|              | 0/2014 SUBPER                 | NSE ENGINEER  | 10/30/2014<br>LOGGED IN  | DHC   | ридан 43934   | 4764                 |      |
|--------------|-------------------------------|---|--|---|---|----------------------|------|
|              |                               | AB0\  | e This line for Division USE ONLY  |   | · · · · · · · · · · · · · · · · · · ·                                 |                      |      |
| IF v<br>orsa | nitemeil<br>n Emeil<br>prid   | NEW MEXICO OIL CO<br>- Engineer<br>1220 South St. Francis (   | ing Bureau -   |   | CEN/ED  | OCD                  |      |
|              |                               | ADMINISTRATIVE  | APPLICATIO   | N CHECK   | LIST  |                      |      |
| TH           | IS CHECKLIST IS N             | IANDATORY FOR ALL ADMINISTRAT<br>WHICH REQUIRE PROC   | IVE APPLICATIONS FOR EXC<br>ESSING AT THE DIVISION LE                                      |   | ION RULES AND REGUL   | ATIONS               |      |
| Applica      | [DHC-Dow<br>[PC-Po            | ndard Location] [NSP-Non-S<br>mhole Commingling] [CTB   | -Lease Commingling}<br>ff-Lease Storage] [(<br>] [PMX-Pressure Ma<br>sal] [IPI-Injection P | [PLC-Pool/Le<br>DLM-Off-Lease  <br>aintenance Exp<br>ressure increas<br>R-Positive Prod | ase Commingling}<br>Measurement}<br>ansion]<br>æ]<br>uction Response] |                      |      |
| [1]          | TYPE OF AI<br>[A]             | PPLICATION - Check Those<br>Location - Spacing Unit - S   |  | -   | HC 472 -<br>Nenues top<br>43199                                       | CRAtin               | 5 66 |
|              | Checl<br>[B]                  | Cone Only for [B] or [C]<br>Commingling - Storage - M<br>DHC CTB  | leasurement<br>PLC PC  |   | <u>L</u> ey<br>M-CAINFed<br>30-045                                    |                      |      |
|              | [C]                           | Injection - Disposal - Press  |  | d Oil Recovery<br>EOR 🗌 PP  | Ċ.  |                      |      |
|              | [D]                           | Other: Specify  |  |   | Basin<br>Coal   | Fruith               | And  |
| [2]          | NOTIFICAT<br>[A]              | TION REQUIRED TO: - Che<br>Working, Royalty or C  |  | •   | 7/6-  | o DALCO              |      |
|              | [B]                           | Offset Operators, Leas  | eholders or Surface Ov   | vner  |   | 599                  | •    |
|              | [C]                           | Application is One Wi   | nich Requires Published  | d Legal Notice  | ·   |                      |      |
|              | [D]                           | Notification and/or Co  | ncurrent Approval by I<br>- Commissioner of Public Lands, S                                | BLM or SLO  |   |                      |      |
|              | [E]                           | For all of the above, P   |  |   | ttached, and/or,  |                      |      |
|              | [F]                           | Waivers are Attached  |  |   |   |                      |      |
| [3]          |                               | CURATE AND COMPLET<br>ATION INDICATED ABOV  |  | REQUIRED T  | O PROCESS THE   | TYPE                 |      |
|              | al is <mark>accurate</mark> a | <b>TION:</b> I hereby certify that t<br>and <b>complete</b> to the best of my<br>equired information and notifi | y knowledge. I also un   | derstand that no  | lication for adminis<br>action will be take                           | trative<br>n on this |      |
|              | Note                          | : Statement must be completenby   |  |   |   |                      |      |
|              | Catanach<br>r Type Name       |   |  | <u>Agent-Enerves</u><br>Title   | st Operating, L.L.C   | 2.                   |      |
|              |                               | 10/2/14<br>Date   |  | drcatanach@nets<br>E-Mail Address   | cape.com  |                      |      |

| District I<br>1623 N. Frank Drive, Lichts, NM #240                             | State of I<br>Energy, Minerals and Na   | Form C-107<br>Revised June 10, 200<br>APPLICATION TYPE                                |                            |  |  |  |
|--|---|---|----------------------------|--|--|--|
| <u>District II</u><br>301 W. Chard Avenue, Arteina, NM 88210                   | Oil Conse                               |   |                            |  |  |  |
| District III   |   | Oil Conservation Division<br>1220 South St. Francis Dr.<br>Santa Fe, New Mexico 87505 |                            |  |  |  |
| 000 Rio Pitazza Road, Astar, NM \$7410   | Santa Fe, N                             |   |                            |  |  |  |
| District IV  |   |   | EXISTING WELLBORE          |  |  |  |
| 220 R. St. Francis Dr., Sants Fa, NM 87505                                     | APPLICATION FOR DO                      | WNHOLE COMMINGLING  |                            |  |  |  |
|  | 1001 5                                  |   |                            |  |  |  |
| Enervest Operating, L.L.C.   |   | nin Street, Suite 800 Houston,<br>tress   | Texas 77002                |  |  |  |
| -porado.   | 7.4                                     |   |                            |  |  |  |
| Cain Federal   |   | tion 25, T-31 North, R-13 West  |                            |  |  |  |
| æase   | Well No. Unit Letter-                   | Section-Township-Range  | County                     |  |  |  |
| GRID No. 143199 Property   | Code_ <u>312922</u> API No. <u>30</u> - | 045-32605 Lease Type: X   | FederalStateFee            |  |  |  |
| DATA ELEMENT   | UPPER ZONE                              | INTERMEDIATE ZONE   | LOWER ZONE                 |  |  |  |
|  |   |   |                            |  |  |  |
| Pool Name  | Basin-Fruitland Coal                    |   | Basin-Dakota               |  |  |  |
| Pool Code  | Gas-71629                               |   | Prorated Gas-71599         |  |  |  |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)            | 2,010'-2,170'                           |   | 6,734'-6,816'              |  |  |  |
| Method of Production<br>(Flowing or Artificial Lift)                           | Artificial Lift                         |   | Flowing or Artificial Lift |  |  |  |
| Bottomhole Pressure<br>(Note: Pressure data will not be required of the bottom |   |   |                            |  |  |  |

268 psi @ 6,770'

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Oil Gravity or Gas BTU (Degree API or Gas BTU) 1216 BTU 1110 BTU 54.8 Deg. API Producing, Shut-In or Producing Producing New Zone Date and Oil/Gas/Water Rates of Last Production. Date: 2014 Ave. Rate (Note: For new zones with no production history, Date: 2014 Ave. Rate Date: 0.0 BOPD Rates: 0.0 BOPD applicant shall be required to attach production Rates: Rates: 2.8 MCFGPD estimates and supporting data.) MCFGPD 11 0.03 BWPD 0.0 BWPD Fixed Allocation Percentage (Note: If allocation to based upon something other Water Oil Gas Water Oil Gas Water Oil Gas then current or past production, supporting data or See Attachment "A" See Attachment "A" explanation will be required.)

