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| RECEIVED: 05/16/18 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL1821153015 |
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

**Applicant:** LOGOS Operating, LLC **OGRID Number:** 289408  
**Well Name:** Heros 2308 09L Com #3H **API:** 30-045-35848  
**Pool:** Nageezi Gallup Oil Pool **Pool Code:** 47540

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application Content Complete

3) **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.

Christopher Jeffus

Print or Type Name

May 16, 2018

Date

505-324-4141

Phone Number

cjeffus@logosresourcesllc.com

e-mail Address

Signature



May 16, 2018

***VIA E-MAIL TRANSMISSION (Leonard.Lowe@state.nm.us)***

New Mexico Oil Conservation Division  
Attn: Ms. Heather Riley  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

**Re: Application for Non-Standard Location for drilling of the Heros 2308 09L Com #3H (API 30-045-35848), to be drilled as a horizontal wellbore in the Nageezi Gallup Oil Pool (Pool ID 47540) with a spacing unit comprised of the S2 of Section 9 and the N2 of Section 16, Township 23 North, Range 8 West, N.M.P.M., San Juan County, New Mexico.**

Dear Ms. Riley,

LOGOS Operating, LLC (“**LOGOS**”), as operator for LOGOS Resources II, LLC, hereby requests administrative approval of an unorthodox location for the Heros 2308 09L Com #3H (the “**Subject Well**”) pursuant to New Mexico Oil Conservation Division (“**NMOCD**”) rules pertaining to the Nageezi Gallup Oil Pool. LOGOS intends to drill the Subject Well as a horizontal well with a dedicated project area and spacing unit comprised of the Gallup formation under the S2 of Section 9 and the N2 of Section 16, Township 23 North, Range 8 West, N.M.P.M., San Juan County, New Mexico (the “**Project Area**”). A plat depicting the operator of the Gallup formation or, absent an operator of the Gallup formation, the owner(s) of operating rights in the Gallup formation is attached hereto as Exhibit “A”.

On May 4, 2018, LOGOS testified before the NMOCD for approval of an application for non-standard spacing unit and non-standard project area covering the Project Area, and nothing in this application is intended to modify or alter the aforesaid application. A plat of the proposed location is attached hereto as Exhibit “C”. Prior to first production from the Subject Well, LOGOS will obtain NMOCD approval of a Form C-102 consistent with said Project Area and the well path depicted on Exhibit “C”.

Under the NMOCD rules governing the Nageezi Gallup Oil Pool, a setback of 330’ from the outer boundary of the Project Area is required for a standard location. All perforations in the Subject Well will be permitted a minimum of 100’ from the common boundary of the Project Area and the West line of Section 10, Township 23 North, Range 8 West, and at least 330’ from all other boundaries of the Project Area. Accordingly, the unorthodox location herein requested may encroach upon a Gallup spacing unit comprised of the W2 of Section 10, Township 23 North, Range 8 West, NMPM (the “**Encroached Spacing Unit**”). The Encroached Spacing Unit is highlighted in orange on the attached Exhibit “A”.

Based upon LOGOS’s research, it appears that Encana Oil & Gas (USA) Inc. is the owner of 100% of the Gallup operating rights in the Encroached Spacing Unit. Attached as Exhibit “B” to this Application, please see a waiver of hearing executed by Encana Oil & Gas (USA) Inc. covering the unorthodox location herein requested.

A single surface location is being used in connection with the drilling of the Subject Well and at least four (4) additional wells within the Project Area. The spacing proposed is deemed necessary to

**LOGOS Operating, LLC**

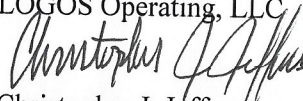
2010 Afton Place - Farmington, NM 87401 - Direct 505-324-4100 - Fax 505-832-3095

efficiently develop the Project Area under generally accepted industry standards for Gallup development utilizing the limited surface access. Based upon the foregoing and in consideration of the attached waiver of hearing, LOGOS requests approval of the unorthodox location for the Subject Well without hearing.

The NMOCD's Administrative Application Checklist is enclosed at the beginning of this package. If any additional information is necessary, please do contact Christopher Jeffus at 505-324-4141 or [cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com). Thank you for your consideration.

