

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



August 21, 2018

Mr. Chris Jeffus
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ADMINISTRATIVE NON-STANDARD LOCATION, AND NON-STANDARD
HORIZONTAL SPACING UNIT

Administrative Order NSL-7749

Logos Operating, LLC
OGRID 289408
Federal 2307 07P Com Well No. 2H
API No. 30-039-Pending

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1286 FSL & 327 FEL	P	7	23N	7W	Rio Arriba
First Take Point	2129 FSL & 258 FEL	H	7	23N	7W	Rio Arriba
Last Take Point	2438 FSL & 272 FWL	6	6	23N	7W	Rio Arriba
Terminus	2503 FSL & 227 FWL	6	6	23N	7W	Rio Arriba

Proposed Horizontal Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 6, Lot 7 (W2SW4), SW4 SE 4, and W2 SE4 of Section 6 NE4 SE4, NE4, and NE4 NW4 of Section 7	441.2	Basin Mancos	97232

Reference is made to your application received on July 26, 2018.

You have requested to drill and produce this horizontal well at an unorthodox gas 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 provide for 320-acre units with wells to be located at least 660 feet from outer unit boundaries.

Further, setbacks for gas wells as defined in Paragraph (1) of Subsection C of 19.15.16.15 NMAC requires 330 feet from the first and last take points in the horizontal plane, to the outer boundary of the horizontal spacing unit for gas wells. Lastly, the distances from any point in the completed interval to the outer boundary of the horizontal spacing unit shall be no closer than 330 feet to the outer boundary of the horizontal spacing unit for gas wells.

This well's completed interval is as close as 258 feet to the eastern and as close as 214 feet to the northern edge. Encroachments will impact the following tracts.

Section 6, encroachment to the NW4

Section 8 Township 23 South, Range 7 West encroachment to the SW4 NW4

Section 1 Township 23 South, Range 8 West encroachment to the NE4 and SE4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

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 Logos Operating, LLC is seeking this non-standard location consistent with industry accepted standards for wellbore orientation, while minimizing waste that would result from setbacks for gas wells under Division Rule 19.15.16 NMAC.

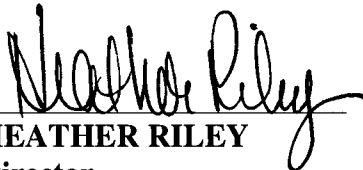
Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The non-standard horizontal spacing unit for the proposed well was approved by NSP-2109, issued on August 16, 2018

General provisions

The above 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.


HEATHER RILEY
Director

HR/mam

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management – Farmington