229 psi @ 2,144'

#### ADDITIONAL DATA

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

perforation in the lower zone is within 150% of the

depth of the top perforation in the upper zone)

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.

TYPE OR PRINT NAME: David Catanach TELEPHONE NO.: (505) 690-9453

E-MAIL ADDRESS: drcatanach@netscape.com

| PO Box 1980. +<br>Oistract II_   |               |                 |   |   | Sťatě of N<br>, Himerats & Natu | EW MEXICO<br>ral Resources Depart |                        | Ir<br>Appropria | 1 February 2:<br>hstructions o<br>hte District                     | n back<br>Office |
|--|---------------|-----------------|---|---|---------------------------------|-----------------------------------|------------------------|-----------------|--|------------------|
| FO Crawer DD, Artesia, NH 88211-0719<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410 |               |                 |   | OIL CONSERVATION DIVISION<br>PO Box 2088<br>Santa Fe, NM 8750412088 PA 1 15 |                                 |                                   |                        |                 |  | Copies<br>Copies |
| District IV<br>PD Box 2088, Santa Fe, NM 87504-2088  |               |                 |   | DOL   | LO FE, INM                      |                                   |                        | <u></u> лм      | ENDED REP  | ORT              |
|  |               |                 |   |   | ων ανώ αι                       |                                   | EIVED<br>HANNER PLA    | Ŧ               | ·  |                  |
|  | PI Numbe      | 1               | Pool Code Pool Name 72319-71599-71629 BLANCO MESAVERDE-BASIN DAKULA-BASIN FRUITLAND C |   |                                 |                                   |                        |                 |  |                  |
| Property   | Code          | / ·             |   |   | Property                        | Name                              |                        |                 | *Well Number   | <u> </u>         |
| OGRID N  | ko.           |                 |   |   | CAIN FE                         | Name                              |                        |                 | 3<br>*Elevation  | <br>             |
| 1/325  | 5             |                 |   |   | TINA SAN<br>Surface             |                                   |                        |                 | 5935   |                  |
| LL or Let no.  | Section<br>25 | Townenso<br>31N | Parige<br>13W   | Lot 10h   | Feet from the<br>945            | Nerth/South Line                  | Feet from the<br>1945  | East/Mast 1     | 1  | 1                |
| L  |               | 11              | Bottom  |   | ocation I                       |                                   | From Surfa             |                 | I  |                  |
| UL or tol no   | Section       | Townshipp       | Range   | Lot Ion   | Fact from the                   | NEPCI/SOLION LINE                 |                        | East/west       | lume Couri<br>L  |                  |
| <sup>12</sup> Deducated Acres  | 350           | 0.0 Acr         | es - (F   | ./2)  | <sup>13</sup> Joint on Infill   | <sup>16</sup> Consultation Code   | <sup>15</sup> Onten No |                 |  |                  |
|  |               |                 |   |   |                                 |                                   | contained              | herein is b     | t the information<br>frue and complete<br>owledge and belie<br>A / |                  |

| 2014 | [71599] BASIN DAKOTA (PRORATED GAS) | Jan | 0 | 84  | 0 | 30 | 0 | 0 | o | 0 | 0 |
|------|-------------------------------------|-----|---|-----|---|----|---|---|---|---|---|
| 2014 | [71599] BASIN DAKOTA (PRORATED GAS) | Feb | 0 | 0   | 0 | 0  | 0 | 0 | o | 0 | 0 |
| 2014 | [71599] BASIN DAKOTA (PRORATED GAS) | Mar | 0 | 0   | 0 | 0  | 0 | 0 | 0 | 0 | 0 |
| 2014 | (71599) BASIN DAKOTA (PRORATED GAS) | Apr | 0 | 0   | 0 | 0  | 0 | 0 | 0 | 0 | 0 |
| 2014 | [71599] BASIN DAKOTA (PRORATED GAS) | Мау | 0 | 0   | 0 |    | 0 | 0 | 0 | o | 0 |
| 2014 | [71599] BASIN DAKOTA (PRORATED GAS) | Jun | 0 | 0   | 0 | 0  | 0 | 0 | 0 | 0 | 0 |
| 2014 | [71629] BASIN FRUITLAND COAL (GAS)  | Jan | 0 | 816 | 5 | 30 | 0 | 0 | 0 | 0 | 0 |
| 2014 | [71629] BASIN FRUITLAND COAL (GAS)  | Feb | 0 | 337 | 0 | 30 | 0 | 0 | 0 | 0 | 0 |
| 2014 | [71629] BASIN FRUITLAND COAL (GAS)  | Mar | 0 | 241 | 0 | 30 | 0 | 0 | 0 | 0 | 0 |
| 2014 | [71629] BASIN FRUITLAND COAL (GAS)  | Apr | 0 | 202 | 0 | 30 | 0 | 0 | 0 | 0 | 0 |
|      | [71629] BASIN FRUITLAND COAL (GAS)  | May | 0 | 214 | 0 | 30 | 0 | 0 | 0 | 0 | 0 |
|      | [71629] BASIN FRUITLAND COAL (GAS)  | Jun | 0 | 178 | 0 | 30 | 0 | 0 | 0 | 0 | 0 |

Enervest Operating, LLC Form C-107A Cain Federal No. 3) 2014 Production Data

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## Attachment "A" Enervest Operating, LLC Form C-107A: Cain Federal No. 3 **Proposed Production Allocation**

