State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary-Designate

Jami Bailey, Division Director Oil Conservation Division



Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: <u>5/22/13</u> Well information; Operator Logos , Well Name and Number Logos 1	
API# 30-043-21159 , Section 6 , Township 22 (N)'S, Range 5	_E/ ®
Conditions of Approval: (See the below checked and handwritten conditions) Notify Aztec OCD 24hrs prior to casing & cement.	

- Hold C-104 for directional survey & "As Drilled" Plat
- o Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- o Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils

MMOCD Approved by Signature Date 2013

Form 3160-3 (August 2007)

RECEIVED

FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010

UNITED STATES DEPARTMENT OF THE INTERIORMAY BUREAU OF LAND MANAGEMENT 23 2013

5. Lease Serial No. Jicarilla Apache Lease #424

6. If Indian, Allotee or Tribe Name

APPLICATION FOR PERMIT TO DRILLE OR REENTER Office

APPLICATION FOR PERMIT	Jicarilla Apache Nation						
Ia. Type of work: ✓ DRILL REI	7 If Unit or CA Agreement, Name and No.						
lb. Type of Well: Oil Well Gas Well Other	. \sqrt s	8. Lease Name and Well No. Logos #11					
2. Name of Operator Logos Operating, LLC	30-043-21159						
3a. Address 4001 North Butler Ave., Building 7101 Farmington, NM 87401	10. Field and Pool, or Exploratory Wildcat Dakota						
Location of Well (Report location clearly and in accordance wi At surface 2075' FSL, 1730' FWL	11. Sec., T. R. M. or Blk. and Survey or Area Sec 6, T22N, R5W, UL K						
At proposed prod. zone same as above 14. Distance in miles and direction from nearest town or post office* 4 miles SW of Counselors, NM	12. County or Parish Sandoval 13. State NM		13. State NM				
15. Distance from proposed* 1730' location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		acres in lease 60 acres	SE/4 NE	7. Spacing Unit dedicated to this well SE/4 NE/4 40 acres RCVD OCT 1 *1.3			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Propose ~6500'	ed Depth	20. BLM/E 1062402	M/BIA Bond No. on file OIL CONS. DIV. 402 DIST. 3			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6962' GL	22. Approximate date work will start* 08/01/2013			23. Estimated duration 45 days			
The following, completed in accordance with the requirements of Or	24. Atta		ttached to thi	s form:			
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO must be filed with the appropriate Forest Service Office) 		Item 20 above). 5. Operator certific	cation	ns unless covered by a	· ·	,	
25. Signature	1	Name (Printed/Typed) Kristy Graham			Date 05/22/2	2013	
Title Production Engineer						_	
Approved by (Signaphre) Manullee Cody	(Printed/Typed)			Date 2	1/1/12		
Title AFM	Office	FFO			24.3		
Application approval does not warrant or certify that the applicant conduct operations thereon. Conditions of approval, if any, are attached.	holds legal or equi	table title to those righ	ts in the subj	ectlease which would	entitle the a	ipplicant to	
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it States any false, fictitious or fraudulent statements or representations	a crime for any p	erson knowingly and v	villfully to m	ake to any department	or agency	of the United	

(Continued on page 2)

COMPONIAL

*(Instructions on page 2)

This action is subject to technical and procedural review pursuant to 43 CFR 3168.4



BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER **AUTHORIZATION REQUIRED FOR OPERATIONS** ON FEDERAL AND INDIAN LANDS

District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393–6161 Fax: (575) 393–0720

District II 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Orive, Santa Fe, NM 87505 Phone: (505) 476–3460 Fax: (505) 476–3462