Sincerely,

LOGOS Operating, LLC

A handwritten signature in black ink, appearing to read "Christopher J. Jeffus", written over the printed name.

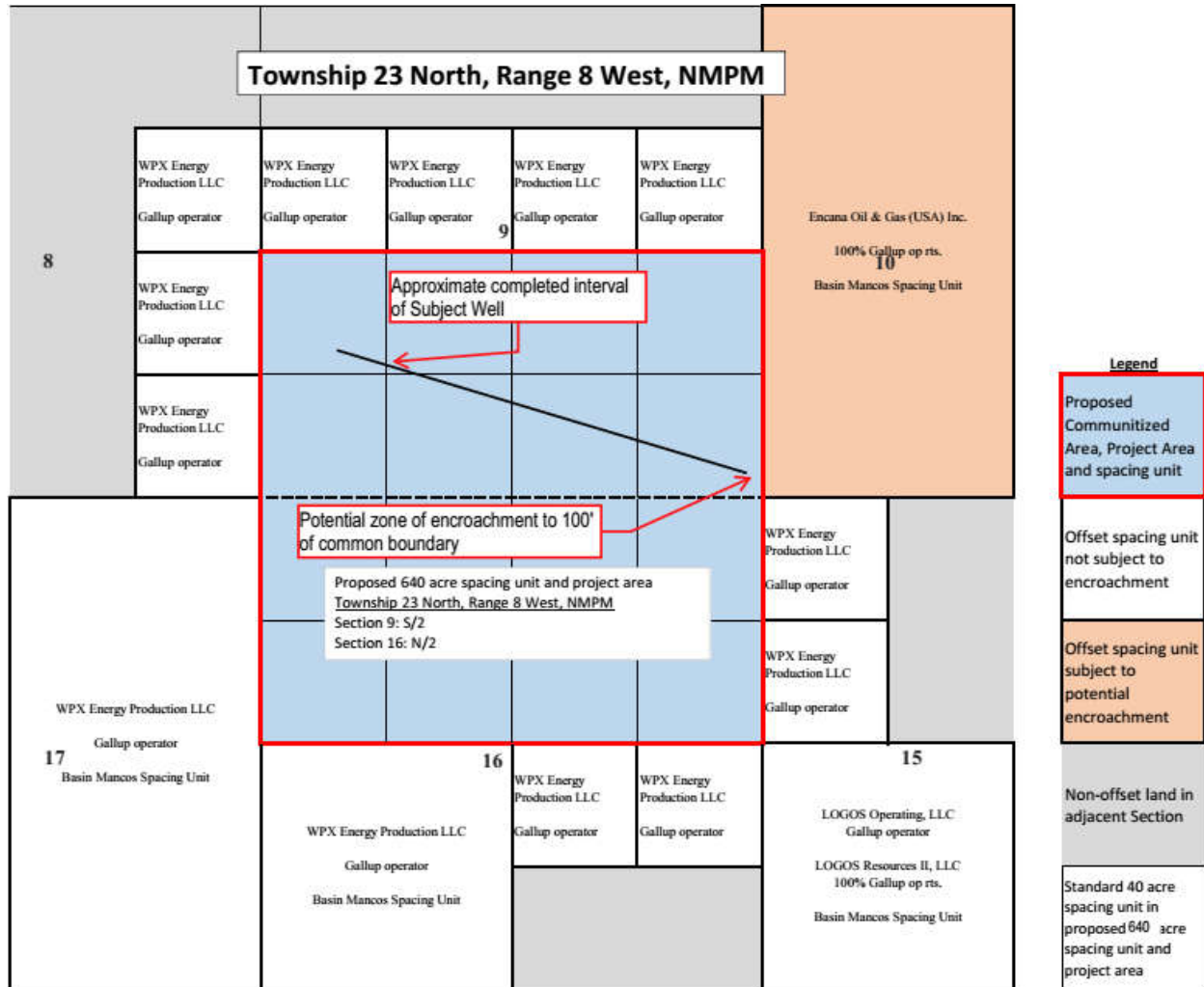
Christopher J. Jeffus

Vice President – Land/Legal

## Exhibit "A"

### Depiction of Project Area for Subject Well

NOTE: All lands depicted below lie within Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico.





