



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

J. SCOTT HALL  
Cell: (505) 670-7362  
Email: [shall@montand.com](mailto:shall@montand.com)  
[www.montand.com](http://www.montand.com)

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March 29, 2018

**HAND-DELIVERY**

Florene Davidson  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

*Case 16105*

**Re: Application of LOGOS Operating, LLC for Approval of a Non-Standard Project Area Comprised of Acreage Subject to a Proposed Federal/State of New Mexico Communitization Agreement, San Juan County, New Mexico**

Dear Ms. Davidson:

Enclosed please find for filing the original and one copy of an Application regarding the above matter. Also enclosed is the proposed advertisement which will be emailed to you in Word format. Please set this matter for hearing on the May 3, 2018 examiner docket.

Thank you.

Very truly yours,

J. Scott Hall

Enclosures

cc: Christopher Jeffus, LOGOS Resources II, LLC (via email, w/encs.)

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF LOGOS OPERATING, LLC, FOR APPROVAL OF A NON-STANDARD PROJECT AREA COMPRISED OF ACREAGE SUBJECT TO A PROPOSED FEDERAL/STATE OF NEW MEXICO COMMUNITIZATION AGREEMENT, SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 116105

**APPLICATION**

LOGOS Operating, LLC ("LOGOS"), files this application with the Oil Conservation Division for an order approving a 600 acre non-standard project area comprised of acreage subject to a Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. In support of its application, LOGOS states:

1. The parent entity of LOGOS (OGRID No. 289408), LOGOS Resources II, LLC, owns all of the working interest in the Gallup formation underlying one federal lease covering the S/2 of Section 9, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, and one State of New Mexico lease covering the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico.
2. LOGOS has drilled and completed the Heros 2308 09L Com #1H well (API 30-045-35688) as a horizontal Gallup oil well upon a standard project area covering the W2SW of Section 9 and W2NW of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, under an approved Federal and State of New Mexico Communitization Agreement, assigned Agreement No. NMNM 136868.

3. LOGOS plans to drill three horizontal Gallup oil wells, in addition to the Heros 2308 09L Com #1H, from a surface pad shared with the Heros 2308 09L Com #1H.

4. LOGOS has discussed with the Bureau of Land Management and the New Mexico State Land Office the potential for a single Communitization Agreement covering a single Communitized Area comprised of the Gallup formation underlying the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico (the "600 Acre Communitized Area"), and expects to receive preliminary approval of such Communitization Agreement in advance of the hearing in this matter.

5. LOGOS has discussed with the Bureau of Land Management and the New Mexico State Land Office the potential for the Communitization Agreement covering the 600 Acre Communitized Area to supersede, on a prospective basis, Communitization Agreement NMNM 136868.

6. The Nageezi Gallup Oil Pool (47540) covers the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The Nageezi Gallup Oil Pool is subject to special pool rules providing for 40 acre spacing units and 330 foot setbacks from the outer boundary of the spacing unit. All completions within the Heros 2308 09L #1H are at least 330 feet from the outer boundaries of the proposed 600 Acre Communitized Area, and all completions in the additional three (3) horizontal oil wells detailed in Recital 3 will be at least 330 feet from the outer boundaries of the proposed 600 Acre Communitized Area.

7. In order to minimize surface disturbance, allow for the most efficient horizontal well development pattern, and to effectively develop and produce the resource in the Gallup

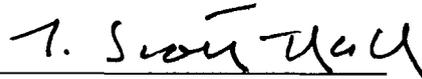
formation, the entire proposed 600 Acre Communitized Area should be treated as a single project area.

8. LOGOS will provide notice of this application to the affected persons in the spacing units that adjoin the proposed 600 Acre Communitized Area. LOGOS's parent entity, LOGOS Resources II, LLC, is the only affected person within the 600 Acre Communitized Area.

9. Approval of this application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, LOGOS Operating, LLC, requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on May 3, 2018, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,



J. Scott Hall  
Post Office Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873

*Attorneys for LOGOS Operating, LLC*

Case 16103 **Application of LOGOS Operating, LLC, for approval of a non-standard project area comprised of acreage subject to a proposed Federal/State of New Mexico Communitization Agreement, San Juan County, New Mexico.** Applicant seeks approval of a 600 acre non-standard project area in the Gallup formation comprised of acreage subject to a proposed Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The subject acreage lies within the Nageezi Gallup Oil Pool. The subject acreage is located approximately 6 miles West of Lybrook, New Mexico.