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 1, 2011

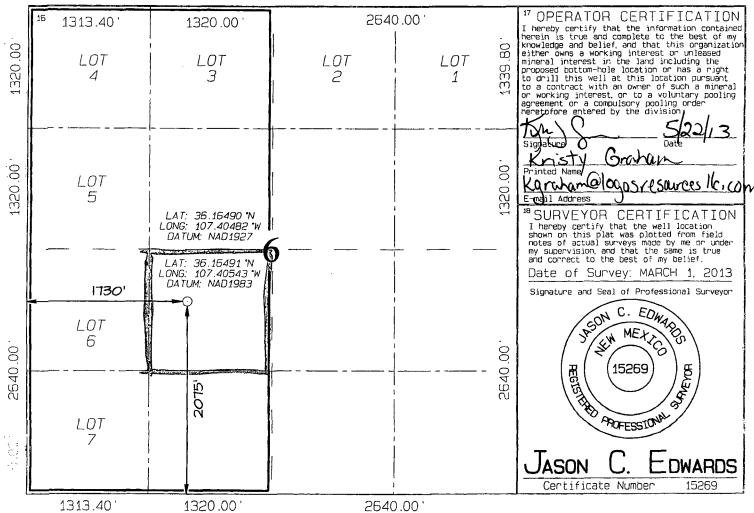
Submit one copy to Appropriate District Office

AMENDED REPORT

OIL CONSERVATION, DIVISION 1220 South St. Francis Drive Santa Fe, NMA875952013

Farmington Field Office AOBEAGE ODEDITO ATTEON MONTA WELL LOCATION AND Pool Name 'API Number Pool Code 30-043-21159 Property Code Property Name 963 11 LOGOS OGRID No. Elevation Operator Name 289408 6962 LOGOS RESOURCES, LLC ¹⁰ Surface Location UL or lot no. County Section Township Lot Idn Feet from the North/South line East/West line Feet from the Κ 5W 2075 SOUTH WEST 6 22N 1730 SANDOVAL 11 Bottom Hole Location Different From Surface UL or lot no. Section Township Lot Idn North/South line Feet from the East/West line County ¹² Dedicated Acres ¹³ Joint or Infill 14 Consolidation Code ¹⁵ Order No. 40 acres NE/4 SW/4

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



LOGOS OPERATING, LLC. OPERATIONS PLAN LOGOS #11

Note: This procedure will be adjusted on site based on actual conditions.

I. Location: 2075' FSL & 1730' FWL

Date: May 21, 2013

Sec 6, T22N, R5W Sandoval County, NM

Field: Wildcat Dakota Elev: GL 6,962'

Surface: Jicarilla Apache

Minerals: Jicarilla Apache #424

II. Geology: Surface formation Nacimiento

Α.	Formation Tops	Depths
	Ojo Alamo	1,340'
	Kirtland	1,620′
	Pictured Cliffs	1,853'
	Lewis	1,944'
	Chacra	2,276'
	Cliff House	3,332′
	Menefee	3,413'
	Point Lookout	4,092'
	Mancos	4,283'
	Niobrara A	5,027'
	Niobrara B	5,130′
	Niobrara C	5,247'
	Greenhorn	6,093′
	Graneros	6,140'
	Dakota	6,160′
	Morrison	6,540′
	Total Depth	6,550′

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas -1.853', 2.276', 3.332', 4.092'Water, gas, and oil -4.283', 5.027', 5.130', 5.247', and 6.160'

- B. Logging Program: Induction/GR and density/neutron logs from TD to the surface casing point. Mud logs will be run from below the surface casing to TD. No DST's or cores are planned for this well. Cased hole GR/CCl and CBL logs will be run from PBTD to surface.
- C. No over pressured zones are expected in this well. No H_2S zones will be penetrated in this well. Max. BHP = 2,850 psig. Lost circulation zones may be encountered in the Mesa Verde group and Niobrara sections.

III. Drilling

- A. Contractor:
- B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The production hole will be drilled with a fresh water mud and will use bentonite to increase the viscosity. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 9.2 ppg. The water loss will be controlled to a 6-8 cc/30 min. and loss circulation will be controlled with cedar fiber, paper, etc.

The Chacra, Cliff House, Menefee, and Point Lookout, Mancos, Niobrara, and Dakota formations will all be considered for completion in this well. A completion procedure will be developed after evaluating the wireline and mud logs.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up to 250 psi (Low) for 5 minutes and 1,500 psi (High) for 10 minutes. All tests and inspections will be recorded in the daily drilling tour book.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	500 ′	9-5/8"	36# J-55
7-7/8"	6,550'	5-1/2"	17# P-110

B. Float Equipment:

- a) Surface Casing: Notched collar, aluminum insert float in the first collar, and 3 centralizers on the bottom 3 joints.
- b) Production Casing: Production Casing: 5-1/2" cement float shoe and self-fill insert float collar. Place float one joint above shoe. **Place DV tool at 4,386'**. Place ten centralizers spaced every other joint above the shoe, two turbolizers on the collars below the DV tool and two turbolizers above the DV tool. Place five turbolizers every third joint from the top of the well.

