



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 2, 2008

Enervest Operating, L.L.C.
Attn: Ronnie L. Young
1001 Fannin St, Suite 800
Houston, TX 77002-6707

Administrative Order NSL-5805

**Re: Stevens A-35 Com. Well No. 5
Unit G, Section 35, Twsp 23S, Range 36E
Lea County**

Dear Mr. Young:

Reference is made to the following:

(a) your application (**administrative non-standard location [NSL] application reference No. pTDS08-06340801**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 3, 2008, and

(b) the Division's records pertinent to this request, including, but not limited to, the Division's records pertaining to Administrative Order NSL-4931 (NSP)(SD).

Enervest Operating, L.L.C. (Enervest) has requested to drill the above-referenced well (the proposed well) at an unorthodox Jalmat oil well location, 2030 feet from the South line and 1830 feet from the West line (Unit G) of Section 35, Township 23 South, Range 36 East, N.M.P.M., in Lea County, New Mexico. An existing non-standard gas spacing unit (the unit) in the Jalmat-Tansill/Yates/Seven Rivers Gas Pool (79240), comprising the SW/4, W/2 SE/4 and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, N.M.P.M., will be dedicated to the proposed well. This 280-acre non-standard gas spacing unit was previously established by Order R-3425, issued in Case No. 3754 on June 5, 1968. Simultaneous dedication of this unit to the proposed well and three existing Jalmat gas wells is being this day approved by Administrative Order SD-200810, issued pursuant to your SD application filed simultaneously with this application.



April 2, 2008

Page 2

Spacing in the Jalmat Gas Pool is governed by Rule 3(a)(2) of the Special Rules for the Jalmat Gas Pool, as amended by Order R-8170-P, effective December 14, 2001, which provides that a gas well shall be at least 660 feet from any unit outer boundary, 660 feet from any governmental quarter section line, and 330 feet from any quarter/quarter section line. This location is less than 660 feet from the northern unit and quarter-section boundary.

Your NSL application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location to avoid interference with an existing pipeline that crosses the unit.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
United States Bureau of Land Management - Carlsbad