New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Jim Noel Cabinet Secretary

Karen W. Garcia Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



Administrative Order DHC-4294 Order Date: 7/30/2010 Application Reference Number: pTGW1020850572

ENERVEST OPERATING L.L.C. 1001 FANNIN ST, STE 800, HOUSTON, TX 77002

Attention: Ronnie Young

| | JICARILLA APACHE 102 Well No. 009M | | |
|--------|---|-----------|--|
| | API No: 30-039-29771 | | |
| | Unit O, Section 4, Township 26 North, Range 4 West, NMP | | |
| | Rio Arriba County, New Mexico | | |
| Pool: | BASIN DAKOTA (PRORATED GAS) | Gas 71599 | |
| Names: | BLANCO-MESAVERDE (PRORATED GAS) | Gas 72319 | |
| | BS MESA-GALLUP (GAS) | Gas 72920 | |

Reference is made to your recent application for an exception to Rule 12.9A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

| BASIN DAKOTA (PRORATED GAS) Pool | Pct Gas: 63 | Pct Oil: 55 |
|--------------------------------------|-------------|-------------|
| BS MESA-GALLUP (GAS) Pool | Pct Gas: 18 | Pct Oil: 33 |
| BLANCO-MESAVERDE (PRORATED GAS) Pool | Pct Gas: 19 | Pct Oil: 12 |



REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

MARK E. FESMIRE, P.E.

Acting Director

MEF/wvjj

cc: Oil Conservation Division – Aztec Bureau of Land Management - Farmington