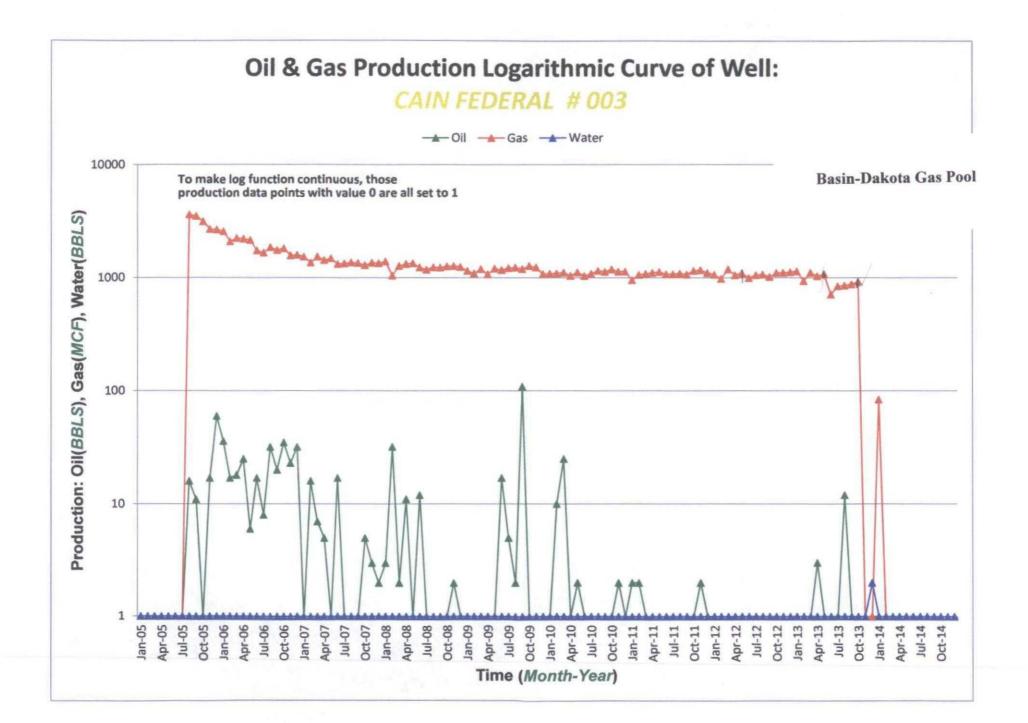
Attached are production decline curves for the Cain Federal Well No. 3 that show historic Basin-Dakota and Basin-Fruitland Coal Gas Pool production from this well. The production plots show that the Basin-Dakota Gas Pool within the subject well has produced very consistently over a period of several years, with the exception of late 2013 and 2014, while the Basin-Fruitland Coal Gas Pool has produced erratic, possibly due to mechanical issues within the wellbore.

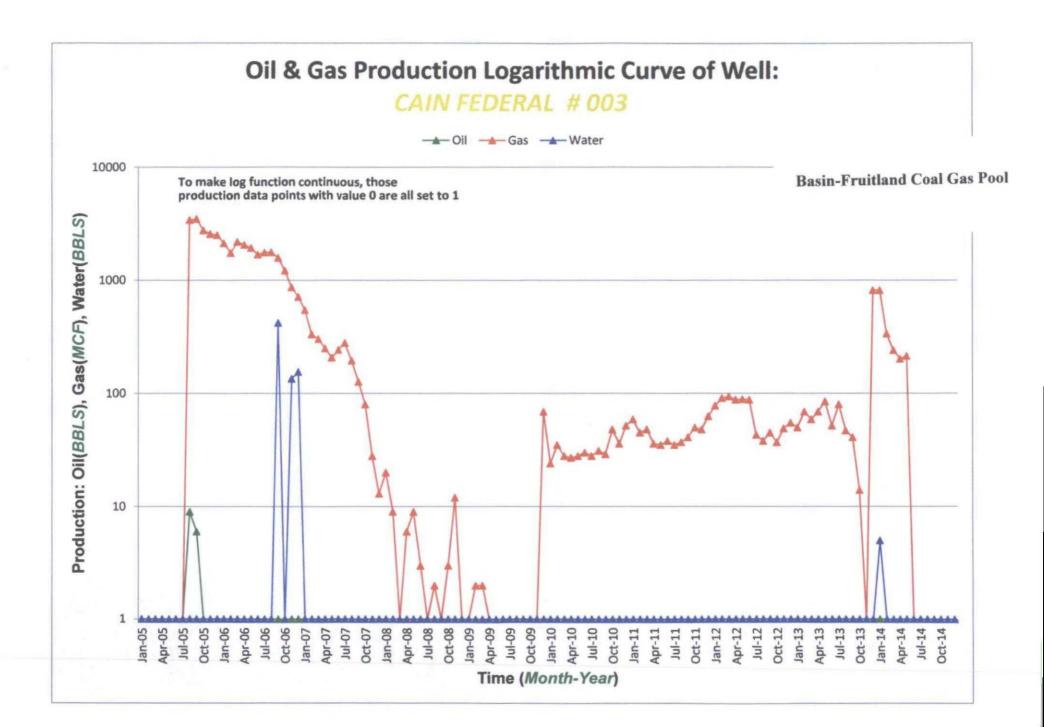
Due to the erratic nature of the Basin-Fruitland Coal Gas Pool production within this well, Enervest Operating, LLC is proposing to allocate production based on the subtraction method. The 2013 average producing rate for the Basin-Dakota Gas Pool is:

## 28 MCF Gas Per Day 0.045 Barrels of Oil Per Day 0.006 Barrels of Water Per Day

Subsequent to downhole commingling, any production from the well over the 2013 average producing rate for the Basin-Dakota Coal Gas Pool will be attributed to the Basin-Fruitland Coal Gas Pool.

