

DATE IN 2/9/10	SUSPENSE /	ENGINEER WTS	LOGGED IN	TYPE DAS 1260	APP NO. PWT 604350929
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OOD

### 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.**

Bridget Helfrich  
 Print or Type Name

Bridget Helfrich  
 Signature

Regulatory Tech  
 Title

2-10-10  
 Date

bhelfrich@enervest.net  
 E-Mail Address



February 10, 2010

**HAND DELIVERED**

Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Attention: Mr. Mark E. Fesmire, Director

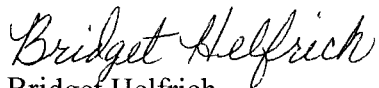
Re: Form C-107A  
Enervest Operating, L.L.C.  
C T Bates No. 1  
API No. 30-025-11969  
1980' FSL & 660' FWL (Unit L)  
Section 10, T-26S, R-37E, NMPM,  
Lea County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-107A for the Enervest Operating, L.L.C. C T Bates Well No. 1. It is proposed to downhole commingle the Rhodes Yates-Seven Rivers and South Leonard-Queen Pools within the subject well. Approval of the application will allow Enervest Operating, L.L.C. to economically produce the oil and gas reserves in the Yates-Seven Rivers and Queen intervals, thereby preventing waste. Please note that the interest ownership between the commingled zones is common throughout. Consequently, the proposed downhole commingling will not violate correlative rights.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (713) 495-6537.

Sincerely,



Bridget Helfrich  
Regulatory Tech  
Enervest Operating, L.L.C.  
1001 Fannin Street, Suite 800  
Houston, Texas 77002

Xc: OCD-Hobbs

16			<div style="text-align: center;"> <sup>17</sup> <b>OPERATOR CERTIFICATION</b> </div> <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 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.</i></p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 80%; text-align: center;"> <i>Bridget Helfrich</i> </div> <div style="border-bottom: 1px solid black; width: 15%; text-align: center;">           2-10-10         </div> </div> <div style="display: flex; justify-content: space-between; font-size: small; margin-top: 5px;"> <span>Signature</span> <span>Date</span> </div> <div style="border-bottom: 1px solid black; margin-top: 10px; padding-top: 5px;">           Bridget Helfrich         </div> <div style="font-size: x-small; margin-top: 5px;">           Printed Name         </div>
<div style="text-align: center; margin-bottom: 10px;"> <i>//</i>            C T Bates No. 1         </div> <div style="display: flex; align-items: center;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 5px;"></div> <div style="text-align: center; margin-right: 5px;"> <i>x</i> </div> <div style="border-left: 1px solid black; width: 50px; height: 100px; position: relative;"> <div style="position: absolute; top: 0; right: -10px; text-align: center;"> <i>//</i> </div> <div style="position: absolute; bottom: 0; right: -10px; text-align: center;"> <i>//</i> </div> </div> </div> <div style="margin-top: 5px;"> <div style="display: flex; align-items: center;"> <div style="width: 50px; height: 10px; border: 1px solid black; margin-right: 5px;"></div> <div style="text-align: center; margin-right: 5px;"> <i>x</i> </div> <div style="border-left: 1px solid black; width: 50px; height: 100px; position: relative;"> <div style="position: absolute; top: 0; right: -10px; text-align: center;"> <i>//</i> </div> <div style="position: absolute; bottom: 0; right: -10px; text-align: center;"> <i>//</i> </div> </div> </div> </div>			<div style="text-align: center;"> <sup>18</sup> <b>SURVEYOR CERTIFICATION</b> </div> <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> <div style="border-bottom: 1px solid black; margin-top: 10px; padding-top: 5px;">           Date of Survey         </div> <div style="border-bottom: 1px solid black; margin-top: 10px; padding-top: 5px;">           Signature and Seal of Professional Surveyor:         </div> <div style="border-bottom: 1px solid black; margin-top: 10px; padding-top: 5px;">           Certificate Number         </div>

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 October 15, 2009  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-11969</b>	<sup>2</sup> Pool Code <b>83810</b>	<sup>3</sup> Pool Name <b>Rhodes (Yates-Seven Rivers) Gas Pool</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>C T Bates</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>143100</b>	<sup>8</sup> Operator Name <b>Enervest Operating, L.L.C.</b>	<sup>9</sup> Elevation <b>2993</b>

<sup>10</sup> Surface Location									
UL or lot no. <b>L</b>	Section <b>10</b>	Township <b>26S</b>	Range <b>37E</b>	Lot Idn	Feet from the <b>1980</b>	North/South line <b>South</b>	Feet from the <b>660</b>	East/West line <b>West</b>	County <b>Lea</b>

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. <b>NSP-1292-A</b>						

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.

