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|------------------|----------|-------------|----------------------|----------|-------------------------|
| DATE IN 05/29/13 | SUSPENSE | ENGINEER DB | LOGGED IN 05/29/2013 | TYPE NSL | APP NO. PPRG 1314954058 |
|------------------|----------|-------------|----------------------|----------|-------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



API-Pending
 Jicarilla Apache 125
 10.17 Enervest Operating
 Unit D/25/T25N/R4W

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 NSL-6796
- [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

David Catanach
 Signature

Agent-Enervest Operating, L.L.C.
 Title

5/29/13
 Date

drcatanach@netscape.com
 E-Mail Address



May 29, 2013

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

Attn: Ms. Jami Bailey, CPG
Division Director

RE: Application to Amend Division Order NSL-6796
Jicarilla Apache Tribal 125 No. 17 (API No.: Not Yet Assigned)
737' FNL & 1032' FWL (Unit D)
Section 25, T-25 North, R-4 West, NMPM,
Rio Arriba County, New Mexico

Dear Ms. Bailey,

By Order No. NSL-6796 dated April 23, 2013 Enervest Operating, L.L.C. ("Enervest") was granted approval of an unorthodox oil well location 670 feet from the North line and 1015 feet from the West line (Unit D) of Section 25, Township 25 North, Range 4 West, NMPM, for its proposed Jicarilla Apache Tribal 125 Well No. 17 which is to be drilled to test the West Lindrith Gallup-Dakota Oil Pool.

Due to an error in the original well survey, Enervest is seeking to amend Order No. NSL-6796 to obtain approval for a change in the well location. The well location, as newly surveyed, is **737 feet from the North line and 1032 feet from the West line (Unit D) of Section 25 (See attached Form C-102.)** The new well location is slightly more unorthodox than the original location with respect to the distance from the interior quarter-quarter section line.

As stated in the original application, the Jicarilla Apache Tribal 125 No. 17 will be dedicated to an existing standard 160-acre spacing and proration unit in the West Lindrith Gallup-Dakota Pool comprising the NW/4 of Section 25. This unit is currently dedicated to Enervest's Jicarilla Apache Tribal 125 No. 13 (API No. 30-039-23250) located 1930 feet from the North line and 2030 feet from the West line (Unit F).

The West Lindrith Gallup-Dakota Pool is currently governed by the "Special Rules for the West Lindrith Gallup-Dakota Pool" as established by Division Order No. R-4314-A. These rules provide that:

- 1) A standard oil proration unit shall be 160 acres, and

- 2) Wells shall be located no closer than 330 feet to the outer boundary of the spacing unit nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary. Wells shall be located no closer than 660 feet to the nearest well drilling to or capable of producing from the same pool.

As stated in the original application, the amended well location for the Jicarilla Apache Tribal 125 No. 17 is necessary due to topographic and archaeological issues within the NW/4 NW/4 of Section 25. The amended well location is only unorthodox with respect to the interior boundaries of the spacing unit and does not encroach on the outer boundaries of the spacing unit.

Enervest currently operates all offset 160-acre spacing units in the West Lindrith Gallup-Dakota Pool, including the SE/4 of Section 23, SW/4 and SE/4 of Section 24, NE/4, SE/4 and SW/4 of Section 25 and the SE/4 and NE/4 of Section 26, all in Township 25 North, Range 4 West.

There are no affected offset operators/interest owners because the unorthodox well location does not encroach on the outer boundary of the spacing unit. Consequently, notice of this application is not required to any party.

Approval of the application will provide Enervest the opportunity to recover additional oil and gas reserves from the West Lindrith Gallup-Dakota Pool underlying the NW/4 of Section 25, thereby preventing waste, and will not violate correlative rights.

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

Thank you,



David Catanach Agent-Enervest Operating, L.L.C.
1001 Fannin Street, Suite 800
Houston, Texas 77002-6707

xc: OCD-Aztec

District I
1825 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 E. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to
appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--------------------------------------|---|--|
| ¹ API Number 30-039- | ² Pool Code 39189 | ³ Pool Name Lindreth Gallup-Dakota, West |
| ⁴ Property Code 301277 | ⁵ Property Name JICARILLA APACHE TRIBAL 125 | ⁶ Well Number 17 |
| ⁷ OGRID No. 143199 | ⁸ Operator Name ENERVEST OPERATING, LLC. | ⁹ Elevation 7085' |


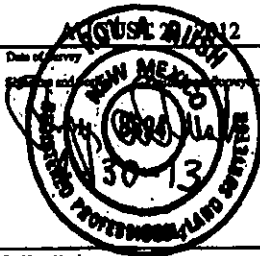
" Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| D | 25 | 25-N | 4-W | | 737 | NORTH | 1032 | 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 |
|---|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ¹⁰ Dedicated Acres NW/4 - 160 Acres | | ¹¹ Joint or Infill | | ¹² Consolidation Code | | ¹³ Order No. | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

| | |
|---|--|
| <p>FD. 1" PIPE W/STONES</p> <p>1032'</p> <p>737'</p> <p>S 89°06'14" E 5286.10' (M)</p> <p>S 00°04'42" E 5341.74' (M)</p> <p>25</p> <p>SURFACE: LAT: 36.37600° N. (NAD 83) LONG: 107.20942° W. (NAD 83) LAT: 36°22'33.56492" N. (NAD 27) LONG: 107°12'31.77161" W. (NAD 27)</p> <p>SBT P&C LS No. 8894</p> | <p>SBT P&C LS No. 8894</p> <p>17 OPERATOR CERTIFICATION</p> <p>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 retained mineral interest in the land including the proposed bottom hole 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.</p> <p> 5/16/2013 Signature Date</p> <p>Bart Treviño Printed Name</p> <p>btrevino@enervest.net E-mail Address</p> |
| | <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>August 21/2012 Date of Survey</p> <p></p> <p>Certificate Number</p> |