

5/2/08 DATE IN	SUSPENSE	Brooks ENGINEER	5/2/08 LOGGED IN	SD TYPE	PKVROB12357881 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -  
2008 MAY 2 PM 2:00  
222 South St. Francis Drive, Santa Fe, NM 87505



Enervest Operating LLC  
JWSherrell  
#3 9,12

**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 5/23
- [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.

Ronnie L. Young \_\_\_\_\_  
 Print or Type Name Ronnie L Young  
 Signature

Coordinator, Regulatory Compliance  
 Title

5.1.08  
 \_\_\_\_\_  
 Date

RYOUNG@ENERVEST.NET  
 E-Mail Address

April 30, 2008

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

Attention: Mr. Mark E. Fesmire, P.E.  
Director

Re: Application for Increased Well Density & Simultaneous Dedication  
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

By Division Order No. R-5948 dated March 16, 1979 the Division approved a 160-acre non-standard gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. This unit was dedicated to the Getty Oil Company J. W. Sherrell Well No. 9 (API No. 30-025-26070) located at an unorthodox gas well location, also approved by that order, 2250 feet from the South line and 1650 feet from the East line (Unit J) of Section 31.

EnerVest Operating, L.L.C. ("EnerVest"), the current operator of the subject GPU, hereby requests approval:

- API 30-025-38882
- a) to drill an additional infill gas well within the subject GPU. EnerVest proposes to drill the J. W. Sherrell Well No. 12 at a standard gas well location 660 feet from the South line and 1815 feet from the East line (Unit O) of Section 31; and
  - b) to simultaneous dedicate the existing J. W. Sherrell No. 9 and the proposed J. W. Sherrell No. 12 to the subject GPU.

The wells and GPU are located within the Jalmat Gas Pool. This pool is currently governed by special pool rules established by Order No. 8170-P effective December 14, 2001. Well location requirements and well density provisions are contained within Rule No. (3) of the special pool rules.

In support of the application, EnerVest states the following:

The existing J. W. Sherrell No. 9 is currently marginally productive. During 2007 the J. W. Sherrell No. 9 produced at an average rate of approximately 60 MCF of gas per day;

Recent drilling in this area by EnerVest and other operators has demonstrated that there is little or no interference between gas wells spaced on 40 acres within the Jalmat Gas Pool. Consequently, EnerVest believes that the drilling of the proposed J. W. Sherrell No. 12 is necessary in order to effectively and efficiently drain the gas reserves from the Jalmat Gas Pool within the SW/4 SE/4 of Section 31;

Due to inefficient drainage and the marginally productive nature of the existing well, EnerVest believes that no offset operator will be adversely affected by the approval of this application;

Attachment No. 1 is a plat that identifies the subject GPU, and the wells that are to be simultaneously dedicated to this unit;

Attachment No. 2 is a plat that identifies the subject GPU and all offsetting GPU's in the Jalmat Gas Pool. As shown on Attachment No. 2, there are four offsetting GPU's that are operated by EnerVest. **Please be advised that EnerVest owns 100% of the working interest in these four offsetting GPU's. Consequently, there are no additional working interest owners to notify.**

Attachment No. 2A is a compilation of all active Jalmat Gas Pool producing wells within the offsetting GPU's;

Notice of this application has been provided to Lewis B. Burleson, Inc., and Herman L. Loeb.

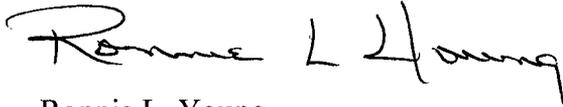
~~A copy of the notice letter that has been sent to all parties is enclosed, as is Attachment No. 3, which is a list of the parties to whom notice has been provided.~~ Upon obtaining the signed return receipt cards, they will be forwarded to the Oil Conservation Division.

Also enclosed is a copy of Order No. R-5948 and a Form C-102 for the proposed J. W. Sherrell No. 12.

In summary, EnerVest Operating, L.L.C. believes that approval of the application is in the best interest of conservation, prevention of waste and protection of correlative rights.

If you should have any questions, please call me at (713) 495-6530 or E-Mail me at RYOUNG@ENERVEST.NET.

Sincerely

A handwritten signature in black ink that reads "Ronnie L. Young". The signature is written in a cursive style with a large, stylized "R" and "Y".

