

9/16/2014 DATE	SUSPENSE	MAM ENGINEER	9/16/2014 LOGGED IN	NSL TYPE	PMA142595273 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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  
Amended ☒ NSL ☐ NSP ☐ SD NSL-7084; Heros #3H; 30-049-35538

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 \_\_\_\_\_

[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.

Heather Riley  
Print or Type Name

Heather Riley  
Signature

Regulatory manager 9/16/14  
Title Date  
heather.riley@wpxenergy.com  
e-mail Address

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240  
Phone: (576) 393-8161 Fax: (576) 393-0720

DISTRICT II  
811 S. First St., Artesia, N.M. 88210  
Phone: (576) 748-1283 Fax: (576) 748-9720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, N.M. 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, N.M. 87505

"AS DRILLED"

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-045-35538</b>		<sup>2</sup> Pool Code <b>97232</b>	<sup>3</sup> Pool Name <b>BASIN MANCOS</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>HEROS</b>		<sup>6</sup> Well Number <b>003H</b>
<sup>7</sup> GRID No. 120782	<sup>8</sup> Operator Name WPX ENERGY PRODUCTION, LLC		<sup>9</sup> Elevation <b>6879</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	23 N	8 W		2216	SOUTH	74	WEST	SAN JUAN

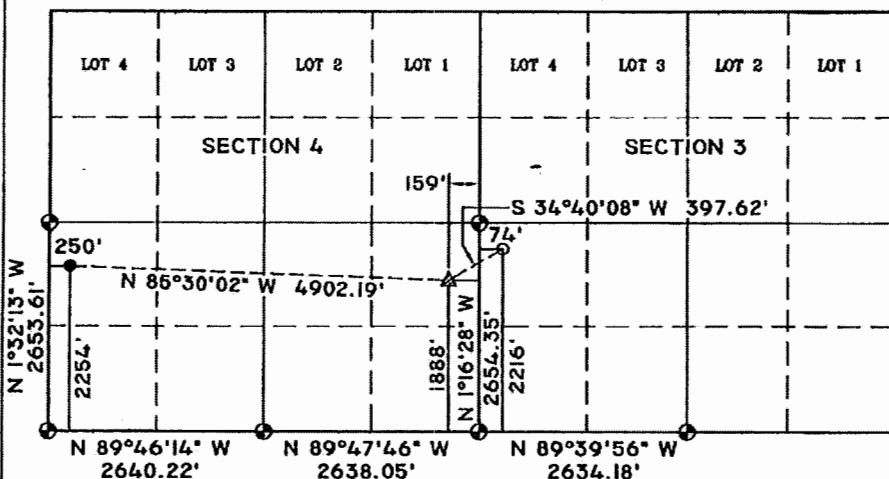
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	23 N	8 W		2254	SOUTH	250	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres <b>160 ACRES</b> <b>N2/S2 SEC 4</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

<sup>16</sup> BOTTOM HOLE	LANDING POINT	SURFACE
2254' FSL, 250' FWL LAT: 36.2552258° N LONG: 107.6951132° W NAD 83 LAT: 36°15.31279' N LONG: 107°41.67009' W NAD 27	1888' FSL, 159' FEL LAT: 36.2541491° N LONG: 107.6785395° W NAD 83 LAT: 36°15.24818' N LONG: 107°40.67570' W NAD 27	2216' FSL, 74' FWL LAT: 36.2550465° N LONG: 107.6777705° W NAD 83 LAT: 36°15.30203' N LONG: 107°40.62957' W NAD 27



BEARINGS & DISTANCES SHOWN ARE  
REFERENCED TO THE NEW MEXICO  
COORDINATE SYSTEM, WEST ZONE, NAD 83,  
UNLESS OTHERWISE NOTED.

NOTE: THE COORDINATES FOR THE LANDING  
POINT AND THE BOTTOM HOLE LOCATION CAME  
FROM THE CERTIFIED FINAL DIRECTIONAL  
SURVEY CONDUCTED BY CATHEDRAL ON 07/31/14.

LEGEND:

- = SURFACE LOCATION
- = BOTTOM HOLE LOCATION
- ⊙ = FOUND 1947 U.S.G.L.O. BRASS CAP
- △ = LANDING POINT

<sup>17</sup> 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 working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Heather Riley* 9/16/14  
Signature Date  
Heather Riley  
Printed Name  
Heather.riley@wpxenergy.com  
E-mail Address

<sup>18</sup> 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.