May 2, 2018

**VIA ELECTRONIC MAIL** ([julia.branson@encana.com](mailto:julia.branson@encana.com); [mona.binion@encana.com](mailto:mona.binion@encana.com))

Encana Oil & Gas (USA) Inc.  
Attn: Land Department  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

**Re: Request for waiver of hearing for non-standard location of Heros 2308 09L #3H (API 30-045-35848), to be drilled as a horizontal wellbore in the Nageezi Gallup Oil Pool (Pool ID 47540) with a spacing unit comprised of the S2 of Section 9 and the N2 of Section 16, Township 23 North, Range 8 West, N.M.P.M., San Juan County, New Mexico.**

To Whom It May Concern:

LOGOS Operating, LLC ("LOGOS"), as operator for LOGOS Resources II, LLC, intends to drill the Heros 2308 09L #3H (API 30-045-35848) (the "**Subject Well**") as a horizontal well with a dedicated spacing unit comprised of the S2 of Section 9 and the N2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico (the "**Project Area**"). Prior to first production from the Subject Well, LOGOS will obtain NMOCD approval of a Form C-102 consistent with said Project Area. Further, LOGOS will obtain a Communitization Agreement covering the Gallup formation underlying the S2 of Section 9 and the N2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, and will thereafter rename the Subject Well as the Heros 2308 09L Com #3H.

In order to efficiently develop the Project Area and to minimize surface disturbance through use of an existing surface pad, LOGOS intends to drill the Subject Well with all completions within the Project Area, but with potential encroachment of the completed interval to points located a minimum of 100' from the common boundary with the offsetting spacing unit depicted as potentially encroached upon on Exhibit "A" attached hereto. For all spacing units offsetting the Project Area which are not depicted as potentially encroached upon in Exhibit "A", the completed interval of the Subject Well will be at least 330' from the common boundary between the Project Area and the offsetting spacing unit, consistent with the special pool rules for the Nageezi Gallup Oil Pool. Accordingly, the proposed location is unorthodox under the New Mexico Oil Conservation Division ("**NMOCD**") rules governing the Nageezi Gallup Oil Pool.

Based upon our research, Encana Oil & Gas (USA) Inc. is the owner of 100% operating rights in the Gallup formation underlying the encroached upon spacing unit depicted in Exhibit "A". **Accordingly, LOGOS respectfully requests that Encana Oil & Gas (USA) Inc. waive requirement for hearing resulting from a non-standard location for the Subject Well due to the first perforation in the Subject Well being located within 660' of the south line and at least 100' west of the east line of Section 9, Township 23 North, Range 8 West, NMPM.** If agreeable to Encana, please provide notice of such agreement by executing and returning a copy of this letter to me electronically at [cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com).

LOGOS's application for a non-standard project area and spacing unit covering the Project Area will be heard by the NMOCD under Case No. 16105 on or about May 4, 2018. Subsequent to that hearing

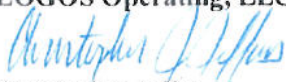
**LOGOS Operating, LLC**

2010 Alton Place - Farmington, NM 87401 - Direct 505-324-4100 - Fax 505-832-3095

and obtaining approval of a non-standard project area and spacing unit, LOGOS intends to submit the application for administrative approval of the non-standard location discussed in this letter.

If any further information is necessary, please contact Christopher Jeffus at 505-324-4141 or at [cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com). Thank you for your consideration of this matter.

Sincerely,  
LOGOS Operating, LLC

  
Christopher Jeffus  
Vice President – Land/Legal

Executed by or on behalf of Encana Oil & Gas (USA) Inc., for purposes of evidencing consent to and waiver of hearing for a non-standard location for the completed interval of the Heros 2308 09L #3H (API 30-045-35848) encroaching to a point that is within 660' of the south line of Section 9, Township 23 North, Range 8 West, NMPM, and at least 100' west of the common boundary of the Project Area and the west line of Section 10, Township 23 North, Range 8 West, NMPM.

Encana Oil & Gas (USA) Inc.