V. Cementing:

Note: Cement volumes will be adjusted based on actual conditions.

Surface casing: 9-5/8" - Use 225 sx (266 cu. ft.) of Type V with 2% CaCl₂ and 4 #/sk celloflake (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1500 psi.

Production Casing: 5-1/2" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. 1st Stage: Lead with 260 sx (458 cu.ft.) of Cl "B" 65/35 poz with 6% gel, 1% CaCl₂, 4% phenoseal, and 4 #/sx celloflake (Yield = 1.76 cu.ft./sk; slurry weight = 12.8 PPG). Tail with 100 sx (146 cu.ft.) of Cl "B" 50/50 poz with 0.15% dispersant, 1% CaCl₂ and 4#/sk. celloflake. (Yield = 1.46 cu. ft./sk; slurry weight = 13.0 PPG). 2nd Stage: Precede cement with 20 bbls of water. Lead with 600 sx (1056 cu.ft) Cl "B" 65/35 poz with 6% gel, 1% CaCl₂, and 4 #/sx celloflake (Yield = 1.76 cu.ft./sk; slurry weight = 12.8 PPG). Tail with 100 sx (146 cu.ft.) of Cl "B" 50/50 poz with 0.15% dispersant, 1% CaCl₂ and 4#/sk. celloflake. (Yield = 1.46 cu. ft./sk; slurry weight = 13.0 PPG). Total cement volume is 1806 cu.ft. (50% excess to hole volume to circulate cement to surface).

Kristy Graham, Production Engineer

MULTI-POINT SURFACE USE PLAN Logos #11

1. Existing Roads:

7 "

All existing roads used to access the proposed location are shown on attached Plat #1 and shall be maintained in the same or better condition than presently found

Directions: 4 miles southwest of Counselors, NM

2. Planned Access Roads:

Approximately 3583' of new access road will be constructed for this location. The existing access road will be maintained in at least the current condition and will be upgraded where necessary to provide uninterrupted access to the proposed well.

3. Location of Existing Wells:

Attached map (Plat #1) shows existing wells within a one mile radius of the proposed well. There is one P&A well, four producing wells, and six permitted wells (including the Logos #11) within one mile. All producing wells and permitted wells are Logos Operating, LLC.

4. Location of Production Facilities:

In the event of production, production facilities will be located on the drill pad. The actual placement of this equipment will be determined when the well's production characteristics can be evaluated after completion.

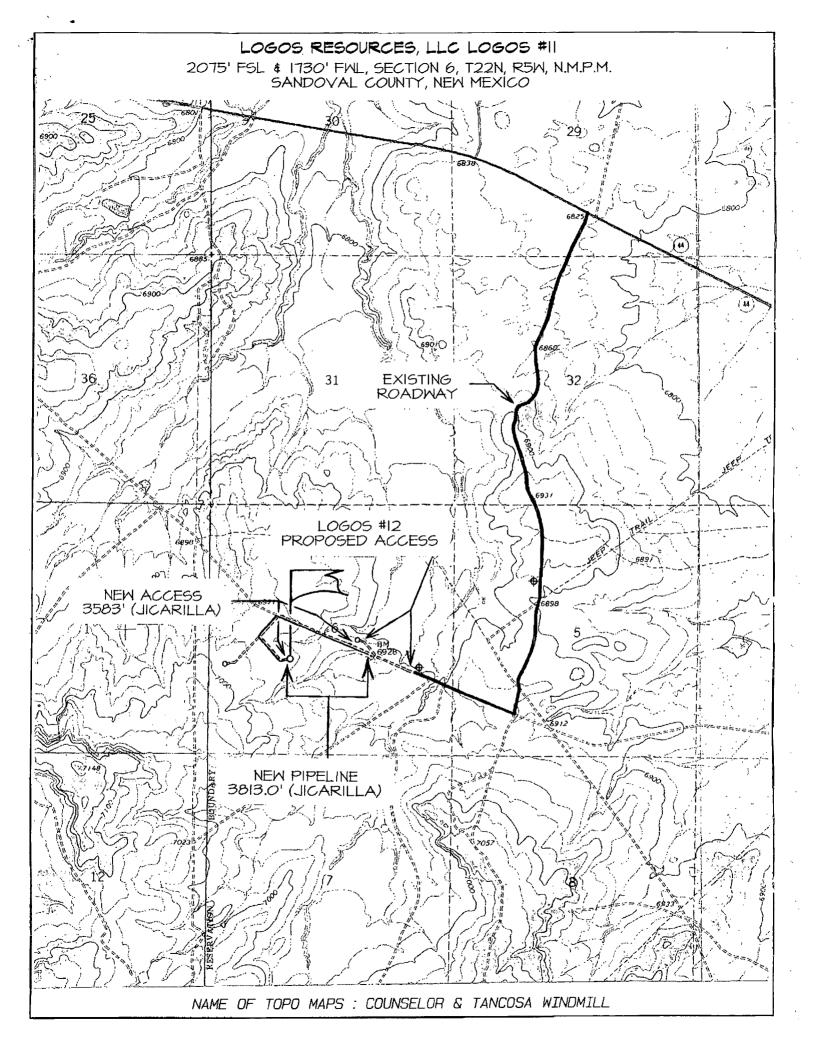
Upon completion of drilling, the location and surrounding area will be cleared of all debris.