02/12/14

Date of Survey

Signature and Seal



17078  
Certificate Number  
United Field Services, Inc.

## McMillan, Michael, EMNRD

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**From:** Ezeanyim, Richard, EMNRD  
**Sent:** Tuesday, September 16, 2014 2:33 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** FW: Heros #003H; API # 30-045-35538; NSL-7084  
**Attachments:** LOGOS NM (SEC 3) Heros 3H REVISED Final.pdf; Heros #003H As Drilled Plat Signed.pdf

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**From:** McQueen Jr, Ken [<mailto:Ken.McQueenJr@wpxenergy.com>]  
**Sent:** Tuesday, September 16, 2014 2:32 PM  
**To:** Ezeanyim, Richard, EMNRD  
**Subject:** FW: Heros #003H; API # 30-045-35538; NSL-7084

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**From:** Riley, Heather  
**Sent:** Tuesday, September 16, 2014 3:18 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** McQueen Jr, Ken; Felix, Andrea; Granillo, Lacey; Heil, Mark; Higgins, Larry; Bassett, Chuck; West, Brennan; Amy Vermersch ([AmyH.Vermersch@state.nm.us](mailto:AmyH.Vermersch@state.nm.us)); Hoppe, William, EMNRD; Perrin, Charlie, EMNRD  
**Subject:** RE: Heros #003H; API # 30-045-35538; NSL-7084

Good afternoon Mr. McMillan. Pursuant to our conversation yesterday, WPX Energy Production, LLC (WPX) proposes to amend Administrative Order NSL-7084 as follows:

**Proposed Location:**

Surface:	2216' FSL & 74' FWL	L	3	23N	8W	San Juan
Penetration Point:	2216' FSL & 330' FEL	I	4	23N	8W	San Juan
Terminus:	2216' FSL & 330' FWL	L	4	23N	8W	San Juan

**Actual Location:**

Surface:	2216' FSL & 74' FWL	L	3	23N	8W	San Juan
Penetration Point:	1889' FSL & 346' FEL	I	4	23N	8W	San Juan
Terminus:	2254' FSL & 250' FWL	L	4	23N	8W	San Juan

The actual completed interval encroaches less than the proposed interval therefore, notice is not required.

Attached for your review is the "As Drilled" plat as well as the End of Well Report. Please let me know if you have any questions.

Thank you,

Heather Riley  
Regulatory Manager, San Juan Asset Team  
WPX Energy  
P. O. Box 640  
Aztec, NM 87410

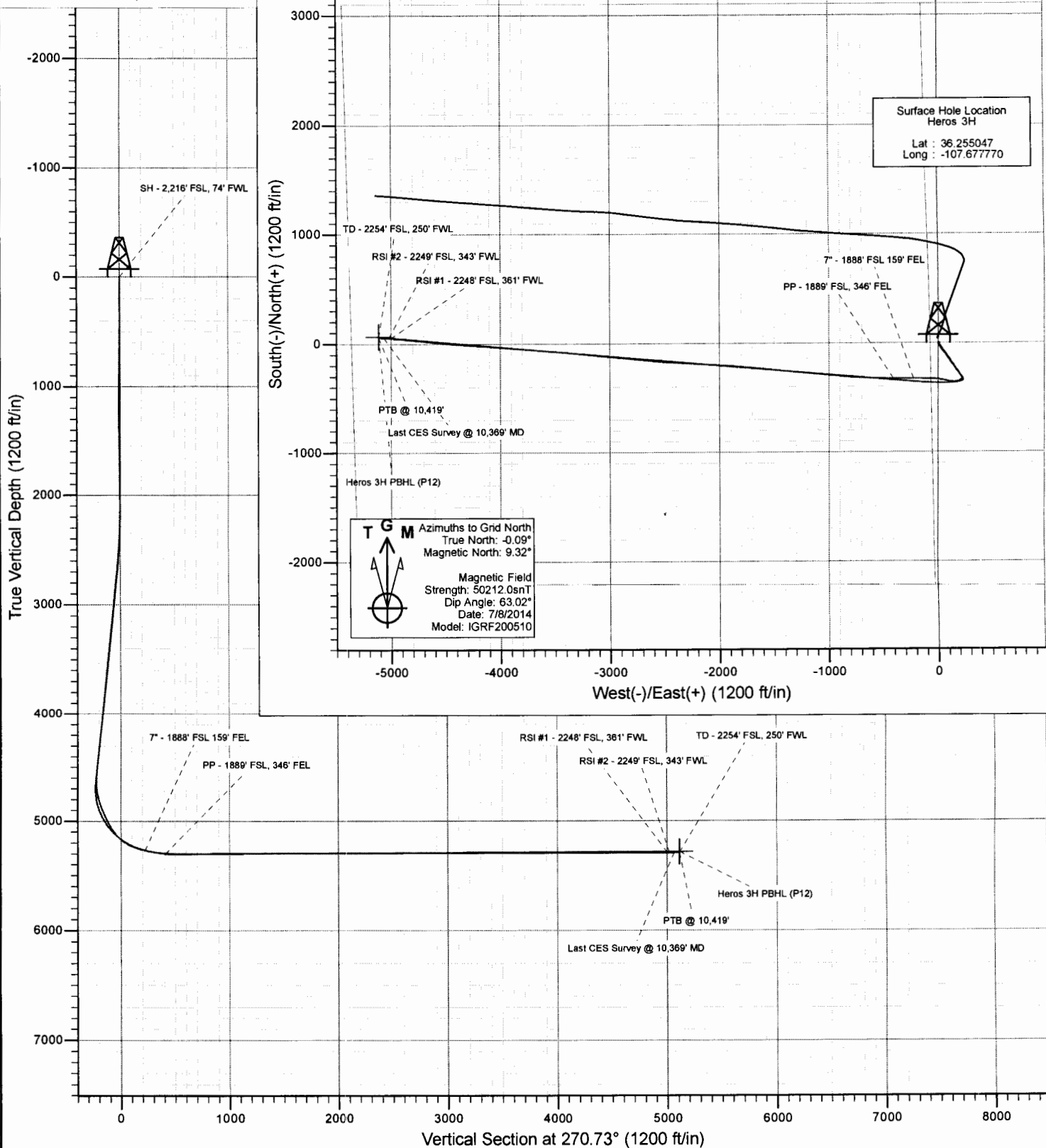
(970) 749-8747 (cell)  
(505) 333-1822 (office)  
[heather.riley@wpxenergy.com](mailto:heather.riley@wpxenergy.com)



