$\mathcal{P}_{\mathcal{C}}$ 

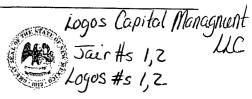
APP NO PKVRIZZ9646516

ABOVE THIS LINE FOR DIVISION USE ONLY

#### NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



т	HIS CHECKLIST IS I	ADDITION OF ECALIST  ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS
	cation Acronyn	WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
	[NSL-Non-Sta [DHC-Dow [PC-Po	ndard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  ol Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  ified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF AI	PLICATION - Check Those Which Apply for [A]
	[٨]	Location - Spacing Unit - Simultaneous Dedication  NSL NSP SD
		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]	NOTIFICAT	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply
,	[/]	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		URATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE FION INDICATED ABOVE.
4] pprova pplica	al is accurate ar	<b>ION:</b> Thereby certify that the information submitted with this application for administrative demplete to the best of my knowledge. Talso understand that <b>no action</b> will be taken on this uired information and notifications are submitted to the Division.
	Note:	Statement must be completed by an individual with managerial and/or supervisory capacity.
$\frac{\sqrt{\sqrt{2}}}{\sqrt{2}}$	M Grahern	Dir. of Hamin & Eng Support 10/15/12  Signature  Dir. of Hamin & Eng Support 10/15/12  Date  Karaham@logosresourceslee.
THE OIL	Type Came	Karaham@logosrcsourcesllc.
_	(	e-mail Address

District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

1220 S. St Francis Dr. Santa Fe, NM

#### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

TELEPHONE NO.: 505-436-2626

#### **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive Santa Fe, New Mexico 87505

REC	Submit the original happlication to the Santa Fe office with one popy to the
2012 OCT	

APPLICATI	ON FOR SURFACE	COMMINGLING	<del>) (DIVERS</del> E	OWNERSHIP) 3	7			
OPERATOR NAME: Lo	gos Capital Management, Ll	LC						
OPERATOR ADDRESS: 40	01 North Butler, Building 71	101 Farmington, NM 8	37401					
APPLICATION TYPE:								
■ Pool Commingling    □ Lease Com	mingling Pool and Lease Co	mmingling Doff-Lease	Storage and Measu	rement (Only if not Surface	Commingled)			
LEASE TYPE:	☐ State ☒ Fede							
Is this an Amendment to existing								
Have the Bureau of Land Manage	ement (BLM) and State Land	d office (SLO) been no	tified in writing	of the proposed commi	ngling			
IZIYES LINO	(A) POC	DL COMMINGLIN						
		ts with the following in						
	Gravities / BTU of	Calculated Gravities /		Calculated Value of				
(1) Pool Names and Codes	Non-Commingled	BTU of Commingled		Commingled	Volumes			
	Production	Production		Production				
Venado Mesa Verde 62490	Est. 46°/1300	41° API		This will change each				
WC22N5W5;Gallup(O) 97968	Est. 38°/1300	1300 BTU		time a well is added				
WC22N5W5;Dakota(O) 97977	Est. 40°/1300	_		to the battery.				
		_			<del>,</del>			
		<u> </u>						
<ul><li>(2) Are any wells producing at top</li><li>(3) Has all interest owners been no</li></ul>		onnead committeeting	⊠Yes □No.					
<ul><li>(3) Has all interest owners been not</li><li>(4) Measurement type;  Meteric</li></ul>			_					
(5) Will commingling decrease the				ing should be approved				
•								
	(R) LEA	SE COMMINGLIN	IC	· · · · · · · · · · · · · · · · · · ·				
		s with the following in						
(1) Pool Name and Code.								
(2) Is all production from same sou								
<ul><li>(3) Has all interest owners been noti</li><li>(4) Measurement type: ☐Meterin</li></ul>		osed commingling?	□Yes □N	0				
(4) Measurement type.	g Li Other (specify)							
		LEASE COMMIN						
	Please attach sheet	s with the following in	nformation					
(1) Complete Sections A and E.								
	(D) OFF-LEASE ST	ORAGE and MEA	SUREMENT		<del></del>			
		ets with the following						
(1) Is all production from same sou								
(2) Include proof of notice to all int	crest owners.	·		φ-,				
. ( <b>F</b>	C) ADDITIONAL INFO	RMATION (for all s with the following it		(pes)				
(1) A schematic diagram of facility		s with the following it	nyi marivii					
	~ ~	ons. Include lease number	rs if Federal or St	nte lands are involved.				
<ul> <li>(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.</li> <li>(3) Lease Names, Lease and Well Numbers, and API Numbers.</li> </ul>								
			11.11.6					
I hereby certify that the information a	pove is true and complete to the	Doet of my knowledge and						
SIGNATURE: David Su	A	best of my knowledge and	a bener.					