By: 

Name: Constance D. Heath

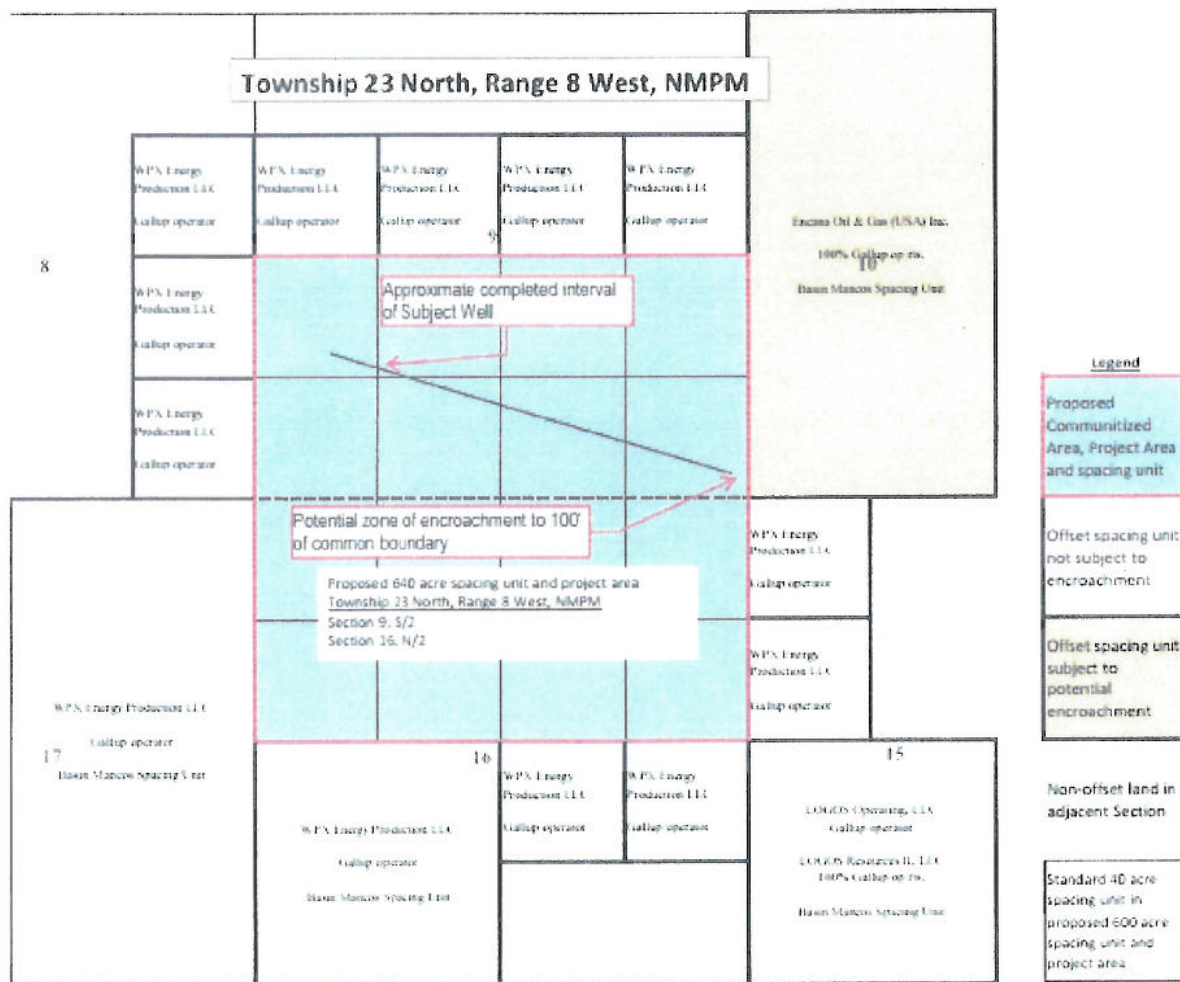
Title: Director, Land Negotiation,  
Western Operations

Date: 5/14/2018

Exhibit "A"

Depiction of Project Area for Subject Well

NOTE: All lands depicted below lie within Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico.



### Depiction of Well Path for Subject Well

FD. BLO 1947 BC

B.L.M.

(POINT OF ENTRY BORE)

N84°08'12"E - 636.72'

1050'

904'

270'

1476'

1544'

1511'

LAST PERFORATION

(HORIZ. BORE)

S77°29'09"E - 4439.99'

FIRST PERFORATION

104'

26'

617'

599'

BOTTOM HOLE

B.L.M.