Project: San Juan County, NM  
Site: S3-T23N-R8W (Heros Pad)  
Well: Heros 3H  
Wellbore: HZ  
Design: FINAL



FINAL  
Heros 3H  
145225/12537; SC  
KB=15' @ 6896.0ft (Aztec #222)  
Ground Elevation @ 6881.0  
North American Datum 1983  
Well Heros 3H, Grid North



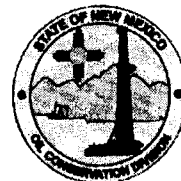
State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey, Division Director**  
Oil Conservation Division



May 21, 2014

LOGOS OPERATING, LLC  
c/o Montgomery & Andrews Law Firm, Attorneys  
Attn: Mr. Scott Hall

**ADMINISTRATIVE NON-STANDARD LOCATION ORDER**

**Administrative Order NSL-7084**  
**Administrative Application Reference No. pMAM1412159990**

**Administrative Order NSP-1982**  
**Administrative Application Reference No. pMAM1412160388**

**Logos Operating, LLC**  
**OGRID 289408**  
**Heros Well No. 3H**  
**API No. 30-045-pending**

**Proposed Location:**

	<b>Footages</b>	<b>Unit</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	2216 FSL & 74 FWL	L	3	23N	8W	San Juan
Penetration Point	2216 FSL & 330 FEL	I	4	23N	8W	San Juan
Terminus	2216 FSL & 330 FWL	L	4	23N	8W	San Juan

**Proposed Project Area:**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
N/2 S/2 of Section 4	160	Basin Mancos	97232

Reference is made to your application received on May 1, 2014.

You have requested to drill this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet

from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. You have requested a 160-acre, non-standard proration unit, and a location less than 660 feet from the outer boundaries of that unit. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Non-Standard Location:

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location for engineering reasons. The operator's experience has established that oil wells located in accordance with the setbacks for gas wells will not efficiently recover all the reserves in the unit. It is also consistent with the established development pattern for horizontal Mancos oil wells in the area.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13.B NMAC, the above-described unorthodox location is hereby approved.

Non-Standard Proration Unit:

You have also requested approval of a 40-acre, more or less, non-standard proration unit comprising N/2 S/2 of Section 4.

It is our understanding that the non-standard proration unit is consistent with the established development pattern for horizontal Mancos oil wells in the area.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.11.B(2), the above-described non-standard proration unit is hereby approved.

These approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

**Notice List Heros Well 2-H and 3-H**

**Burlington Resources Oil and Gas Company LP  
P. O. Box 51810  
Midland, TX 79101-1810**

**Elm Ridge Exploration Company LLC  
12225 Greenville Ave., Ste. 950  
Dallas, TX 75243-0597**

**Energen Resources Corporation  
2010 Afton Pl.  
Farmington, NM 87401**

**WPX Energy Production LLC  
4400 One Williams Center  
Tulsa, OK 74172-0144**

**Bureau of Land Management  
6251 College Blvd.  
Farmington, NM 87402**

**Exhibit**

**C**