If the producing rates stabilize in the future, Enervest Operating, LLC will then propose a fixed allocation of production.





| Do aban   | UNITED STATES<br>DEPARTMENT OF THE INTER<br>BUREAU OF LAND MANAGEM<br>NDRY NOTICES AND REPORTS Of<br>not use this form for proposals to drill or su<br>doned well. Use Form 3160-3 (APD) for su | ENT<br>DN WELLS<br>to re-enter an<br>uch proposals. | O                           |                                       |          |
|---|---|---|-----------------------------|---------------------------------------|----------|
| I. Type of Well   | TRIPLICATE - Other Instructions on p  | 899 Z.  | _                           |                                       |          |
| Oil Well  | X Gas Well Other  |   | 8. Well Name and No         | ).<br>Cain Federal #3                 |          |
| 2. Name of Operator   |   |   | 9. API Well No.             |                                       |          |
| EnerVest Operating, LLC<br>3a. Address  | 3b. Pho   | ne No. (include area code)                          |                             | 30-045-32605                          |          |
| 1001 Fannin St. Suite 8<br>4. Location of Well (Footage, Sec., T.,  | 00, Houston, TX 77002<br>R., M., or Survey Description)   | 713-659-3500  | 11. County or Parish.       |                                       | and Coal |
| 945' FSL & 1945' FEL (UL O), Sec. 25<br>12. CHECK THE APPROI  | T31N K IJW<br>PRIATE BOX(ES) TO INDICATE NATUR  | E OF NOTICE, REPORT, C                              |                             | San Juan, NM  <br>                    |          |
| TYPE OF SUBMISSION  |   | TYPE OF ACTIO                                       |                             | <u> </u>                              |          |
| X Notice of Intent  | Acidize Deepen  | Treat Reclamati                                     |                             | Water Shut-Off                        |          |
| Subsequent Report   |   | nstruction Recomple<br>I Abandon Temporari          | te<br>ily Abandon           | X Other <u>Down</u><br><u>Comming</u> |          |
| Final Abandonment Notice  | Convert to Injection Plug Bas   | ck Water Dis  | posal                       |                                       |          |
| 1 8,  | has filed Division Form C-107A (attac<br>ningle the Basin-Fruitland Coal/Basin  |   |                             |                                       | equest   |
| 14. I hereby certify that the foregoing is true a Mich  | and correct. Name (Printed Typed)<br>elle Doescher  | Title   | Regulatory Con              | sultant                               |          |
| • • • • • • • • • • • • • • • • • • •   |   |   |                             |                                       | ···      |
| Signature Michiel   | THIS SPACE FOR FEDER  | Date<br>RAL OR STATE OFFICE U                       | October 28,<br>JSE          | 2014                                  |          |
| Approved by   |   |   | T                           |                                       |          |
| Conditions of approval, if any are attached. Ap<br>that the applicant holds legal or equitable title t<br>entitle the applicant to conduct operations there |   | Title<br>Office                                     | l                           | Date                                  |          |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.<br>fictitious or fraudulent statements or represented  | C. Section 1212, make it a crime for any person knowing   | ly and willfully to make any departm                | ent or agency of the United | States any false,                     |          |
| (Instructions on page 2)  | ~~  |   |                             |                                       |          |

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October 2, 2014

### <u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

## TO: Working, Royalty & Overriding Royalty Interest Owners (See Attached List)

RE: Form C-107A (Application to Downhole Commingle) Cain Federal No. 3 (API No. 30-045-32605) 945' FSL & 1945' FEL (Unit O) Section 25, T-31 North, R-13 West, NMPM, San Juan County, New Mexico

Ladies & Gentlemen:

Attached is a Division Form C-107A that has been filed with the New Mexico Oil Conservation Division ("Division") to request approval to downhole commingle the Basin-Fruitland Coal and Basin-Dakota Gas Pools within the Cain Federal Well No. 3, as described above.

Enervest is proposing to downhole commingle the two pools in this well in order to efficiently produce the remaining oil and gas reserves from this well.

Due to the diverse ownership between the Fruitland Coal and Dakota intervals in this well, Enervest is required by Division rules to provide notice of the proposed commingling to all working, royalty and overriding royalty interest owners.

No action is required on your part. However, any objection to the proposed downhole commingling 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 have any questions, please contact Mr. David Catanach, Agent for Enervest Operating, LLC at (505) 690-9453 or Ms. Johnetta Scheh at (713) 495-5303.