E-MAIL ADDRESS: dgonzales@logosresourcesllc.com

TYPE OR PRINT NAME: David Gonzales



4001 N. Butler Ave Farmington, NM 87401 Phone: (505) 215-8215

Fax: (303) 974-1767

Date: October 1, 2012

To: New Mexico Oil Conservation Division

Re: Surface Commingling of Pools on Jicarilla Lease 424

Dear NMOCD,

Logos Capital Management, LLC (OGRID 287123) is proposing to surface commingle three pools on the Jicarilla Lease 424. Logos Capital Management, LLC has constructed a battery that will serve as a central delivery point for oil, gas, and water production. The oil and gas will be sold at this single delivery point and water will be hauled off from this single delivery point.

Logos proposes to surface commingle fluids from three pools, Venado Mesaverde (62490), Wildcat Gallup WC22N5W5;Gallup(0) (97968), and Wildcat Dakota WC22N5W5;Dakota(0) (97977). These three producing pools are located on Jicarilla Lease 424 and all producing intervals have the exact same ownership for working interest and mineral interest.

Logos expects the commingling of the pools to have a long term positive impact on the value of the lease. The commingling will save future gas connection costs by having a single delivery point at the battery which will save money by eliminating future gas pipeline construction and connection costs on new drilled wells. The commingling will also eliminate the need for batteries at each new drill location and will minimize trucking costs for the sale of oil. This configuration also creates an option for future waterflooding operations by sending the produced water to a single gathering point.

The wells producing on the lease currently do not sell gas. The commingling of gas from all of the wells and all of the pools is expected to make the installation of a gas sales line economic which would not be economic otherwise. Logos does not expect material dilution of gas BTU factors from the commingling of pools or wells on the lease. The gas BTU factor from each zone is difficult to estimate due to the lack of gas sales data in this region; however Logos anticipates the BTU factors to range from 1200 to 1350 BTU/SCF based on data from Logos operated wells in 23N-6W and 24N-6W.

The volumes will be allocated using well test data. The battery has two (2) separators with meters that will be used to test the wells at a frequency of 1 test per month or greater. Each well test will last for 24 hours or greater and will test the oil, gas, and water production using meters. Each test separator can be isolated to produce into either oil production tank so that the meters can be calibrated against a tank gauge to ensure

accuracy. The well tests will be used to allocate each wells contribution to the total oil, gas, and water produced each month.

The expected oil gravity will have a small variance between all pools. The oil gravity between all producing pools ranges from 38 degrees API to 46 degrees API in this region based on offset producing wells. The Gallup and Dakota Wildcat pools have limited API gravity information in this region due to a lack of wells drilled nearby. The oil gravity measured from the sale of oil from Logos #1 was 38 degrees API and was a combination of Gallup Oil and Dakota Oil from flowback operations after initial completion. The oil gravity from the producing Venado Mesaverde wells is 46 degrees API.

The key points of the request to commingle are:

- The working interest and mineral interest on Jicarilla Lease 424 is the same in all pools.
- We expect no material dilution to gas BTU
- Commingling may allow for economic development of a gas sales line
- Commingling should reduce the operating cost structure of the leases and extend the economic life of the properties
- Commingling sets the lease up for secondary recovery which will extend the life and reserves of the wells on the lease.

Please see the attached basic schematics for the proposed commingle. Please let me know if you have further questions or concerns.

Sincerely

David Gonzales

Vice President of Operations



4001 N. Butler Blvd. Bldg 7101

Farmington, NM 87401 Phone: (832) 794-1355

Fax: (303) 974-1767

October 15, 2012

To whom it may concern,

Be it known that as of October 15, 2012, based on the title research of licensed New Mexico attorneys as well as the title work of Logos Resources, LLC and its consultants, Jicarilla Lease 424 covering sections 5-8 in Township 22 North, Range 5 West, NMPM has identical ownership throughout the lease (all depths and all acreage) being Logos Resources, LLC- 100% WI and Jicarilla Apache Nation- 16.6666666% RI.

