

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
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-7750**  
**Administrative Order NSP-2110**

**Logos Operating, LLC**  
OGRID 289408  
**Federal 2307 07P Com Well No. 3H**  
**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	1292 FSL & 356 FEL	P	7	23N	7W	Rio Arriba
First Take Point	605 FSL & 250 FEL	P	7	23N	7W	Rio Arriba
Last Take Point	23 FSL & 209 FWL	7	6	23N	7W	Rio Arriba
Terminus	74 FSL & 148 FWL	7	6	23N	7W	Rio Arriba

**Proposed Horizontal Spacing Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 7 (SW4SW4) of Section 6	321.48	Basin Mancos	97232
Lot 1 (NW4 NW4 equivalent)			
E2 SE4, NW4 SE4, SW4 NE4			
and E/2 NE/4 of Section 7			

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 225 feet to the southeastern edge, 600 feet to the southern edge as close as 330 feet to the northwestern edge, and 209 feet along the western edge. The diagonal encroachment on the western edge will be less than 660 feet. Encroachments will impact the following tracts.

Section 7 encroachment to the SW 4 SE4, N2 SW4, SW4 NW4  
Section 8 encroachment to the SW4 SW4  
Section 17 encroachment to NW4 NE4 and N2 NW4  
Section 18 NE4 NE4  
Section 1, Township 23 North Range 8 West encroachment to the S2  
Section 12, Township 23 North Range 8 West encroachment to the N2 N2

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.

#### **Non-Standard Horizontal Spacing Unit**

You have also requested approval of a non-standard horizontal spacing unit to be included in your proposed project area, as follows:

#### **Proposed Horizontal Spacing Unit:**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
Lot 7 (SW4SW4) of Section 6	321.48	Basin Mancos	97232
Lot 1 (NW4 NW4 equivalent)			
E2 SE4, NW4 SE4, SW4 NE4			
and E/2 NE/4 of Section 7			

You have requested an exception pursuant to Rule 19.15.16.7.M NMAC, to approve a non-standard horizontal gas spacing unit comprising 321.48-acres, more or less, consisting of the entire area described above as the horizontal spacing unit.

We understand that you are seeking this exception in order to allow you to create a 321.48-acres, more or less, non-standard horizontal spacing unit, comprised of Lot 7 (SW4SW4) of Section 6, E2 SE4, NW4 SE4, SW4 NE4 and NE4 NW4 of Section 7 all in Township 24 North, Range 7 West, NMPM, Rio Arriba County, New Mexico,

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.

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.

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

**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