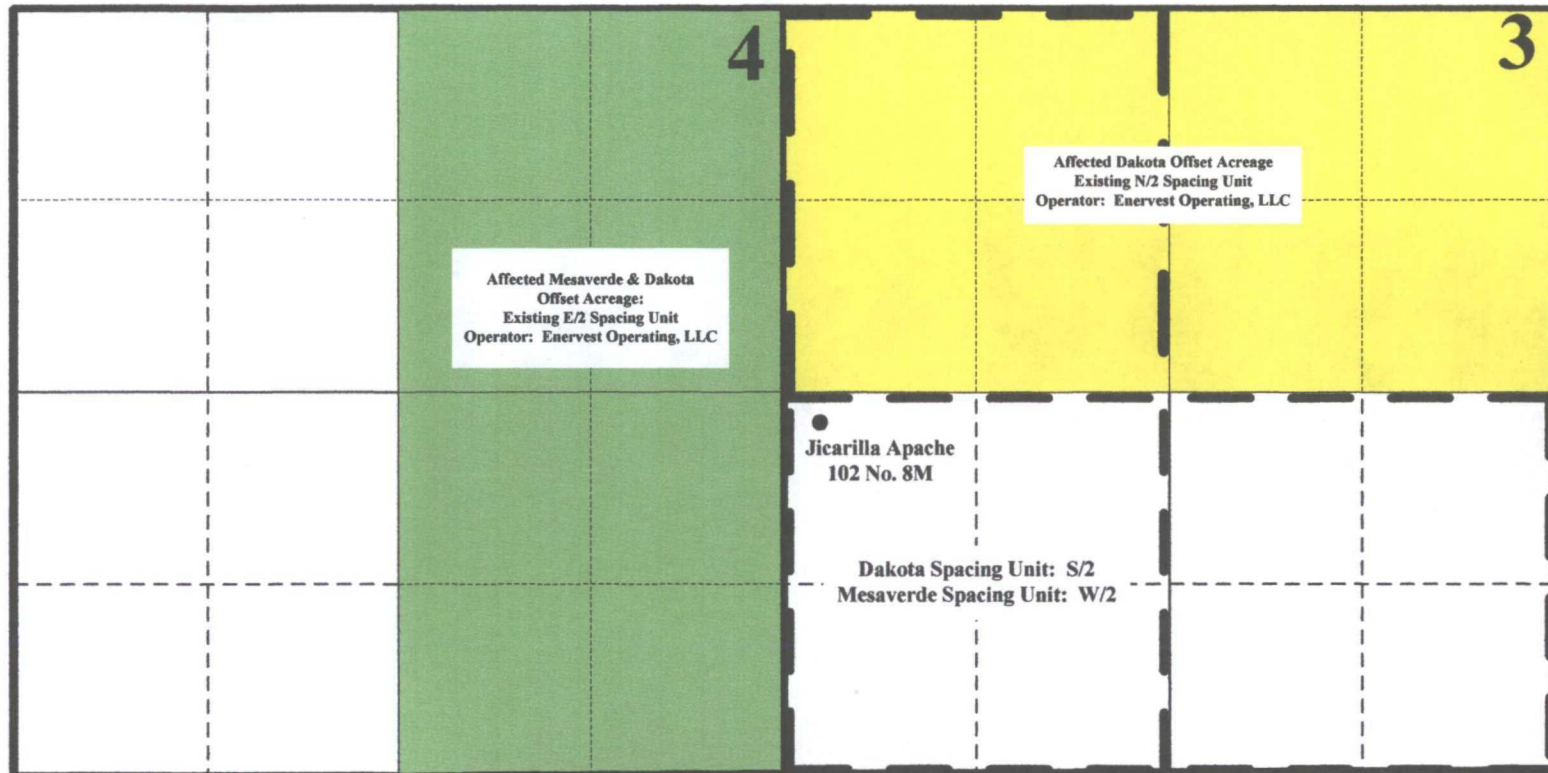
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320		Joint or Infill		Consolidate Code		Order No.			