Ronnie L. Young  
EnerVest Operating, L.L.C.  
1001 Fannin Street  
Suite 800  
Houston, Texas 77002-6707

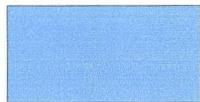
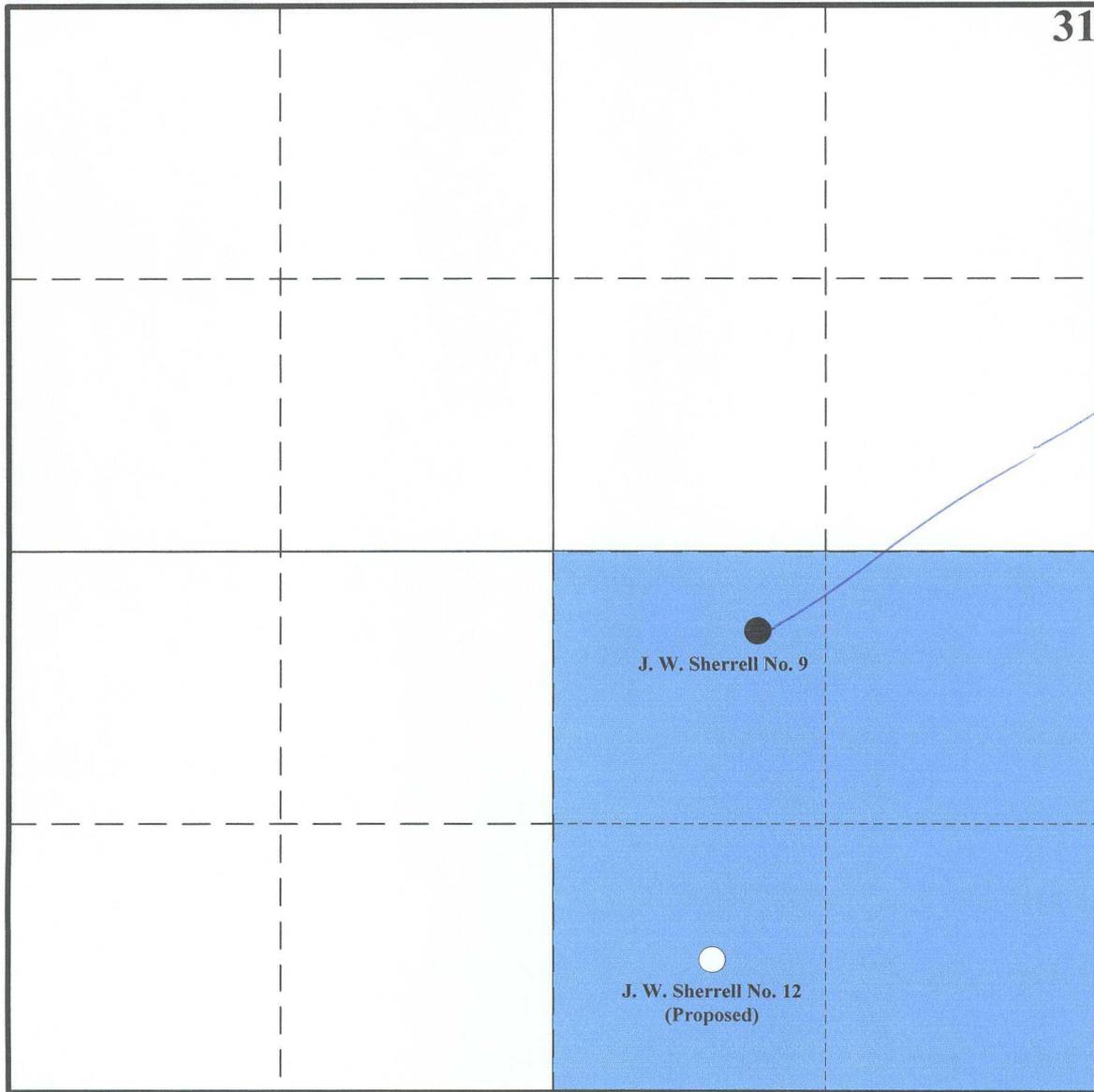
Enclosures

*EnerVest Operating, L.L.C.*  
*Application for Increased Well Density & Simultaneous Dedication*  
*Jalmat Gas Pool*