5. Water Supply:

Water for drilling and completion operations will be hauled by truck from various permitted water sources within the area through the water haulers association.

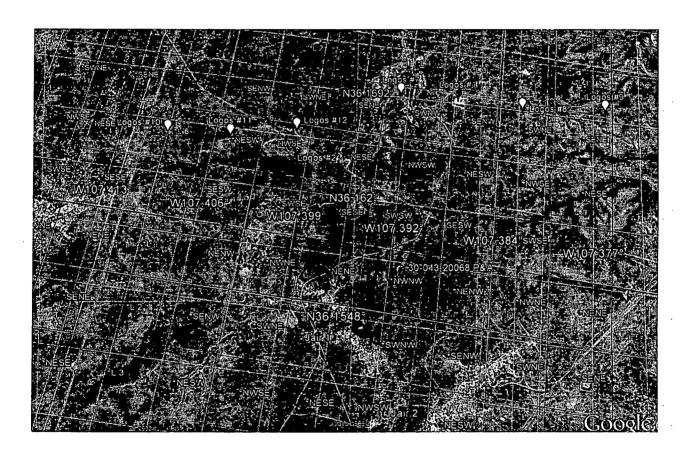
6. Source of Construction Materials:

No additional construction materials will be required to build the proposed location.



One Mile Radius

API	Well Name	Well Num ber	Туре	Status	Unit Letter	Section	Township	Range	Current Operator
30-043-20080	JAIR	#001	Oil	Producing	Н	7	22N	05W	LOGOS OPERATING, LLC
30-043-20085	JAIR	#002	Oil	Producing	L	8	22N	05W	LOGOS OPERATING, LLC
30-043-21119	LOGOS	#001	Oil	Producing	F	5	22N	05W	LOGOS OPERATING, LLC
30-043-21120	LOGOS PRE-	#002	Oil	Producing	I	6	22N	05W	LOGOS OPERATING, LLC
30-043-20068	ONGARD WELL	#001	Oil	Plugged	D	8	22N	05 W	PRE-ONGARD WELL OPERATOR
	LOGOS	#007	Oil	Permitted	Е	5	22N	05W	LOGOS OPERATING, LLC
	LOGOS	#008	Oil	Permitted	G	5	22N	05 W	LOGOS OPERATING, LLC
	LOGOS	#009	Oil	Permitted	Н	5	22N	05 W	LOGOS OPERATING, LLC
	LOGOS	#010	Oil	Permitted	L	6	22N	05 W	LOGOS OPERATING, LLC
	LOGOS	#011	Oil	Permitted	K	6	22N	05W	LOGOS OPERATING, LLC
	LOGOS	#012	Oil	Permitted	J	6	22N	05W	LOGOS OPERATING, LLC



Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Exhibit #1 Typical BOP setup