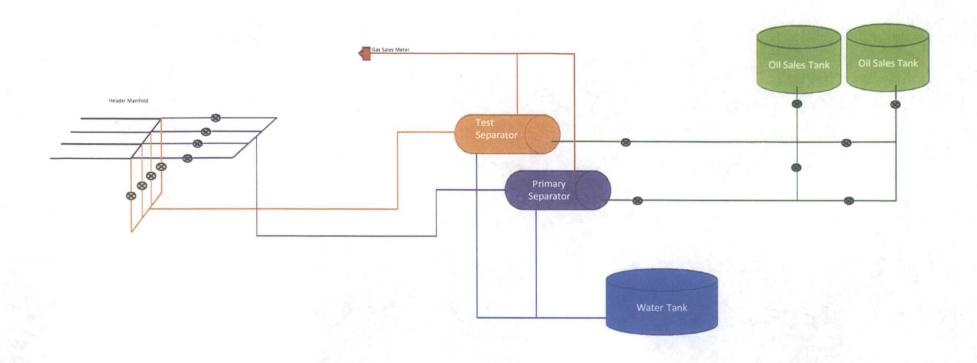
Should you have any questions or concerns regarding this letter, please feel free to contact me at 303-550-1877.

Very truly yours,

John Austin Akers

Vice President of Land

Logos Resources, LLC







4001 N. Butler Ave Farmington, NM 87401 Phone: (505) 215-8215

Fax: (303) 974-1767

Date: September 27, 2012

Re: Application for Surface Gas Commingle – Form C-107-B, Section E, 3 Attachment

<u>Lease Name</u>	<u>Well Number</u>	<u>Lease</u>	API		
Jair	1	Jicarilla Tribal #424	30-043-20080		
Jair	. 2	Jicarilla Tribal #424	30-043-20085		
Logos	1	Jicarilla Tribal #424	30-043-21119		
Logos	2	Jicarilla Tribal #424	30-043-21120		

The first for her consequences of the field of the first property of the first property

Status of New Newley Timese, Commain R. Raw and Bingoverna By pure signs

Secretary Section 1995

Minster our drag to apparent design to the party of the first of the control of t

MARCHONIC GEORGE

### THE CONSCRIVATION DIVISION ESO South St. Francis Driva Santa Fe. NM 02505

1   1   1   1   1   1   1   1   1   1	1,710.4
U Hai Fem Holis Local, join 1) Difficulty From Sortings    O   Con   Allow   Condition   Con   C	ţ
CONTRACTOR OF A SECRETARY OF THE COURSE ACCORDED BY AND THE COURSE OF TH	TATABATA
COLUMN ACTOR (BUSE)  ON THE CONTROL OF ASSESSMENT TO THE CONTROL OF A COUNTROL OF THE CONTROL OF	· · · · · · · ·
OH V ROPE SPECIAL MILE OF SPECIAL DISTRIBUTION OF THE OPERATOR OPERA	
OHE WAS A PART AND AND THE DAY OF SALE AND	CONSIGNATION DE CO
	ر د رجره د مدم ده
100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100	the two tests of our part that the constraint of
THE TAIL BY REPORT OF THE STATE	THE TOTAL TOTAL STATE OF THE ST

Deposit 1 (1974) of the Helph, Alt Helph (2000) of the Park (1974) (1974) of the Park (1974) (1974) of the Park (1974) of the P

The result of the 1994 of the Boyel of Reference of the Result of the 1994 of

Breate Ford Cold (2014) Colored Organ, Social For Hell Wells Sprow (2015) 5775 (3501) (750) Rabbi 4776 (460)

State of New Mexico Energy, Himerals & Ratheral Resources Department

Francisco (C. 1955) Develora Appara (C. 1941)

#### OH. CONSERVATION DIVISION 1820 South St. Francis Drive Sonta Fc. NM 07505

AMEMORES DEPORT

Angreph wheeld when the plant

WELL LOCATION AND ACREAGE OCULCATION PLAT Mr Carlotte 'Post Cade Pont tore wcznsws; mkninco) The mistors Pengaelly Than TOTAL. 1 Representation (1749) 7 (HR) 35. Theat on FORES CAPITAL MADAGEMENT, FEE 6,807 in Sentance Local new Gerns in Hetschule Los Calabia ass 2239 1640 MORHIT 177316 Sagueya: H Boltom Mole Localion If Different From Surface 101 200 Derley Smith That Test how we "Abril to lotal De tocolhites late (9/2)ON A MON CHANDAD DEFINED HE DESCRIPTION OF A STREET HAS TOWN FEED APPROVED BY THE DIVISION OPERATOR CERTIFICATION Serio (voi: "OPFIGATION CONTINUES CONTINUES TO A FION LICENSE OF THE MATTER CONTINUES OF THE CONTINUES LOI 1127 101 1,01 <u>0</u> PAUL C THOMPSON .. Corner of Resident Por THSTA), "V., MORNEY R GORGE NATURA DATUR NATURA PAUL C WALLITERS, MET 121 36.169181 1 A L 36, 16930 W 1 080 - 407 30366 U 1 08100 - 4121993 "SUAVEYOR CENTIFICATION Survey Date: JANDARY 11, 2012 **新型** 8WEESSION. JASON 上DWARDS Centificate Dombre G277 360