Thank you,

and atomad

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

#### Form C-107-A: Cain Federal No. 3: Notice List

OFFICE NATURAL RESOURCES REV RME ONRR ROYALTY PO BOX 25627 DENVER, CO 80225-0627

CLIFFORD ALSBERG 1445.0 S OAKHURST DR LOS ANGELES, CA 90035

STEPHEN ALSBERG 447.0 ZION ST NEVADA CITY, CA 95959-2727

**BACHMAN BROTHERS** A PARTNERSHIP 2501.0 GREENBRIAR DR SPRINGFIELD, IL 62704

JAMES B CAIN ESTATE JOHN C CAIN TEMP ADM PO BOX 29 ATHENS, TX 75751

CARTER BLOODCARE ATTN SCOTT GASTORF 2205.0 HWY 121 BEDFORD, TX 76021

ANDREA ALSBERG DOLIN 12407.0 SARAH ST STUDIO CITY, CA 91604

ROBERT A DUNLAP JOAN M DUNLAP JTWROS 48.0 SANDIA MOUNTAIN RANCH RD TIJERAS, NM 87059

BARBARA G GARDNER 6009.0 TRUCHAS NE ALBUQUERQUE, NM 87109

JOHN V GUTTAG 273.0 EMERSON RD LEXINGTON, MA 02420-1936

**BOBBY WARD JACKSON** 7324.0 HAWTORN AVE NE ALBUQUERQUE, NM 87113-2083

ESTATE OF BILLY JOE JACKSON PAULA J HAYDEN PERSONAL REP 11316.0 RIDGELINE AVE NE ALBUQUERQUE, NM 87111

MARY T JARCHOW 1137.0 CALLE DE LOS AMIGOS SANTA BARBARA, CA 93105

KAREN KOROBKIN 571.0 E BROAD ST NEVADA CITY, CA 95959

MCKAY OIL AND GAS LLC PO BOX 14738 ALBUQUERQUE, NM 87191-4738

NOBLE ENERGY INC P O BOX 910083 DALLAS, TX 75391-0083

SONORIN MANAGEMENT, LLC \*\*

JAMES R PAYNE JEAN PAYNE 614.0 PASEO DEL BOSOUE NW ALBUQUERQUE, NM 87114

THEODOR S RITTENBERG 68.0 BLUE HERON LN GREENWOOD VILLAGE, CO 80121

KENNETH ROBERT SCHMIDT 6819.0 OAKLAWN WAY FAIR OAKS, CA 95628-4215

MARY KAY STEIN 65849.0 E DESERT TRAIL DR TUCSON, AZ 85739-1172

ELIZABETH VERPLANK PO 80X 301 SALISBURY, MD 21801

AGS OIL & GAS HOLDINGS INC 10.0 INVERNESS DR E STE 155 ENGLEWOOD, CO 80112

**BB MANAGEMENT LLC** PO BOX 80735 PHOENIX, AZ 85060

BEACHBUMS ENERGY LLC PO BOX 5141 SCOTTSDALE, AZ 85261-5141

**BF ENERGY LLC** C/O RANDAL BUNESS 3504.0 E CLAIRMONT AVE PARADISE VALLEY, AZ 85253

**BID GROUP LLC** PO BOX 5045 SCOTTSDALE, AZ 85261-5045

BLUE RIDGE ENERGY LLC PO BOX 26567 PHOENIX, AZ 85068

CATALYST ENERGY LLC 4430.0 N 29TH ST PHOENIX, AZ 85016

CROSSWIND RESOURCE LLC 931.0 S LAGOON DR GILBERT, AZ 85233

EEIF XIII CUTBACK COMPANY 1001.0 FANNIN SUITE 800 HOUSTON, TX 77002-6707

**J AND J ENERGY LLC** 300.0 N SORREL CT SHOW LOW, AZ 85901-2789

JIM WHITEHEAD OIL & GAS LLC PO BOX 80735 PHOENIX, AZ 85060

L T CAPITAL LLC PO BOX 80735 PHOENIX, AZ 85060

TOM DUGAN FAMILY \*\*

UNDETERMINED OWNERS IN THE TITLE SUSPENSE NOBLE ACCOUNT

\*\* Notice by Publication Will Be Provided to These Parties

M CODE LLC 5744.0 E JOSHUA TREE LN PARADISE VALLEY, AZ 85253

MAGIC MERLIN ENERGY INV LLC 6210.0 N 52ND PL PARADISE VALLEY, AZ 85253

PALADIN INC. PO BOX 5062 SCOTTSDALE, AZ 85261-5062

**RJ FORTUNE INVESTMENTS LLC** 9290.0 E THOMPSON PEAK PKWY 257 SCOTTSDALE, AZ 85255-4513

THOMAS FAMILY LTD. PARTNERSHIP PO BOX 80123 PHOENIX, AZ 85060

THOMAS STEPHENS JOYNER PO BOX 1178 MT PLEASANT, TX 75455

TKM RESOURCES LLC 1775.0 SHERMAN STREET STE 2990 DENVER, CO 80203

GEODYNE NOMINEE CORP CO SAMSON RESOURCES COMPANY SAMSON PLAZA TWO W 2ND ST TULSA, OK 74103-3103

DOUGLAS A. DENTON \*\* 1501 Princeton St. Midland, Texas 79701

MARK L. SHIDLER, INC. 1313 Campbell Rd., Building D Houston, Texas 77055

DMS OIL COMPANY \*\* 3000 Wilcreat, Suite 250 Houston, Texas 77042

OSR OIL & GAS COMPANY \*\* P.O. Box 2326 Victoria, Texas 77902

VIERSON OIL & GAS CO. " P.O. Box 702708 Tulsa, OK 74170

BROUGHTON PETROLEUM, INC. P.O. Box 1389 Sealy, Texas 77474-1389

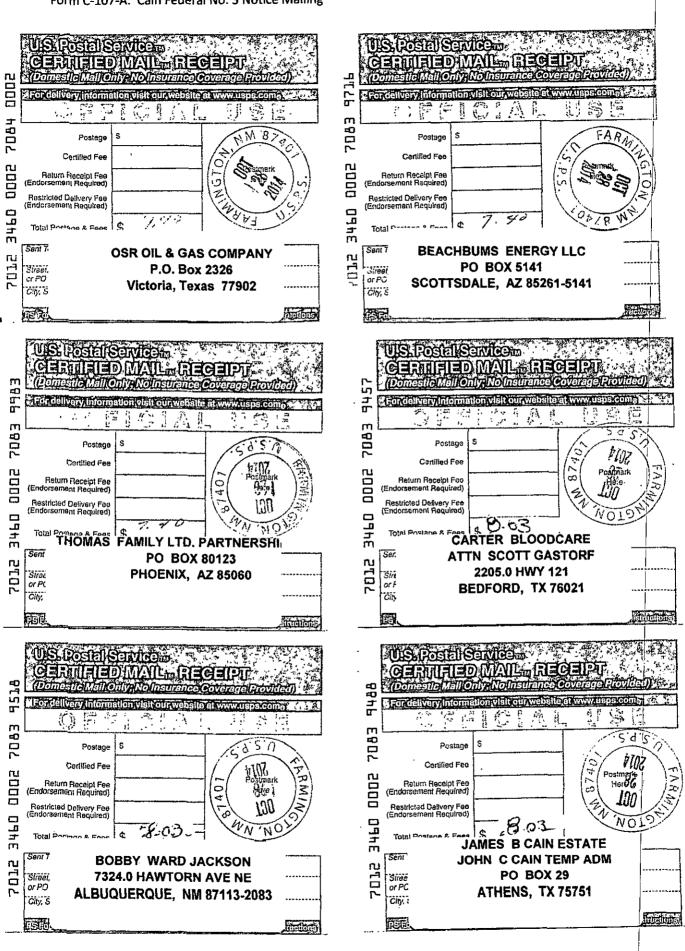
TEXAS ENERGY SUPPLY, INC. \*\* P.O. Box 4848 Witchita Falls, Texas 76308-0848

