

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



NSL-6856

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 _____

LOGOS Resources
30-045 Pending
NCRA # 8P

[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.

John Austin Akers

VP of Land

08/19/2013

Print or Type Name

Signature

Title

Date

aakers@logosresourcesllc.com

e-mail Address

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-031-31195	² Pool Code 17610	³ Pool Name DEVIL'S FORK GALLUP/MESAVERDE
⁴ Property Code	⁵ Property Name NCRA STATE	⁶ Well Number 8P
⁷ OGRID No. 289408	⁸ Operator Name LOGOS OPERATING, LLC	⁹ Elevation 6769

¹⁰ Surface Location

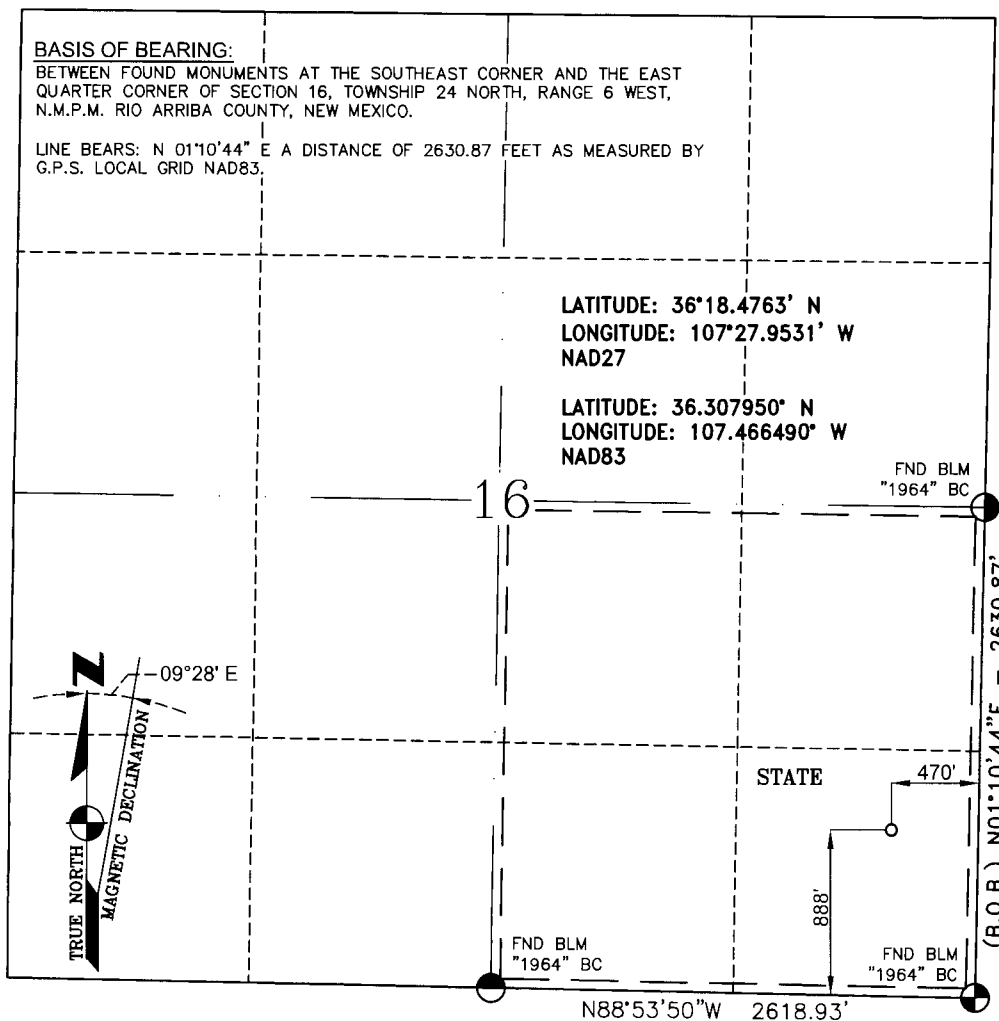
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	24-N	6-W		888	SOUTH	470	EAST	RIO ARriba

¹¹ 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
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

16



17 OPERATOR CERTIFICATION

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 a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

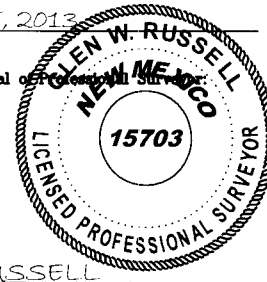
18 SURVEYOR CERTIFICATION

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.

AUGUST 15, 2013

Date of Survey

Signature and Seal of Professional Surveyor



GLEN W. RUSSELL
Certificate Number

15703

660x660x2

470 x 470 = 220900

888 x 888 = 788,544

11,009,44



4001 N. Butler Blvd. Bldg 7101
Farmington, NM 87401
Phone: (832) 794-1355
Fax: (303) 974-1767

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

**Sent Via Priority Mail Delivery
Confirmation- 8/19/2013**

**Re: Logos Operating, LLC
Request for Administrative Approval
Unorthodox Well Location
Devils Fork Gallup Pool – 17610 (oil)
Devil's Fork Mesa Verde Pool- 17620 (oil)
NCRA #8P
API No. – Not Yet Granted
888' FSL and 470' FEL (vertical)
SE/4SE/4 Section 16, T24N, R6W
Rio Arriba County, New Mexico**

RECEIVED OGD
2013 MAR 22 P 2:24

Dear Ms. Bailey:

On behalf of Logos Operating, LLC ("Logos") and pursuant to Division Rule 19.15.15.13 and the special pool rules governing the well location requirements for the Devils Fork Gallup Pool (17610- oil) and the standard rules governing the Devil's Fork Mesa Verde Pool- 17620 (oil), we request administrative approval an unorthodox well location for the NCRA #8P to be located 888' FSL and 470' FEL of Section 16, T24N, R6W NMPM in Rio Arriba County. The SE/4 of Section 16 will be dedicated to the well.