(1973) 14 (1973) 1973 (1973) 1974 (1973) 1975 (1973) 1975 (1973) 1975 (1973) 1975 (1973) 1975 (1973) 1975 (1973)

Product 11 132 S. Leid Stroet, Approx (2006)40 11 (2105) 78 No. Common (16) 748 (200

Egge (1) (4) 1606 (10) Person (6) (4) (7) (7) (0) (973) Core (506) (13) (670) (7) (7) (995) (3) (1) (476) deady) jy

(i) 10. (a) Crossing therein, Gratia the BH H75075.
 (i) 1986 (307) (407) (407) (407) (407)

Stake of New Mexico Concept Vinscolis & National Memorrous Organismal.

theread areas to av-

Tebrah yan yay y Arpra, apak yayay 191-1916

MANUSTER TRANSPORT

#### OTE CONSERVATION DIVISION 1920 South St. Francis Orive Santa Fo, MM 07505

WELL LOCATION AND ACREACE LEDICATION PLAT 2004 at many Pool Cata 7968 So 648 - 2019 WCZZNSWS; Gallup(O) William Chy Light 16011 Apriles 37736 141361303 - 1 200000-05 Brerain r Born "desalled LOGOS CAPITAL MANAGEMENT, FILE 2 87/23 (350) 2 Michigan Local conno his tie 1909755ca ne-Leaf South 13.275 9.35 4 1640 7.361 14011111000 1730 80.84 DANCE BY AL Thattem Pade Lucation II Hilliopopt room Suplace 1 100 000 110 1 Level Same the Harris a continue par Dear per Week or July Brokenstein our 1316 40. 41. (11/2) CHEEL Arrest 19) ALLOWARD WOLL BE ASSIGNED TO THIS COMPLETION UNITS. ALL THERESIS HAVE BEEN CONSTRUCTED OF A ROSE-STANDARD USED THAS BEEN APPROVED BY THE DIVISION A OBLHVIOR CERT IS TOVE OW CPP (BA CP) (CS) (CS) (CS) (CA) (M)

Lirechy territy that the observed in random being bettern team and promisely that the best of a viconized that the best of a viconized man a society further, and the team of the context of ninear forces in the least resource for interest further of the context of the c 5290 001 1111 1111 113 1101 1111 Ġ i 1 6 PAUL C. THOUSAN 1700 TAG 38 JC93131 COAR AOZ 2026 W TAGGO 34001932 THUS O WALLEY OF DAME A SOUND AND LINE OF THE CONTROL OF T (2) A Ferrity (C. 1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1) (1.1 tarrivery Cater (AMDAD) (1), 2012 Signature on Sed of factorships by ever The street Turk S  $\geq$ 113 **LUNARUS** JASOM Territorian Restau

0.07 %

District I 162 . N. French Drive, Hobbs, NM 8824( Phone: (575) 393-6161 Fax: (575) 393-07a. District II 811 S. First Street, Antesia, NM 8B210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Drive, Santa Fe, NM 87505 Phone:(505) 476-3460 Fax:(505) 476-3462