MCCULLY CHAPMAN EXPLORATION, INC. \*\* P.O. Box 421 Sealy, Texas 77474

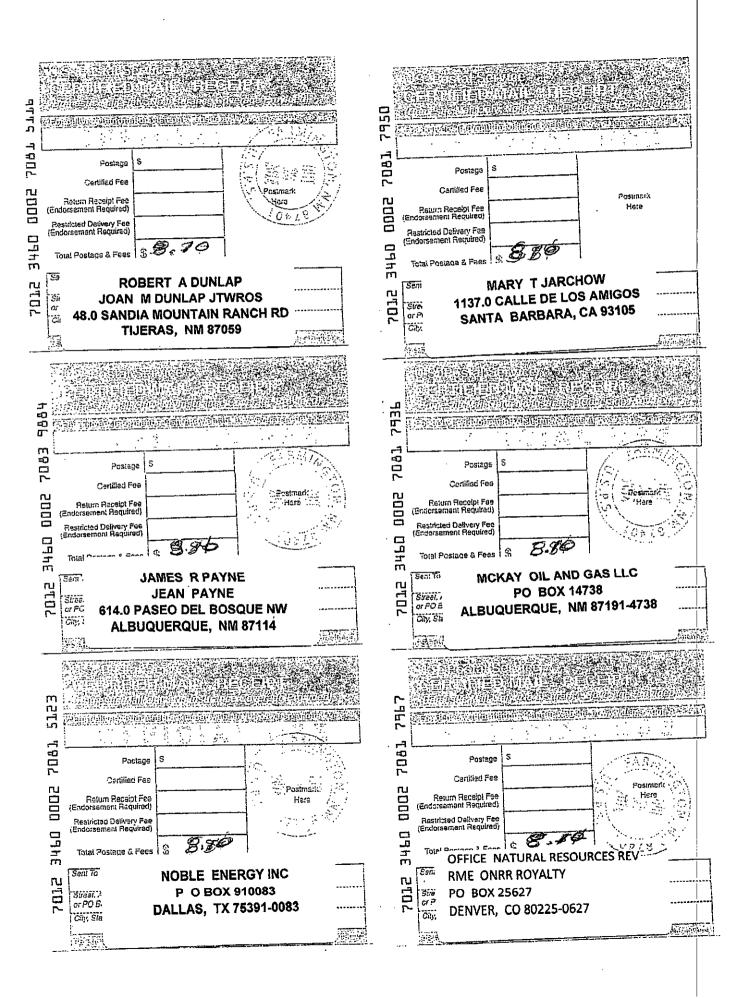
CESAR A VILLASENOR 3213 Riverview Mesquite, Texas 75181