The special pool rules for the Devils Fork Gallup Pool (oil) provide that wells shall be drilled not closer than 790' to any quarter section boundary and not closer than 330' to any interior quarter or quarter-quarter section line or subdivision inner boundary. The location proposed for this well is consequently unorthodox by approximately 320' to the West toward the spacing unit in the SW/4 of Section 15, T24N, R6W, NMPM. The C-102 plat showing the proposed location for the well is attached hereto.

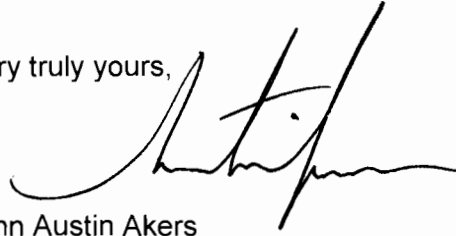
Logos seeks an exception from the applicable well location rules for the following reasons: The surface of the lands in the immediate vicinity is predominated by mesas and arroyos as well as existing pipelines and other surface dangers. These circumstances are demonstrated by the attached, USGS topographic map as well as the attached rendering of pipelines in the area (Exhibit C).

Pursuant to Order No. R-1641-A, a list of the operators in Section 16 as well as the affected parties to the east in Section 15 is attached hereto along with certification that all operators within the section and all offset operators have been notified by delivery confirmation mail as of August 19, 2013. Furthermore, please note that Logos Resources LLC operates the Devil's Fork Gallup and Mesa Verde spacing unit in the entirety of Section 16.

The Division's Administrative Application Checklist is enclosed.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me at 303-550-1877.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John Austin Akers', with a large, stylized initial 'J' and 'A'.

John Austin Akers

Vice President of Land

Enclosures:

USGS Topographical Map with issues identified
List of affected operators
C-102
Administrative Application Checklist



List of Operators encroached upon (offset) or within the same section (S16 and NW/4 Section 15-T24N, R6W)- NCRA 8P

BURLINGTON RESOURCES OIL & GAS COMPANY LP - Notice mailed 8/19/2013
3401 E. 30TH STREET
FARMINGTON, NM 87402

HUNTINGTON ENERGY, LLC- Notice mailed 8/19/2013
908 NW 71ST
OKLAHOMA CITY, OK 73116

End

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, September 12, 2013 3:05 PM
To: aakers@logosresourcesllc.com
Subject: NCRA State #8P; NSL Application

Good Afternoon Mr. Akers

I am concerned that you may not have noticed all required parties for this application.

The determination as to who must be noticed is not free from difficulty since there are two separate NSL provisions that have different requirements: Statewide Rule 19.15.15.12.A(2) NMAC, and Order R-5353. Furthermore, as I understand the application, you are seeking NSL approval for two pools: Devils Fork Gallup and Devils Fork Mesaverde. Arguably the procedure required by Order R-5353, Rule 2 (c) may be mandatory for the Devils Fork Gallup, though I am prepared to recommend to the Director approval of the application for that pool under either rule if it is clear that one or the other has been fully complied with.

The problem is that I cannot tell that you have fully complied with either rule. R-5353 requires notice to "[a]ll operators of proration or spacing units offsetting the unit for which the unorthodox location is sought." It does not limit the notice requirement to units towards which the location encroaches, as the statewide rule does. Thus that provision would require notice to not only the operator of the SW/4 of Section 15, but also to the operator of the NE/4 of 21 (a unit that is clearly offsetting though without encroachment) and arguably to the operators of the NW/4 of 22 (towards which the location encroaches, though whether or not a diagonally adjoining unit is an "offsetting" unit may be questionable) and, more tenuously, the NW/4 of 21, which is a diagonal offset though there is no encroachment).

The statewide rule requires only notice to units toward which the location encroaches. However, (1) it requires notice to "affected persons" which may include persons other than operators, and (2) it has been consistently interpreted by the Division to require notice to diagonally offsetting units that the location encroacher towards. Under the statewide rule, this application would require notice to the operator (or, if applicable, to affected persons) in the SW/4 of Section 15 (direct offset encroached toward) and the SW/4 of 22 (diagonal offset encroached toward because the location is closer to the common corner than the nearest orthodox location would be).

Your notice statement indicates that it is a "list of operators encroached upon," but then refers to the NW/4 of Section 15, which is not encroached upon, and not to the SW/4 of Section 15 which clearly is. In addition not information is furnished about the NW/4 of Section 22. These issues must be addressed.

As to the Mesaverde, if an NSL were required, the procedures required by 19.15.15.12.A(2) would undoubtedly be controlling. However, the information I have indicates that the Devils Fork Mesaverde is an oil pool that without special rules. If that is true 330 setbacks apply, and no NSL approval is required.

Sincerely

David K. Brooks