<sup>16</sup> <p>C T Bates No. 1</p>	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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 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.</i>  Signature Date Bridget Helfrich Printed Name
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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

**List of Offset SPU's**  
**Doyle Hartman**  
**C.T. Bates No. 4**  
**N-10-26S-37E**  
**Rhodes Gas Pool**

**OFFSETTING SPU's**

**WELL DEDICATIONS**

Offset SPU	Color Code	Operator	Acreage Description	Acres	Non-Standard SPU	NMOCD Approval	Well	Location	Simultaneous Dedication	NMOCD Approval
1	Blue	Gruy	SW/4 SW/4 Sec. 10 T-26-S, R-37-E	40	Yes	NSP-1292 (2-10-82)	Rhodes GSU No. 9	M-10-26-37	No	
2	Pink	El Paso	N/2 S/2 Sec. 10 T-26-S, R-37-E	160	Yes	NSP-1292 (2-10-82)	C.T. Bates No. 1 (P&A 2-88) 11/9/69	L-10-26-37	No	
		Hartman	N/2 S/2 Sec. 10 T-26-S, R-37-E	160	Yes	NSP-1292-A (1-11-91)	C.T. Bates No. 3 2/11/83	K-10-26-37	No	
3	Green	Gruy	SE/4 SE/4 Sec. 10 & NW/4 NE/4, S/2 NE/4 Sec. 15, T-26-S, R-37-E	160	Yes	R-9870 (4-14-93)	Gregory "B" No. 2	A-15-26-37	No	
4	Orange	Gruy	NW/4 NW/4, S/2 NW/4 Sec. 10, T-26-S, R-37-E	120	Yes	NSP-1292 (2-10-82)	Rhodes GSU No. 6	D-15-26-37	Yes	R-6891 (2-1-82)
							Gregory "B" No. 1	E-15-26-37	Yes	R-6891 (2-1-82)
							Rhodes GSU No. 7	F-15-26-37	Yes	R-6891 (2-1-82)