S89°45'46"E - 2629.12'

N89°46'44"W - 2625.26'

FD. GLO 1947 BC

FD. GLO 1947 BC

FD. GLO 1947 BC

FD. GLO 1947 BC

SURFACE:  
1476'FSL 270'FWL SEC. 9  
LATITUDE: 36°14.3088' N  
LONGITUDE: 107°41.6476' W  
NAD27  
LATITUDE: 36.238493° N  
LONGITUDE: 107.694738° W  
NAD83

LAST PERFORATION:  
1511'FSL 1050'FWL SEC. 9  
LATITUDE: 36°14.3141' N  
LONGITUDE: 107°41.4891' W  
NAD27  
LATITUDE: 36.238580° N  
LONGITUDE: 107.692096° W  
NAD83

FIRST PERFORATION:  
617'FSL 104'FEL SEC. 9  
LATITUDE: 36°14.1638' N  
LONGITUDE: 107°40.6532' W  
NAD27  
LATITUDE: 36.236077° N  
LONGITUDE: 107.678164° W  
NAD83

BOTTOM HOLE:  
599'FSL 26'FEL SEC. 9  
LATITUDE: 36°14.1609' N  
LONGITUDE: 107°40.6373' W  
NAD27  
LATITUDE: 36.236027° N  
LONGITUDE: 107.677899° W  
NAD83

POINT OF ENTRY:  
1544'FSL 904'FWL SEC. 9  
LATITUDE: 36°14.3195' N  
LONGITUDE: 107°41.5188' W  
NAD27  
LATITUDE: 36.238672° N  
LONGITUDE: 107.692591° W  
NAD83

09°29' E

**BASIS OF BEARING:**  
BETWEEN FOUND MONUMENTS AT THE SOUTHWEST CORNER AND THE WEST QUARTER CORNER OF SECTION 9, TOWNSHIP 23 NORTH, RANGE 8 WEST, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO.

LINE BEARS: N 00°29'02" W A DISTANCE OF 2658.84 FEET AS MEASURED BY G.P.S. LOCAL GRID NAD83.

16

**From:** Christopher Jeffus  
**To:** [Lowe, Leonard, EMNRD](#)  
**Subject:** FW: Applications for Administrative Approval of Unorthodox Locations - Heros 2308 09L Com #2H and Heros 2308 09L Com #3H  
**Date:** Monday, July 30, 2018 1:21:04 PM  
**Attachments:** [NSL Application - Heros 2308 09L Com #2H.PDF](#)  
[NSL Application - Heros 2308 09L Com #3H.PDF](#)

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**Christopher J. Jeffus**

Vice President – Land/Legal  
LOGOS Resources II, LLC  
2010 Afton Place  
Farmington, NM 87401  
Direct 505.324.4141  
[cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com)



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**From:** Christopher Jeffus  
**Sent:** Tuesday, July 24, 2018 12:50 PM  
**To:** 'McMillan, Michael, EMNRD' <Michael.McMillan@state.nm.us>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Subject:** RE: Applications for Administrative Approval of Unorthodox Locations - Heros 2308 09L Com #2H and Heros 2308 09L Com #3H

Mike and Leonard,

Now that we have R-14783 in case 16105 approving the 640 acre spacing unit for the Heros 2308 09L Com #2H and Heros 2308 09L Com #3H, in addition to 3 other Heros wells, would we be able to process the attached applications for non-standard locations? Both locations comply with the revised horizontal rules for oil wells, so if you don't believe the NSL is necessary would you please let me know? I was following up because we submitted these applications as well as conducted the non-standard spacing unit hearing prior to the new rules being given effect, but hopefully the

Encana waiver included with both Applications makes this a quick review.

Thank you.