37 East

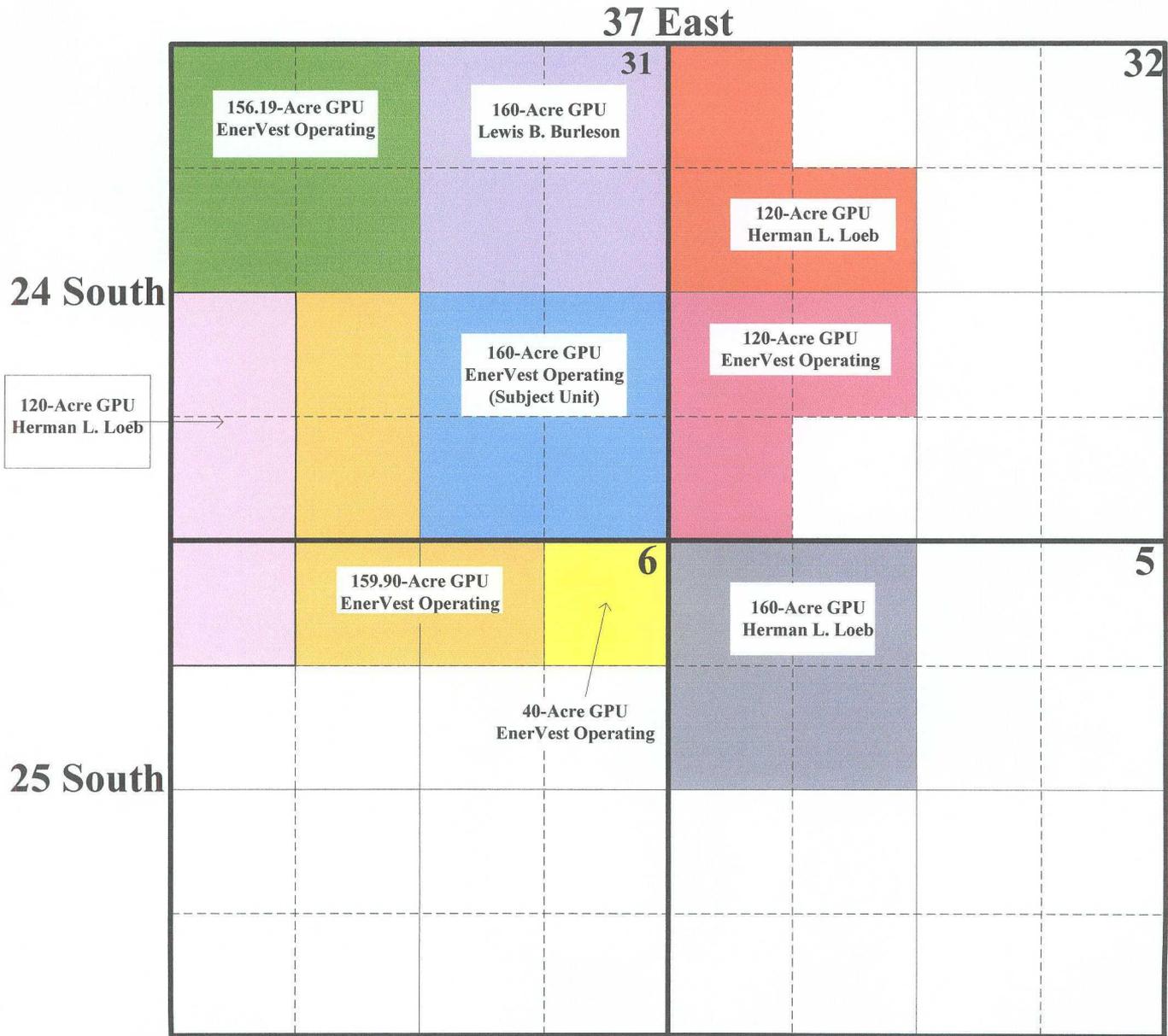
31

24 South



*Existing 160-Acre Non-standard GPU*  
*Approved by Order No. R-5948*

*EnerVest Operating, L.L.C.*  
*Application for Increased Well Density & Simultaneous Dedication*  
*Jalmat Gas Pool*



*EnerVest Operating, L.L.C.  
Application for Increased Well Density & Simultaneous Dedication  
Jalmat Gas Pool*