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

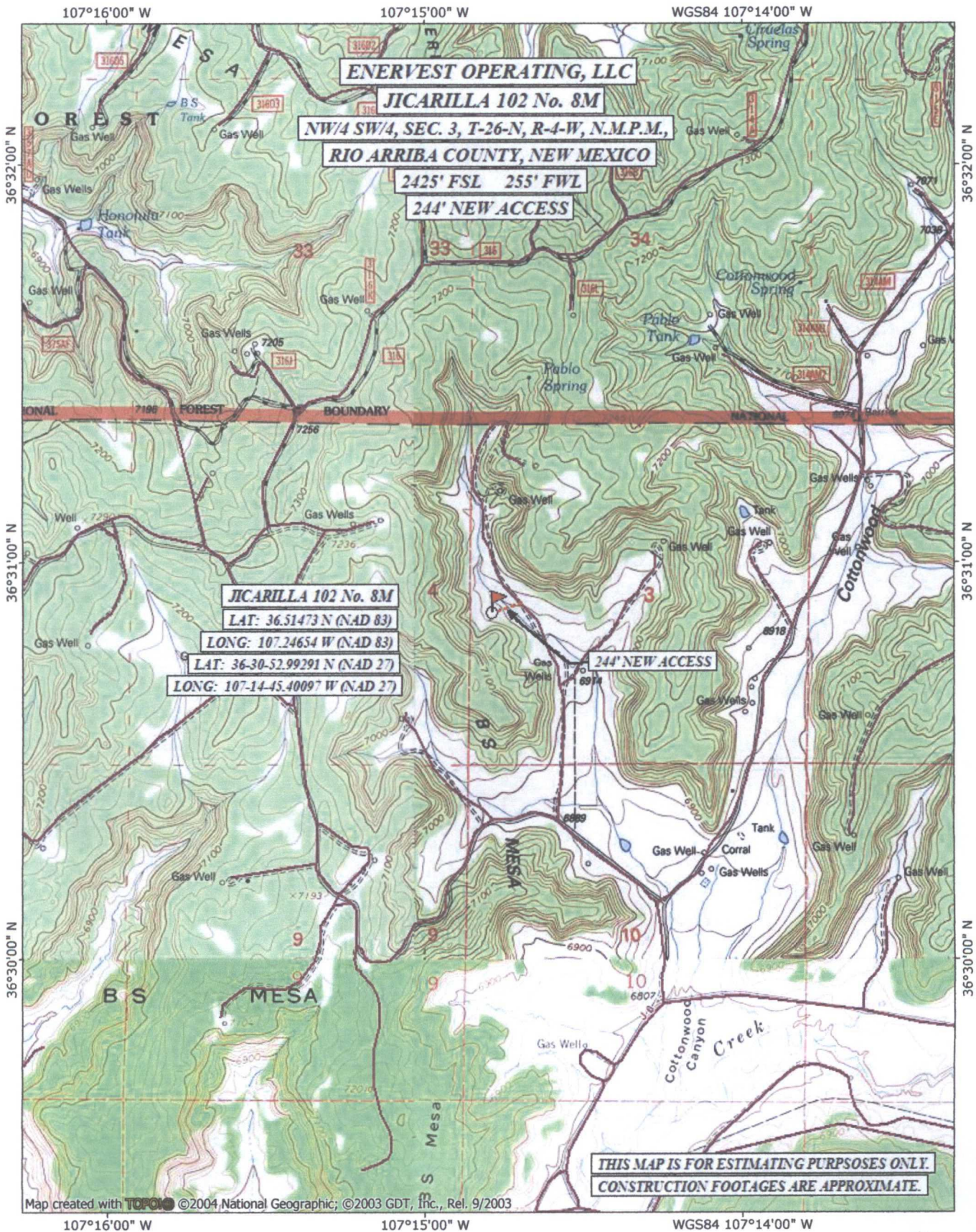
Lot 4	Lot 3	Lot 2	Lot 1	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location 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> Signature _____ Date _____ Printed Name _____ E-mail Address _____
SURVEYOR CERTIFICATION <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> Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____				

4 West

26N



Enervest Operating, LLC
Application for Unorthodox Well Location
Jicarilla Apache 102 No. 8M
Affected Offset Acreage



0.0 0.5 miles
0.0 0.5 1.0 km

TN* MN
10°
11/28/12