**OWNERSHIP PLAT**  
**T-26-S, R-37-E**

**Offset SPU # 1 (40 ac.)**  
Gruy Pet. 03176  
El Paso Cagle  
Humble  
Rhodes GSU  
Columbia Carbons

**Offset SPU # 2 (160 ac.)**  
Gruy Pet. 03176  
El Paso Cagle  
Rhodes GSU  
Columbia Carbons

**Offset SPU # 3 (160 ac.)**  
Gruy Pet. 03176  
El Paso Cagle  
Rhodes GSU  
Columbia Carbons

**Offset SPU # 4 (120 ac.)**  
Gruy Pet. 03176  
El Paso Cagle  
Rhodes GSU  
Columbia Carbons

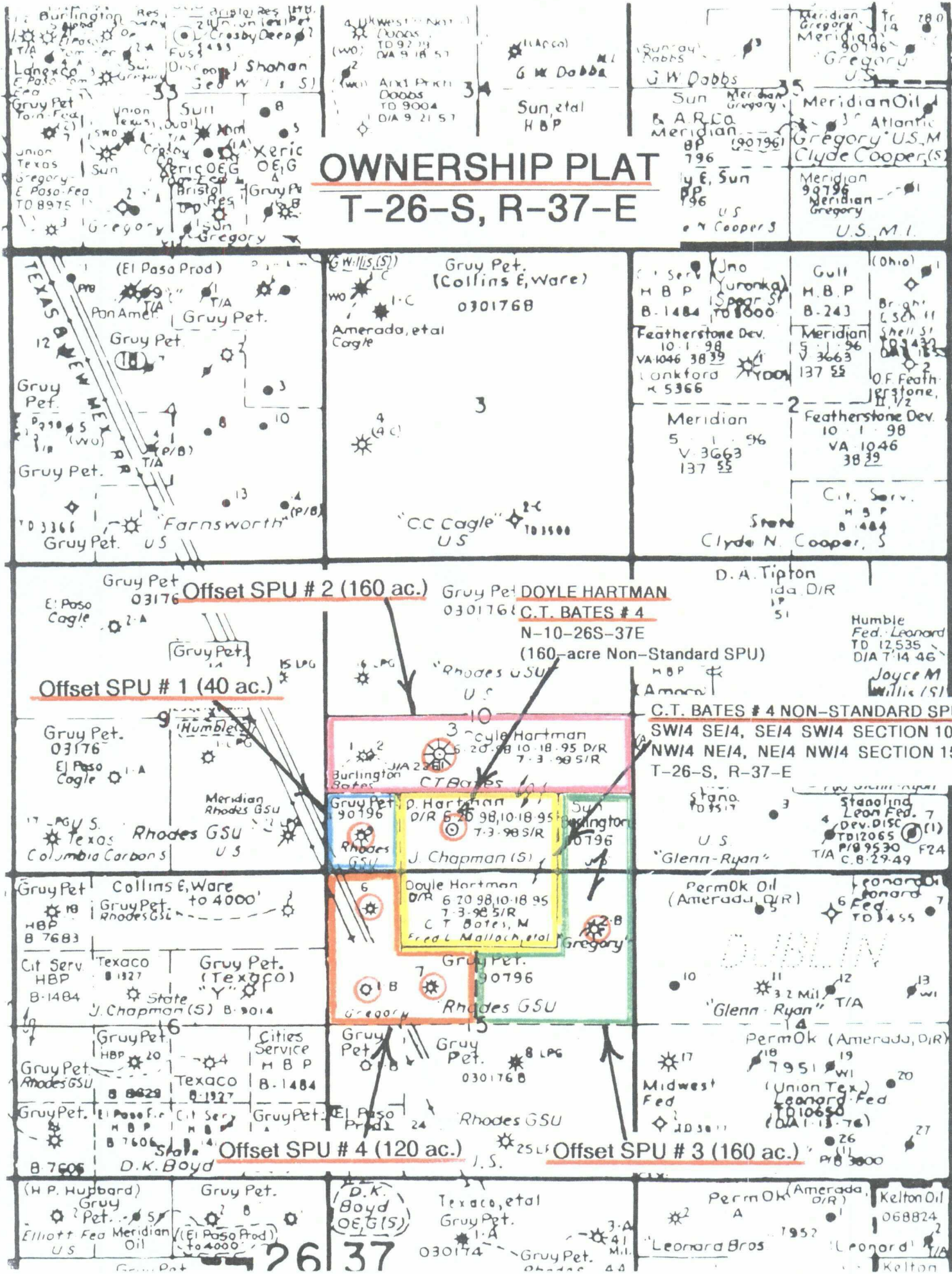
**DOYLE HARTMAN**  
C.T. BATES # 4  
N-10-26S-37E  
(160-acre Non-Standard SPU)  
SW1/4 SE1/4, SE1/4 SW1/4 SECTION 10  
NW1/4 NE1/4, NE1/4 NW1/4 SECTION 15  
T-26-S, R-37-E

**DUBLIN**  
Rhodes GSU  
Gruy Pet. 03176  
El Paso Cagle  
Rhodes GSU  
Columbia Carbons

**Other Owners and Acreage:**  
Gruy Pet. 03176  
El Paso Cagle  
Humble  
Rhodes GSU  
Columbia Carbons  
J. Chapman (S)  
D.K. Boyd  
Texaco, et al  
Leonard Bros.  
PermOk (Amerada, D/R)  
Midwest Fed  
Union Tex.  
Leonard Fed.  
Kelton Oil  
068824  
Leonard  
Kelton