State of New Mexico Energy, Minerals & Natural Hesource.// Jepartment

Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

AMENDED REPORT

# OIL CONSERVATION BINISION 1220 South St. Francis Drive Santa Fe ayying அத்தை Office Sureau of Land Managemen.

### WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number				*Poo.1 Coo	le	³Pool Name							
20.0	117 7	1100	120				DAKOTA						
30-043-21120 'Property Code					Property Name					Well Number			
rropercy	COUR								<u> </u>				
		LOGOS								2			
, 'OGRID	No.	*Operator Name								*Elevation			
28712	3			LOGOS	CAPITAL.	MANAG	EMENT, I	LLC		•	6901		
<sup>10</sup> Surface Location									1				
UL or lot no.	Section	Township	Range	lot Idn	Feet from the		/South line	Fe	et from the	East/We	st ling	County	
I	6	55N	5W		1930	S	HTUO		730	EAST		SANDOVAL	
	I	11	Bottom	Hole	Location	If Dif	ferent	Fron	Surface	9			
UL or lot no.	- Section	Township	Range	Lot Tah	Feet from the				Feet from the East/We		st line	County	
			ļ		,	İ							
13					<sup>13</sup> Joint or Infill	14 Concoli	dation Code	15 Orde	a No				
12 Dedicated Acres	OSE	85 Acres	s - (E/2)			Constitu	08(10)7 Colle	l urus	1 140.				
	04.0.	OU NOI CO	(-/		N			<u> </u>		****			
NO ALLOW	ABLE W	ILL BE AS OR A I	SIGNED NON-STA	TO THI CRADNA	IS COMPLET UNIT HAS I	ION UN' BEEN AF	TIL ALL PROVED	INTI BY 1	HE DIVIS	SION			
1313.4	10'	1320	0.00		26	40.00'			I heneby cer	rtify that	the infor	FICATION mation contained	
. 00. 00. LOI 4		L <i>O</i> .3			LOT 2	1	LOT 1	1339.80	herein is true and complete to the best of knowledge and belief, and that this organize either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a rig to drill this well at this location pursuate a contract with an owner of such a minor working interest, or to a voluntary pooling emement or a compulsory pooling order heretofore entered by the division.			this organization or unleased cluding the r has a right tion pursuant such a mineral luntary pooling on order ion.	
00: 5 5		,		6	 36.16432 'N			1320.00	Tau C. Non-pr - 2/2/12 Signature Date  Pauc C. Thomason  Printed Name  Pauc C Walsheng, NET  E-mail Address  18 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.  Survey Date: JANUARY 11, 2012			TICATION  1 location d from field by me or under amme is true belief.	

LONG: 107.39542 W | DATUM: NAD1927 730' LOT 6 LAT: 36.16433 N LONG: 107.39602 W DATUM: NAD 1983 8 2540.00 2640. 1930 LOT

C. EDWARDS JASON ZEW APOFESSIONAL

Signature and Seal of Professional Surveyor

DWARDS 15269

Certificate Number

2640.00

1313.40

1320.00

#### NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Effective 1-1-65

All distances must be from the outer boundaries of the Section. Operator Well No. Delaware Apache Corporation Jair Hait Letter Section Hange County Н 22 North 5 West Sandova 1 Actual Footage Location of Well; 1.980 North 660 East feet from the line and feet from the line Ground Level Blov. Producing Formation Declarted Acreage; 6959 Cuttup. Venado-Mesaverde Acres 1. Outline the acreage dedicated to the subject well by colored pencil or bachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and rovalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? If answer is "yes," type of consolidation \_\_ Yes No If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Usq reverse side of this form if necessary.)\_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, climinating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. 1980' L.D.Somers Regional Production Manager **≶**←660叶) Delaware Apache Corporation February 3, 1972 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 hest of my knowledge and belief. Date Surveyed November 2, 1971 Registered Professional Engineer and/or Land Surveyor E. V. Echohau: Certificate No. 3602 1000

2000

1320 1650

660

## NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator			om me outer boundarie:	s of the section.		
, i	ware Apache C	:	Lesone <b>Jair</b>			Well No.
Unit Letter	Gertion	Township	Flowje	County		
L	8	22N	5W	1 '	ndoval	
Actual Footage Loc	ration of Well:					
660	feet from the	W line and	1980	feet from the	S	line
Ground Level Dev.			Pool Veuado		************************	Dedicated Acreage:
7026	· · · · · · · · · · · · · · · · · · ·	averde	Undos ignate			80 Acros
1. Outline th	re acreage dedica	ated to the subject we	ll by colored penci	l or hachure	marks on t	he plat below.
	ian one lease is nd royalty).	dedicated to the well,	outline each and	identify the o	wnership t	hereof (both as to working
				ll, have the in	iterests of	fall owners been consoli-
dated by c	communitization,	unitization, force-poolin	g. etc/			410
Yes	[ No If a	nswer is "yes;" type of	consolidation			1 April 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
<b>1</b>	Samuel 1	, , , , , ,				JOHN BALL JOWN
If answer	is "no," list the	owners and tract descri	ptions which have	actually been	n consolid	ated. (Use reverse side of
	f necessary.)				-	
						munitization, unitization, approved by the Commis-
S ton.						
	I		 	. 11		CERTIFICATION .
	!		Í	11		
	!		1	11		certify that the information con-
	<u> </u>		1			rein is true and complete to the
	l		1	. []	best of m	y knowledge and belief.
	1		!			
	1	<u> </u>			Name /	
			) }	]  -	Position 1	M. A. Sarate
	l	·	1		,	l Production Manager
1	1		1		Compony	
	i		!		Delawar	e Apache Corporation
	1		1	] [	Date	
	1		 		Feb	ruary 24, 1972
	1		1		I harrier	certify that the well location
Tain #2	<u> </u>		1		•	this plat was plotted from field
Jair #2	1 		!	11		actual surveys made by me or
(-660 <b>'&gt;</b> ₩	ä	,		11	under my	supervision, and that the same
	j		! )		is true o	nd correct to the best of my
	ì		i		knowledge	and belief.
						•
	İ					
1.980'	1		Ι.		Date Survey	mber 21, 1971
1.390	.1	, .	1	1  -		····
	1		1		nedistorea⊪ andVorlamd	Professional Engineer Swydydr
	d .					Echohawk
			150 P. C.		Cortificate N	
0 330 660 19	00 1320 1650 1980	2000 2010	1800 1000	200 0		3602



