

NSL Initial Application

Received: 12/20/19

K4ATS-191218-CONTIN

NSL-7970

Revised March 23, 2017

RECEIVED: 12/20/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1935734838
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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: Omega 2308 03 No. 5H

API: 30-045-38180

Pool: Basin-Mancos

Pool Code: 97232

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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

J. Scott Hall

Print or Type Name

J. S. Hall

Signature

Date

12-16-2019

505-303-7236

Phone Number

shall@logosresourcesllc.com

e-mail Address



J. Scott Hall
Senior Attorney
LOGOS Resources II, LLC
317 Paseo de Peralta
P. O. Box 1946
Santa Fe, NM 87504
Office: 505.303.7236
Mobile: 505.670.7362
shall@logosresourcesllc.com

December 16, 2019

Adrienne Sandoval, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Via Email: Leonard.Lowe@state.nm.us

Re: **LOGOS Operating, LLC**
Application for Administrative Approval, Unorthodox Well Location (NSL)
Omega 2308 03 Well No. 5H (Horizontal Oil)
API No. 30-045-38180
N/2 Section 2, T23N, R8W (HSU)
SL: 1960' FNL and 223' FEL (H), Section 3, T23N, R8W
FTP: 1883' FNL and 100' FEL (H), Section 2, T23N, R8W
LTP: 1909' FNL and 100' FWL (D), Section 2, T23N, R8W
BL: 1682' FNL and 0' FEL (E), Section 2, T23N, R8W
Basin Mancos Gas Pool
San Juan County, New Mexico

Dear Ms. Sandoval:

LOGOS Operating, LLC ("LOGOS"), as operator for LOGOS Resources II, LLC, hereby requests administrative approval of a non-standard location for the Omega 2308 03 #5H (the "Subject Well") pursuant to New Mexico Oil Conservation Division ("NMOCD") rules governing the drilling of horizontal wells in the Basin Mancos Gas Pool (Pool ID 97232). LOGOS intends to drill the Subject Well as a horizontal oil well with a dedicated spacing unit comprised of Lots 1 through 4 and the S/2N/2 (N/2 equivalent) of Section 2, Township 23 North, Range 8 West, N.M.P.M., San Juan County, New Mexico (the "HSU" or "Spacing Unit"). LOGOS has the rights to the lease within this spacing unit, along with the attendant right to drill.

Prior to first production from the Subject Well, LOGOS will obtain NMOCD approval of a Form C-102 consistent with the Spacing Unit.

Non-Standard Location

Under the recently adopted provisions of Section 19.15.16 NMAC, the proposed location of the completed interval of the Subject Well is unorthodox for a gas well because it encroaches upon adjacent tracts to a distance such that the first take point in the wellbore is at least 100' west of the east line of said Section 2 and the last take point is at least 100' east of the west line of said Section 2. The Subject Well is located within the Basin-Mancos Gas Pool which does not have rules for oil wells. However, the well is near the frozen Nageezi-Gallup Oil Pool and is expected to produce oil from a correlative stratum. The

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depicted location for the Subject Well would be orthodox for an oil well under Section 19.15.16 NMAC, and LOGOS believes that the Subject Well will produce a gas to oil ratio that would fit within industry standards for an oil well.

The location of the Subject Well is depicted in Exhibit "A" attached hereto. Further, Exhibit "B" attached hereto depicts the operatorship of the Gallup formation or, absent an NMOCD approved operator of the Gallup formation, all working interest owners in the Gallup formation in any spacing unit which is subject to encroachment under the provisions of Section 19.15.16 NMAC governing setbacks for a horizontal gas well.

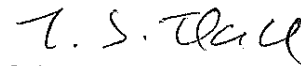
Reasoning for the Application

Approval of the non-standard location detailed in this Application will allow efficient development of the Gallup formation consistent with generally accepted industry standards governing proper wellbore orientation, while minimizing the substantial waste that would result from imposition of the setbacks and well spacing imposed for gas wells under the recently adopted provisions of Section 19.15.16 NMAC. It is noted that Gallup wells in the vicinity of the Subject Well, including recent horizontal wells drilled wholly or partly in the Basin Mancos Gas Pool, have been permitted using 100' setbacks from the first and last take points in the wellbore, and it is expected that the Subject Well will produce well below the gas-to-oil ratio cutoff specified in the definition of a "gas well" in 19.15.2.7 NMAC. Both the Spacing Unit and the location of the Subject Well would be standard under the provisions of Section 19.15.16 NMAC governing the spacing and setbacks for horizontal oil wells. Accordingly, approval of this Application will allow maximum development of the Spacing Unit without preventing the future development of the surrounding area.

The NMOCD's Administrative Application Checklist is enclosed at the beginning of this package. A list of Affected Parties is set forth in the attached Exhibit "C". A certified mailing of the form letter attached hereto as Exhibit "D" was sent to each such Affected Party on December 16, 2019, which letter advises the Affected Party that an objection to this Application must be filed with the NMOCD within 20 days of the NMOCD's receipt of this Application.