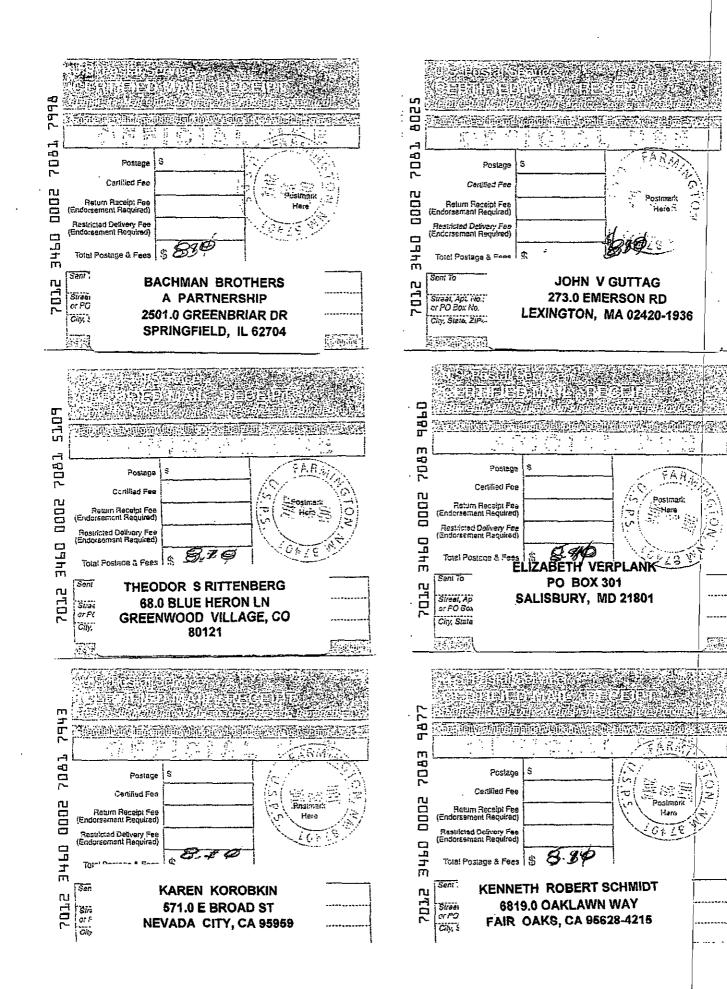
BECK PUMP & SUPPLY, INC. \*\*

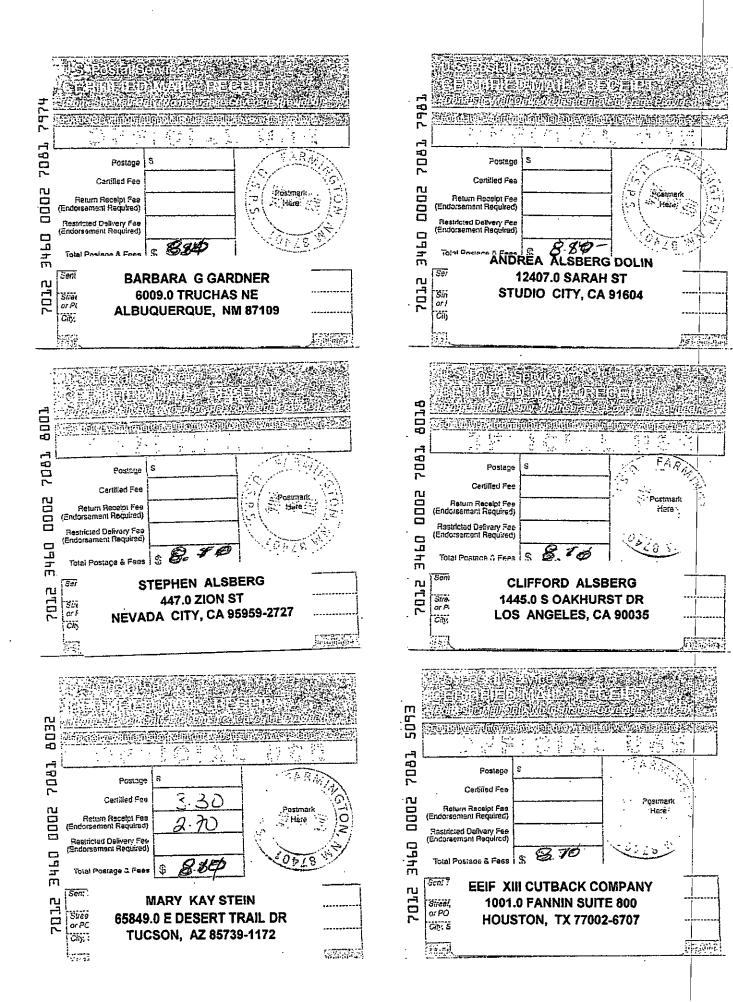


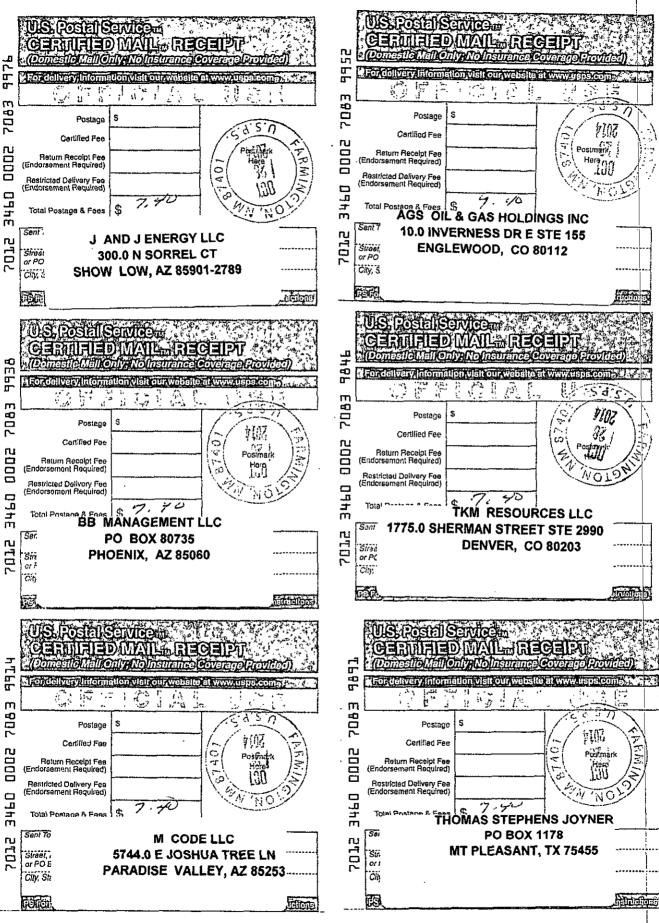


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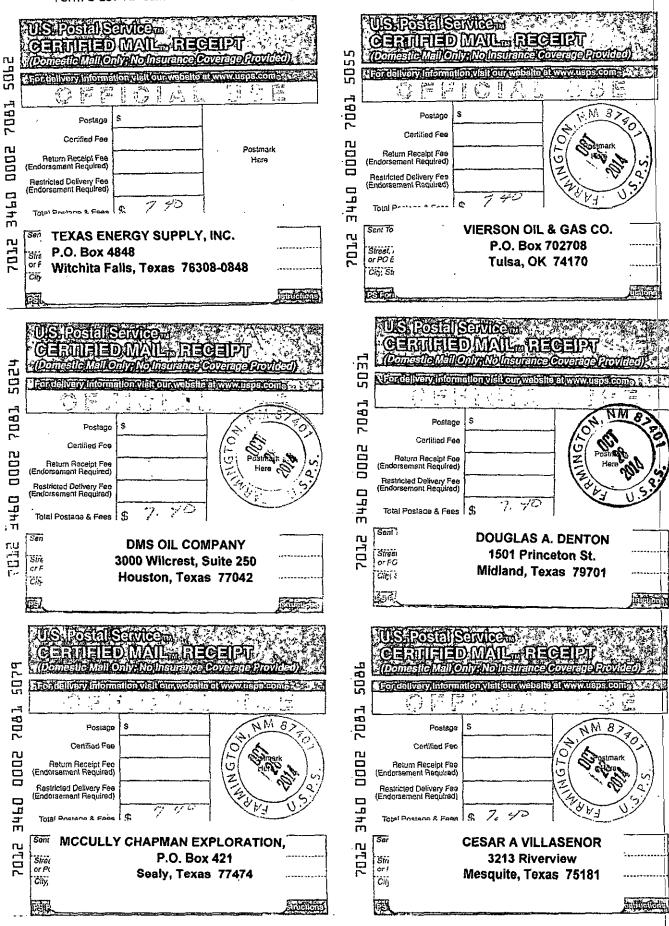