## OFFSET JALMAT OPERATORS

<u>GPU Description</u>	<u>Operator</u>	<u>Lease Name &amp; Well Number</u>	<u>Well Location</u>
NE/4 Section 31, T-24S, R-37E	Lewis B. Burleson, Inc.	Martin "A" No. 2	Unit A, Section 31, T-24S, R-37E
NW/4 Section 31, T-24S, R-37E	EnerVest Operating, L.L.C.	Martin "B" No. 1 Martin "B" No. 3 Martin "B" No. 4 (Proposed)	Unit F, Section 31, T-24S, R-37E Unit C, Section 31, T-24S, R-37E Lot 1, Section 31, T-24S, R-37E
E/2 SW/4 Section 31, T-24S, R-37E NE/4 NW/4 & NW/4 NE/4 Section 6, T-25S, R-37E	EnerVest Operating, L.L.C.	J. W. Sherrill No. 5 J. W. Sherrill No. 10 J. W. Sherrill No. 11 (Proposed)	Unit N, Section 31, T-24S, R-37E Unit C, Section 6, T-25S, R-37E Unit K, Section 31, T-24S, R-37E
Lots 3 & 4 Section 31, T-24S, R-37E NW/4 NW/4 Section 6, T-25S, R-37E	Herman L. Loeb	Jalmat Federal Com No. 1	Unit D, Section 6, T-25S, R-37E
NE/4 NE/4 Section 6, T-25S, R-37E	EnerVest Operating, L.L.C.	Wells B-6 No. 1	Unit A, Section 6, T-25S, R-37E
NW/4 Section 5, T-25S, R-37E	Herman L. Loeb	Wells Federal No. 15 Wells Federal No. 4	Unit D, Section 5, T-25S, R-37E Unit F, Section 5, T-25S, R-37E
N/2 SW/4, SW/4 SW/4 Section 32, T-24S, R-37E	EnerVest Operating, L.L.C.	Skelly "M" State No. 4	Unit L, Section 32, T-24S, R-37E
S/2 NW/4, NW/4 NW/4 Section 32, T-24S, R-37E	Herman L. Loeb	State A 32 No. 5 State A 32 No. 4	Unit D, Section 32, T-24S, R-37E Unit F, Section 32, T-24S, R-37E

**ATTACHMENT 2A**

April 30, 2008

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: EnerVest Operating, L.L.C.  
Application for Increased Well Density & Simultaneous Dedication  
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool (79240)  
Section 31, T-24 South, R-37 East, NMPM,  
Lea County, New Mexico

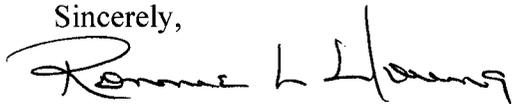
Ladies and Gentlemen:

Enclosed please find a copy of the application filed by EnerVest Operating, L.L.C. for authorization to dedicate its proposed J. W. Sherrell Well No. 12, located at a standard gas well location 660 feet from the South line and 1815 feet from the East line (Unit O) of Section 31, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, to an existing 160-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 24 South, Range 37 East, NMPM. This unit is currently dedicated to EnerVest Operating, L.L.C.'s J. W. Sherrell No. 9 located in Unit J of Section 31.

As the owner of an interest that may be affected by the proposed simultaneous dedication, you are being provided notice as per Division rules and regulations. Objections 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 should have any questions, please call me at (713) 495-6530.

Sincerely,



Ronnie L. Young  
Coordinator, Regulatory Compliance  
EnerVest Operating, L.L.C.  
1001 Fannin Street  
Suite 800  
Houston, Texas 77002-6707

Enclosure

*EnerVest Operating, L.L.C.*  
*Application for Increased Well Density & Simultaneous Dedication*  
*Jalmat Gas Pool*

Offset Operator Notification List

Lewis B. Burlison, Inc.  
Box 2479  
Midland, Texas 79702

Herman L. Loeb  
Rte. 2, Country Club Road  
Lawrenceville, IL 62439

**Attachment 3**

DISTRICT I  
1625 N. FRENCH DR., HOBBBS, 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 and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>JW SHERRELL</b>	Well Number 12
OGRID No.	Operator Name <b>ENERVEST OPERATING</b>	Elevation 3227'