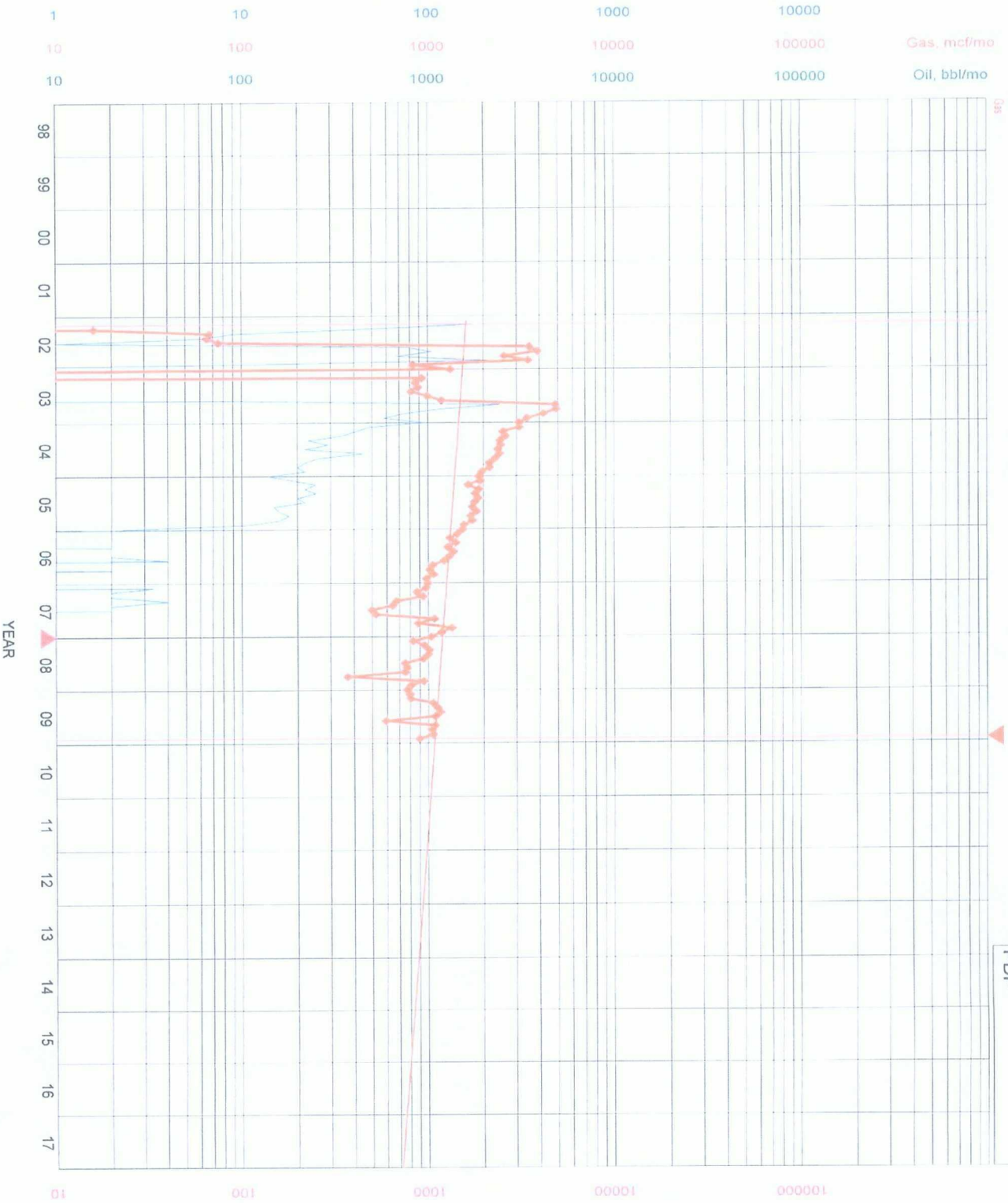


# **OWNERSHIP PLAT** **T-26-S, R-37-E**





BATES, C.T. #1  
 RHODES  
 YATES SEVEN RIVERS  
 ENERVEST OPERATING  
 PDP



Oil, bbl/mo	12/2009
Ref=	0
Cum=	0
Gas, mcf/mo	12/2009
Ref=	0
Cum=	0
Qual=	0.000000
EUR=	241.566
Yrs=	37.626
Qref=	59.997
De=	1082.6
Dmin=	5.000000
b=	0.000
Qab=	0.000000
Water	50.0
Ref=	12/2009
Cum=	1707
Yield	
Ref=	12/2009
Cum=	0

Attachments and/or Supporting Data  
Application for Downhole Commingling  
Enervest Operating, L.L.C. ("Enervest")  
C T Bates No. 1 (API No. 30-025-11969)  
Unit L, Section 10, Township 26 South, Range 37 East, NMPM,  
Lea County, New Mexico

**Production Data & Proposed Allocation**

The C T Bates No. 1 was drilled in 1953 and produced from the Rhodes (Yates-Seven Rivers) Gas Pool until 1988 at which time the well was plugged and abandoned. Doyle Hartman re-entered the well in 2002 and completed the well in the Rhodes (Yates-Seven Rivers) Gas Pool in March, 2002. The Rhodes (Yates-Seven Rivers) Gas Pool is currently perforated from 2,743'-2,989'. During 2009, the C T Bates No. 1 produced from this pool at an average rate of 38 MCFGPD, 0 BOPD and 0 BWPD.