4001 N. Butler Ave Farmington, NM 87401 Phone: (505) 215-8215

Fax: (303) 974-1767

Date: October 1, 2012

To: New Mexico Oil Conservation Division

Re: Surface Commingling of Pools on Jicarilla Lease 424

#### Dear NMOCD,

Logos Capital Management, LLC (OGRID 287123) is proposing to surface commingle three pools on the Jicarilla Lease 424. Logos Capital Management, LLC has constructed a battery that will serve as a central delivery point for oil, gas, and water production. The oil and gas will be sold at this single delivery point and water will be hauled off from this single delivery point.

Logos proposes to surface commingle fluids from three pools, Venado Mesaverde (62490), Wildcat Gallup WC22N5W5;Gallup(0) (97968), and Wildcat Dakota WC22N5W5;Dakota(0) (97977). These three producing pools are located on Jicarilla Lease 424 and all producing intervals have the exact same ownership for working interest and mineral interest.

Logos expects the commingling of the pools to have a long term positive impact on the value of the lease. The commingling will save future gas connection costs by having a single delivery point at the battery which will save money by eliminating future gas pipeline construction and connection costs on new drilled wells. The commingling will also eliminate the need for batteries at each new drill location and will minimize trucking costs for the sale of oil. This configuration also creates an option for future waterflooding operations by sending the produced water to a single gathering point.

The wells producing on the lease currently do not sell gas. The commingling of gas from all of the wells and all of the pools is expected to make the installation of a gas sales line economic which would not be economic otherwise. Logos does not expect material dilution of gas BTU factors from the commingling of pools or wells on the lease. The gas BTU factor from each zone is difficult to estimate due to the lack of gas sales data in this region; however Logos anticipates the BTU factors to range from 1200 to 1350 BTU/SCF based on data from Logos operated wells in 23N-6W and 24N-6W.

The volumes will be allocated using well test data. The battery has two (2) separators with meters that will be used to test the wells at a frequency of 1 test per month or greater. Each well test will last for 24 hours or greater and will test the oil, gas, and water production using meters. Each test separator can be isolated to produce into either oil production tank so that the meters can be calibrated against a tank gauge to ensure

accuracy. The well tests will be used to allocate each wells contribution to the total oil, gas, and water produced each month.

The expected oil gravity will have a small variance between all pools. The oil gravity between all producing pools ranges from 38 degrees API to 46 degrees API in this region based on offset producing wells. The Gallup and Dakota Wildcat pools have limited API gravity information in this region due to a lack of wells drilled nearby. The oil gravity measured from the sale of oil from Logos #1 was 38 degrees API and was a combination of Gallup Oil and Dakota Oil from flowback operations after initial completion. The oil gravity from the producing Venado Mesaverde wells is 46 degrees API.

The key points of the request to commingle are:

- The working interest and mineral interest on Jicarilla Lease 424 is the same in all pools.
- We expect no material dilution to gas BTU
- Commingling may allow for economic development of a gas sales line
- Commingling should reduce the operating cost structure of the leases and extend the economic life of the properties
- Commingling sets the lease up for secondary recovery which will extend the life and reserves of the wells on the lease.

Please see the attached basic schematics for the proposed commingle. Please let me know if you have further questions or concerns.

Sincerely.

David Gonzales

Vice President of Operations