State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



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 <u>3160-5</u> form. Operator Signature Date: **Original APD 3/17/2015** Sundry Extension Date 9/22/2017

API WELL #	Well Name	Well #	Operator Name	Туре	Stat	County	Surf_Owner	UL	Sec	Twp N/S	Rng W/E
30-045-35672-00-00	DRAGONFLY	111H	LOGOS OPERATING, LLC	0	N	San Juan	F	D	12	24 N	8 W

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
- Hold C-104 for NSL, NSP, DHC,
- O Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
 - 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

Submit Gas Capture Plan form prior to spudding or initiating recompletions operations.

Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

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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. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.

Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Comply with current regulations at time of spud Prior to production operator needs to be in compliance with RULE 19.15.5.9

Kothin Path

NMOCD Approved by Signature

<u>10/10/17</u> Date

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7		RECEIVE						
Form 3160-5	UNITED STATES		017	FORM APPROVED OMB No. 1004-0137				
(June 2015) DEF	PARTMENT OF THE INTERIOR	.017	Expires: January 31, 2018 5. Lease Serial No. http://www.serial.com					
	EAU OF LAND MANAGEMEN			5. Lease Serial INO. NN	147167			
SUNDRY N	IOTICES AND REPORTS ON	WELLS armington Fiel	d Office	6. If Indian, Allottee or	Tribe Name			
Do not use this i	form for proposals to drill of Use Form 3160-3 (APD) for s	eau of Land Ma	nageme	nt				
				7. If Unit of CA/Agreer	nent Name and/or No			
	TRIPLICATE - Other instructions on p	age 2		1. If Officer of CATAgreen	nenç Nane and/or No.			
I. Type of Well	Vell Other	8. Well Name and No. Dragonfly 111H						
2. Name of Operator LOGOS Operation	ng, LLC	9. API Well No. 30-045-35672						
3a. Address 2010 Afton Place		lo. (include area cod	the second s	10. Field and Pool or Exploratory Area				
Farmington, NM 87401	(505) 324-		Dufers Point-Gallup Dakota					
4. Location of Well (Footage, Sec., T., F			11. Country or Parish, State					
915 FNL & 823 FWL, NW/NW, D \$	Sec 12 T24N R08W			San Juan County, NM				
12. CHE	CK THE APPROPRIATE BOX(ES) TO	INDICATE NATURI	E OF NOTI	CE, REPORT OR OTHE	ER DATA			
TYPE OF SUBMISSION		PE OF ACT	TION					
✓ Notice of Intent	Acidize De	eepen	Prod	uction (Start/Resume)	Water Shut-Off			
	Alter Casing	ydraulic Fracturing	Recla	amation	Well Integrity			
Subsequent Report		ew Construction		mplete	✓ Other			
		ug and Abandon		orarily Abandon	APD Extension			
Final Abandonment Notice	Convert to Injection Planet	ug Back	-	r Disposal	1			
completed. Final Abandonment Not is ready for final inspection.)	ns. If the operation results in a multiple c ices must be filed only after all requirement tension for the BLM approved APD d	ents, including reclan						
OI l cons. d Oct 0 5		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						
* APD extension af 14. I hereby certify that the foregoing is Tamra Sessions		7 Title Regulatory	y Specialis	t				
Signature funde	sin	Date	Date 09/22/2017					
THE SPACE FOR FEDERAL OR STATE OFICE USE								
	ed. Approval of this notice does not warra paitable title to those rights in the subject	lease Office	PE	Da	te 9/29/17			
Title 18 U.S.C Section 1001 and Title 43 any false, fictitious or fraudulent stateme	U.S.C Section 1212, make it a crime for nts or representations as to any matter with	any person knowing thin its jurisdiction.	y and willf	ully to make to any depa	rtment or agency of the United States			
(Instructions on page 2)		NMOCD	AI					

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