Enervest proposes to complete the South Leonard-Queen Pool in the wellbore by perforating from 3,302'-3,492'.

Enervest currently operates the C T Bates No. 3, which is an offset well located in Unit K of Section 10, T-26 South, R-37 East. ~~This well is downhole commingled in the Rhodes (Yates-Seven Rivers) Gas and South Leonard-Queen Pools.~~ During 2009, the average production from this well in the South Leonard-Queen Pool was 261 MCFGPD, 4.78 BOPD and 39 BWPD.

It should be noted however, that there are several offset wells located in Sections 11 and 14, T-26 South, R37 East that produce from the South Leonard-Queen Pool. Division data indicates that these offset wells generally produce at very marginal rates of less than 1 MCFGPD and 1 BOPD.

Enervest proposes that the production allocation be established after completion of the South Leonard-Queen Pool. At that time, the Rhodes (Yates-Seven Rivers) Gas Pool will be allocated 0 BOPD and 38 MCFGPD (as per the 2009 average producing rate), and the remaining production from the well will be allocated to the South Leonard-Queen Pool. Enervest will provide production data and proposed allocation to the Santa Fe Office of the Division upon completion of the South Leonard-Queen Pool.

## Jones, William V., EMNRD

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**From:** David Catanach [drcatanach@netscape.com]  
**Sent:** Friday, February 12, 2010 2:19 PM  
**To:** Jones, William V., EMNRD  
**Cc:** Bridget Helfrich  
**Subject:** CT Bates No. 1  
**Attachments:** CTBatesNo.3.pdf

Mr. Jones,

I have received a copy of your E-mail to Bridget Helfrich regarding the downhole commingling application for the CT Bates Well No. 1. I have conducted some research into your question regarding the simultaneous dedication of the 160-acre non-standard gas unit to the C T Bates Wells No. 1 & 3. Here are my findings:

NSP-1292 (2/10/82) approved the subject 160-acre non-standard unit comprising the N/2 S/2 of Section 10. Unit was to be dedicated to the C T Bates No. 1.

The C T Bates No. 1 was PA'd in 1988

NSP-1292-A (1/11/91) reinstated the subject unit, to be dedicated to Doyle Hartman's proposed C T Bates No. 2. The CT Bates No. 2 blew-out while drilling in 1991 and was subsequently plugged and abandoned.

In 1998, Hartman drilled the C T Bates No. 3 and reported the completion as being the Rhodes (Y-SR) Pool (Perfs 3,313'-3452')

In 2002, Hartman re-entered the C T Bates No. 1 and completed the well in the Rhodes (Y-SR) Pool (Perfs: 2,743'-2,989')

In 10/2007, Enervest assumed operatorship of the C T Bates Nos. 1 and 3.

By sundry notice to the Hobbs OCD dated 11/5/2009, Enervest requested that the pool completion in the C T Bates No. 3 be changed from the Rhodes (Y-SR) to the South Leonard-Queen Pool.

They stated that Hartman mistakenly placed this well in the wrong pool. This C-102 was approved by Paul Kautz on 11/23/2009. (See Attached)

So, it appears that the C T Bates No. 3 is completed in the South Leonard-Queen Pool only.

In filing the DHC application for Enervest, I mistakenly stated that the C T Bates No. 3 was downhole commingled in the Rhodes (Y-SR) and South Leonard-Queen Pools. This mistake was a result of my examining Division production records that show production from the Rhodes (Y-SR) and South Leonard Queen Pools for this well from 2007-2009. Production from 1998 to 2007 is shown to be from the Rhodes (Y-SR) for this well.

It appears that Enervest needs to correct the production records for the C T Bates No. 3 to reflect production from 1998 to present to be South Leonard-Queen.

I believe that takes care of your simultaneous dedication question.

If I can answer any other questions, please call me at (505) 690-9453.

Regards,

David Catanach  
Regulatory Consultant

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This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.

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