If any additional information is necessary for review of this Application, please do not hesitate to contact me by phone at 505-303-7236 or by email at shall@logosresourcesllc.com. Thank you for your consideration.

Sincerely,
LOGOS Operating, LLC



J. Scott Hall
Senior Attorney

JSH

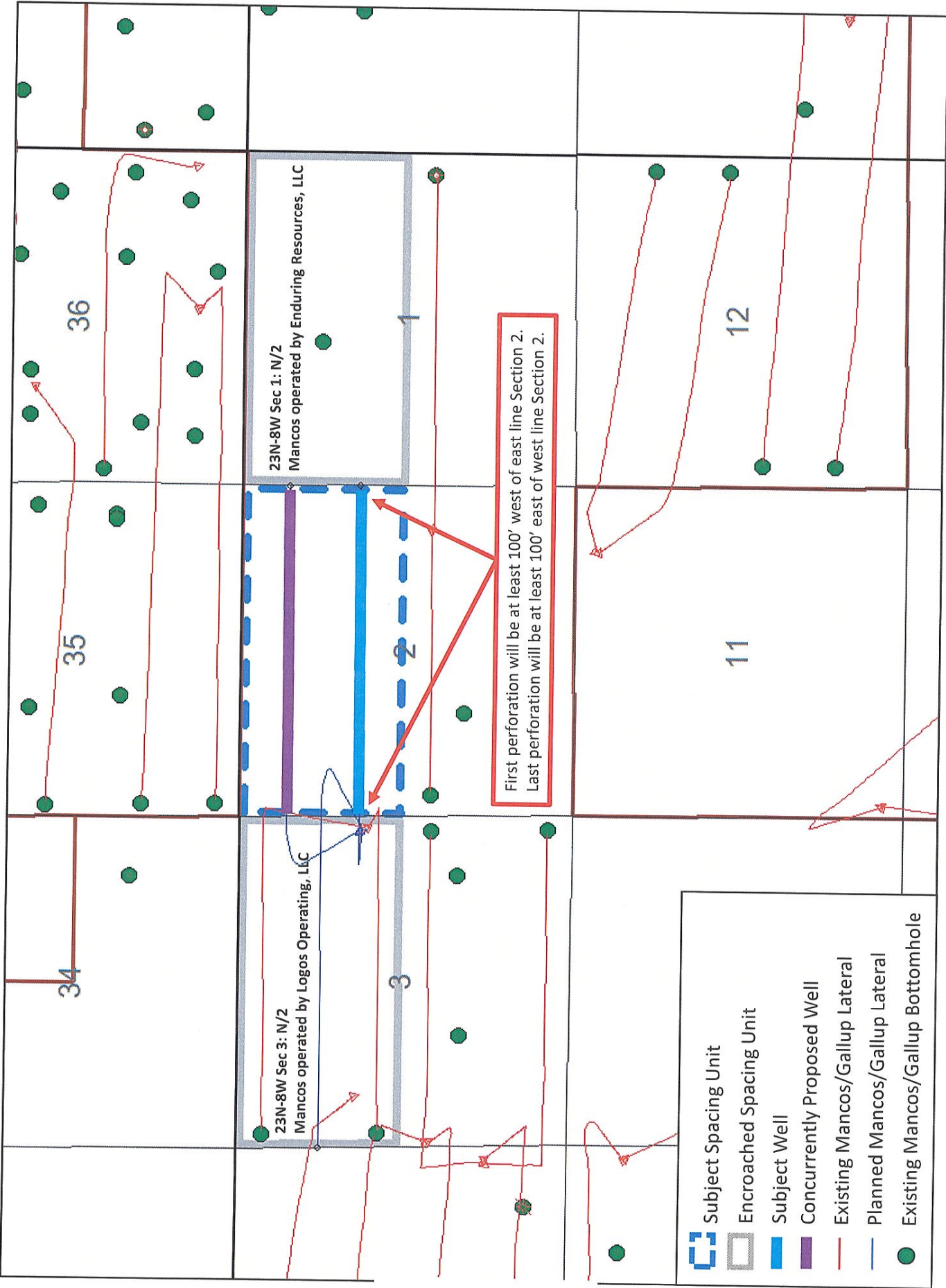


EXHIBIT B

Affected Parties

Application for Administrative Approval, Unorthodox Well Location (NSL)
LOGOS Operating, LLC
Omega 2308 03 Well No. 5H

Enduring Resources IV, LLC

Working Interest Owner: N/2 Section 1 T23N R8W

Date of Mailing: December 13, 2019 USPS Tracking No. 701822900001975112

Enduring Resources, LLC

Operator: Unit C Section 1 T23N R8W 701822900001975112

Date of Mailing: December 13, 2019 USPS Tracking No.