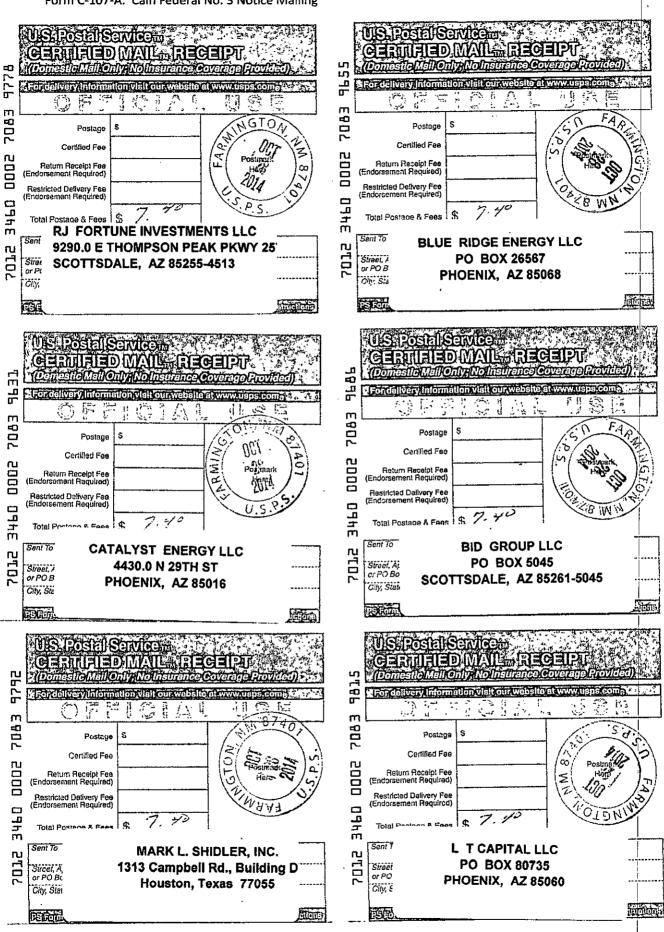




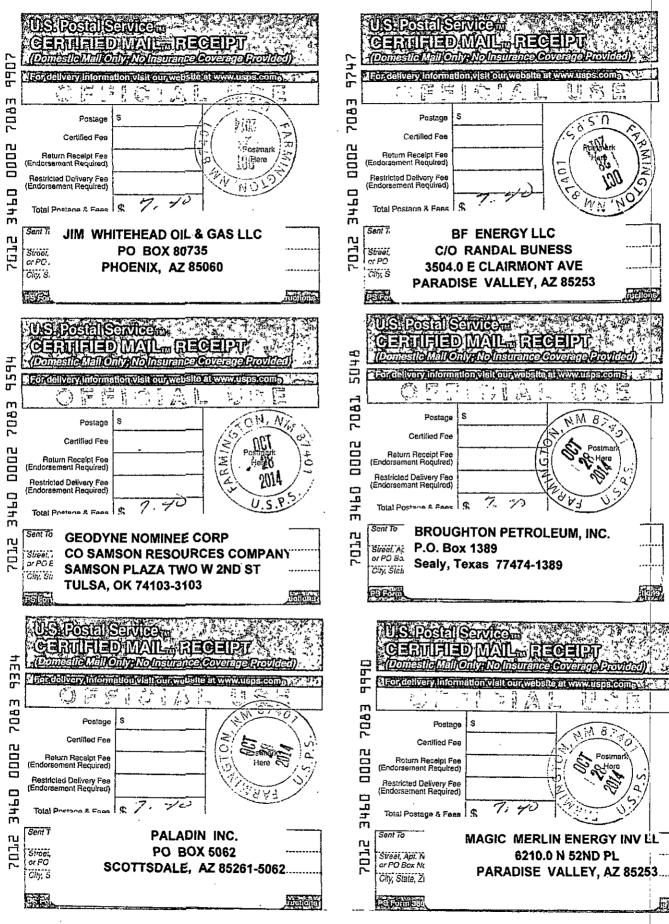


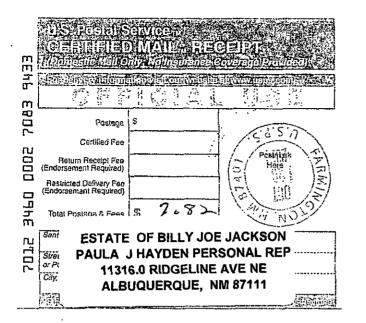
|.

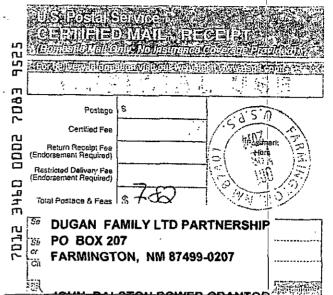














Form C-107A Enervest Operating, L.L.C. Cain Federal No. 3 Section 25, T-31 North, R-13 West, NMPM, San Juan County, New Mexico

The following-described legal notice will be published in the:

Farmington Daily Times 201 N. Allen Ave. Farmington, New Mexico 87499

The Affidavit of Publication will be forwarded to the Division upon receipt by Enervest Operating, L.L.C.

### LEGAL NOTICE

TO:DOUGLAS A. DENTON<br/>DMS OIL COMPANYMARK L. SHIDLER, INC.DMS OIL COMPANYOSR OIL & GAS COMPANYVIERSON OIL & GAS CO.BROUGHTON PETROLEUM, INC.TEXAS ENERGY SUPPLY, INC.MCCULLY CHAPMAN EXPLORATION, INC.CESAR A. VILLASENORSONORIN MANAGEMENT, LLCTOM DUGAN FAMILYBECK PUMP & SUPPLY, INC.UNDETERMINED OWNERS IN THE TITLE SUSPENSE NOBLE ACCOUNT

Enervest Operating, L.L.C., 1001 Fannin Street, Suite 800, Houston, Texas 77002 has filed a Form C-107A (Application for Downhole Commingling) with the Oil Conservation Division ("Division") seeking administrative approval to downhole commingle the Basin-Fruitland Coal Gas Pool and Basin-Dakota Gas Pool within its Cain Federal Well No. 3 (API No. 30-045-32605) located 945 feet from the South line and 1945 feet from the East line (Unit O) of Section 25, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico. Production from the downhole commingled pools will allocated by the Subtraction Method, as follows: Any production in excess of the 2013 average producing rate for the Basin-Dakota Gas Pool in this well, which is 28 MCF Gas Per Day, 0.045 Barrels of Oil Per Day, and 0.006 Barrels of Water Per Day, will be allocated to the Basin-Fruitland Coal Gas Pool.

As in interest owner is this well, you may be affected by the proposed downhole commingling. Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 20 days of the date of this publication.

Additional information can be obtained by contacting Mr. David Catanach Agent-Enervest Operating, L.L.C. at (505) 690-9453.

#### AFFIDAVIT OF PUBLICATION

### Ad No. 70831

# STATE OF NEW MEXICO County of San Juan:

JOHN ELCHERT, being duly sworn says: That HE is the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, October 29, 2014

And the cost of the publication is \$101.02

ON JOHN ELCHERT appeared before me, whom I know personally to be the person who signed the above document.

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