Surface Location

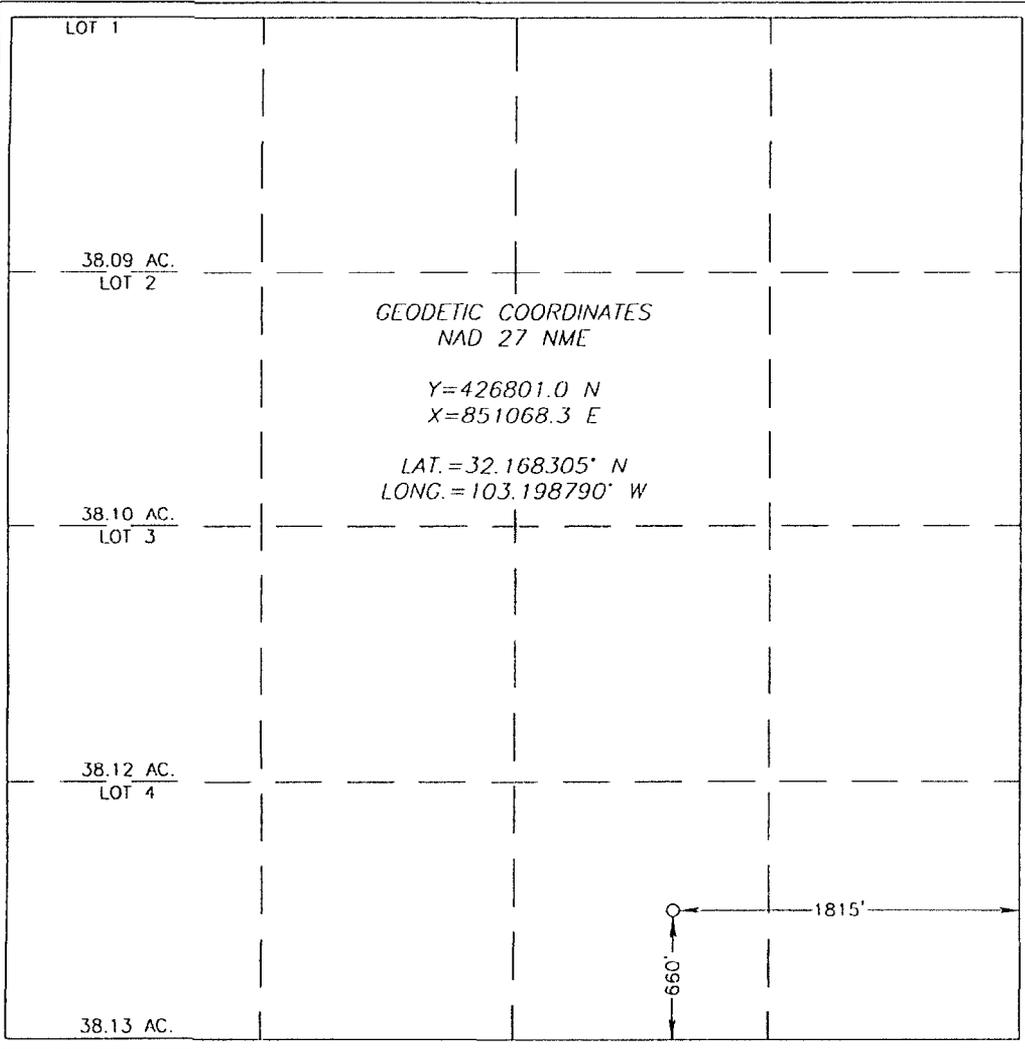
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	31	24-S	37-E		660	SOUTH	1815	EAST	LEA

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	Joint or Infill	Consolidation 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



**OPERATOR CERTIFICATION**

*I hereby certify that the information 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 bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

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**SURVEYOR CERTIFICATION**

*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.*

Date Surveyed: MARCH 27, 2008

Signature & Seal of Professional Surveyor  
*Ronald J. Eidson* 4/03/08

Certificate No. GARY EIDSON 12641  
RONALD J. EIDSON 3239

Entered March 16, 1979

JLR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6465  
Order No. R-5948

APPLICATION OF GETTY OIL COMPANY  
FOR AN UNORTHODOX WELL LOCATION  
AND A NON-STANDARD PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of March, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Getty Oil Company, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, NMPM, to be dedicated to its J. W. Sherrell Well No. 9, situated at an unorthodox gas well location 2250 feet from the South line and 1650 feet from the East line of said Section 31.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

-2-

Case No. 6465  
Order No. R-5948

(4) That the unorthodox location resulted from the completion as a gas well of a well projected as an oil well at a standard oil well location.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

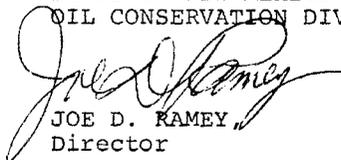
IT IS THEREFORE ORDERED:

(1) That Getty Oil Company is hereby granted a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, which unit is hereby dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31, an unorthodox gas well location also hereby approved.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

S E A L

dr/

**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

LAWRENCEVILLE IL 62439

Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.11</b>



Sent To Herman L. Loeb  
 Street, Apt. No., or PO Box No. Rt. 2, Country Club Road  
 City, State, ZIP+4 Lawrenceville, IL 62439

PS Form 3800, August 2005 See Reverse for Instructions

7007 3020 0001 2494 5659

**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

MIDLAND TX 79702

Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.11</b>



Sent To Lewis B. Burken, Inc.  
 Street, Apt. No., or PO Box No. Box 2479  
 City, State, ZIP+4 Midland, Texas 79702

PS Form 3800, August 2005 See Reverse for Instructions

7007 3020 0001 2494 5642