LOGOS Resources II, LLC

Working Interest Owner: N/2 Section 3 T23N R8W

Date of Mailing: N/A USPS Tracking No. N/A

Bureau of Land Management

Royalty Interest Owner: N/2 Section 3 T23N R8W

Date of Mailing: December 13, 2019 USPS Tracking No. 70182290000197525105

Certified Mail / Return Receipt Requested

To: All Interest Owners/or Operators listed on
attached page

Re: LOGOS Operating, LLC
Application for Administrative Approval, Unorthodox Well Location (NSL)
Omega 2308 03 Well No. 5H (Horizontal Oil)
API No. 30-045-38180
N/2 Section 2, T23N, R8W (HSU)
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LTP: 1909' FNL and 100' FWL (D), Section 2, T23N, R8W
BL: 1682' FNL and 0' FEL (E), Section 2, T23N, R8W
Basin Mancos Gas Pool
San Juan County, New Mexico

Dear Sir or Madam:

Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 19.15.15.11 B and the rules and regulations for the Basin-Mancos Gas Pool, you are hereby notified that LOGOS Operating, LLC has on this date made application to the NMOCD for administrative approval of Unorthodox Well Location (NSL) for its Omega 2308 03 Well No. 5-H well to be drilled at the surface and bottom hole locations indicated above. A copy of the application is enclosed.

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

Should you consent to the application and the proposed unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely,

LOGOS Operating, LLC

J. Scott Hall
Senior Attorney

EXHIBIT D



J. Scott Hall
Senior Attorney
LOGOS Resources II, LLC
317 Paseo de Peralta
P. O. Box 1946
Santa Fe, NM 87504
Office: 505.303.7236
Mobile: 505.670.7362
shall@logosresourcesllc.com

December 16, 2019

To: All Interest Owners/or Operators listed on attached
page

**CERTIFIED MAIL/
RETURN RECEIPT REQUESTED**

**Re: LOGOS Operating, LLC
Application for Administrative Approval, Unorthodox Well Location (NSL)
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Sincerely,

LOGOS Operating, LLC


J. Scott Hall, Senior Attorney

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CONSENT:

By: _____

Date: _____

JSH

Notification List

Application for Administrative Approval, Unorthodox Well Location (NSL)
LOGOS Operating, LLC
Omega 2308 03 Well No. 5H (Horizontal Oil)

Enduring Resources, LLC, and
Enduring Resources IV, LLC
1050 17th Street, Suite 2500
Denver, CO 80265

Bureau of Land Management
Farmington Field Office
6251 College Blvd., Suite A
Farmington, NM 87402

12/18/2019

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division



Receipt of Fee Application Payment

PO Number: K4ATS-191218-CONTIN

Payment Date: 12/18/2019 2:38:29 PM

Payment Amount: \$150.00

Payment Type: Credit Card

Application Type: Application for a continuance of an administrative hearing, re-hearing or de novo hearing before the division or commission.

Fee Amount: \$150.00

Application Status: Under OCD Review

First Name: Scott

Last Name: Hall

Email: shall@logosresourcesllc.com

Law Firm: Senior Attorney

Client Being Represented: LOGOS Operating, LLC

IMPORTANT: If you are mailing or delivering your application, you must print and include your receipt of payment as the first page on your application. All mailed and delivered applications must be sent to the following address: 1220 S. St. Francis Dr., Santa Fe, NM 87505. For inquiries, reference the PO Number listed above.

Lowe, Leonard, EMNRD

From: Scott Hall <shall@logosresourcesllc.com>
Sent: Wednesday, December 18, 2019 2:43 PM
To: Lowe, Leonard, EMNRD
Subject: [EXT] FW: OCD Receipt of Fee Application Payment
Attachments: OCDReceiptOfFeePayment.pdf

Leonard, this is the receipt for the NSL Application for the Logos **Omega 2308 03 No. 5H**.

From: OCDOnline@state.nm.us [mailto:OCDOnline@state.nm.us]
Sent: Wednesday, December 18, 2019 2:38 PM
To: Scott Hall <shall@logosresourcesllc.com>
Subject: OCD Receipt of Fee Application Payment

Thank you for your fee application payment! Your receipt is attached.

PO Number: K4ATS-191218-CONTIN
Payment Date: 12/18/2019
Payment Amount: \$150.00
Payment Type: Credit Card

Application Type: Application for a continuance of an administrative hearing, re-hearing or de novo hearing before the division or commission.
Fee Amount: \$150.00
Application Status: Under OCD Review

First Name: Scott
Last Name: Hall
Email: shall@logosresourcesllc.com
Law Firm: Senior Attorney
Client Being Represented: LOGOS Operating, LLC

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Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505
(505) 476-3441 * ocd.fees@state.nm.us * www.emnrd.state.nm.us/OCD