**Christopher J. Jeffus**

Vice President – Land/Legal

LOGOS Resources II, LLC

2010 Afton Place

Farmington, NM 87401

Direct 505.324.4141

[cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com)



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**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

**Sent:** Wednesday, May 16, 2018 10:51 AM

**To:** Christopher Jeffus <[cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com)>

**Cc:** Lowe, Leonard, EMNRD <[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)>

**Subject:** FW: Applications for Administrative Approval of Unorthodox Locations - Heros 2308 09L Com #2H and Heros 2308 09L Com #3H

**Importance:** High

Chris:

These NSL are on hold because of the Hearing. I recommended that the operator be given the right to produce anywhere within the boundary of the spacing unit as long as it is within 330 feet of the spacing unit (Project Area) boundary. If outside the 330 foot set-backs at the spacing unit boundary, an NSL would be required.

Mike

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**From:** Lowe, Leonard, EMNRD

**Sent:** Wednesday, May 16, 2018 10:40 AM

**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>

**Subject:** FW: Applications for Administrative Approval of Unorthodox Locations - Heros 2308 09L Com #2H and Heros 2308 09L Com #3H

**Importance:** High

M.M.,

Just to clarify. Would it be okay to process these NSL applications? They are subject matters in Case No. 16105. I just want to make sure, before I start to process them. Let me know.

llowe

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**From:** Christopher Jeffus <[cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com)>

**Sent:** Wednesday, May 16, 2018 10:03 AM

**To:** Lowe, Leonard, EMNRD <[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)>

**Subject:** Applications for Administrative Approval of Unorthodox Locations - Heros 2308 09L Com #2H and Heros 2308 09L Com #3H

Mr. Lowe,

Attached, please find Applications for Administrative Approval of Unorthodox Locations covering the Heros 2308 09L Com #2H (API 30-045-35687) and the Heros 2308 09L Com #3H (API 30-045-35848). The wells are presently named the Heros 2308 09L #2H and Heros 2308 09L #3H, but will be renamed to add "Com" to the name upon approval of a pending communitization agreement. The API numbers will remain the same after the renaming, the only change will be the addition of the word "Com".

The wells in question, along with 3 additional Gallup wells, are presently awaiting an NMOCD Order approving a non-standard project area and non-standard spacing unit covering the 640 acre block comprised of the S2 of Section 9 and the N2 of Section 16, Township 23 North, Range 8 West, NMPM. A hearing has been conducted for such matters under Case 16105. Nothing in the attached applications should impact or modify the application for non-standard project area and non-standard spacing unit. LOGOS is not seeking administrative approval of the non-standard project area and non-standard spacing unit – that will be handled via the NMOCD hearing process.

These applications are being made only to allow encroachment to between the 640 acre project area and the adjacent spacing unit located immediately east of the 640 acre project area. No other spacing units will be encroached upon by either of the Subject Wells. Enclosed with each application is a waiver by Encana Oil & Gas (USA) Inc., the only "Affected Party" involved, of hearing for the encroachment sought in the pertinent application.

If any further information is necessary to process the aforesaid applications, please let me know. Thank you.

**Christopher J. Jeffus**

Vice President – Land/Legal

LOGOS Resources II, LLC

2010 Afton Place

Farmington, NM 87401

Direct 505.324.4141

[cjeffus@logosresourcesllc.com](mailto:cjeffus@logosresourcesllc.com)



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**From:** [Lowe, Leonard, EMNRD](#)  
**To:** ["Christopher Jeffus"](#)  
**Cc:** [Perrin, Charlie, EMNRD](#); [Vermersch, Amy H, EMNRD](#); [Pickford, Katherine, EMNRD](#); [Jones, William V, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); ["lisa@rwbyram.com"](#); ["jglover@blm.gov"](#); ["dmankiew@blm.gov"](#)  
**Subject:** APPROVED NSL-7742\_Logos Operating, LLC.\_Heros 09L Well No. 3H\_SEC 9 23N 8W  
**Date:** Friday, August 3, 2018 8:20:00 AM  
**Importance:** High

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**Mr. Christopher Jeffus**

The following Administrative Order has been issued.

**ORDER: NSL-7742**  
**OPERATOR: LOGOS OPERATING, LLC**  
**POOL: Nageezi Gallup [47540]**  
**WELL: Heros 2308 09L Well No. 3H**  
**API NO: 30-045-35848**

The Order will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Thank you!

**Leonard Lowe**

Engineering Bureau  
Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St. Frances  
Santa Fe, New Mexico 87004  
Office: 505-476-3492  
Cell: 505-930-6717  
Fax: 505-476-3462  
E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>