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DIST. 3

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Farmington Field Office
Bureau of Land Management

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: Jicarilla Apache Lease #424

6. If Indian, Allottee or Tribe Name: Jicarilla Apache Nation

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No

b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

8. Lease Name and Well No: Logos #1

2. Name of Operator: Logos Capital Management, LLC

9. API Well No: 30-043-21119

3A. Address: c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402

3b. Phone No. (include area code): (505) 327-4892

10. Field and Pool, or Exploratory: Basin Dakota

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface: 1640' FNL and 1710' FWL
At proposed prod Zone: Same

11. Sec., T, R., M., or Blk, and Survey or Area: Sec. 5, T22N, R5W

14. Distance in miles and direction from nearest town or post office*: 4 miles southwest of Counselors, NM

12. County or Parish: Sandoval

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1640'	2561.60 ~~2560~~ +/-	W/2 321.13 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
7,000'	6,600' +/-	Bond #1062070
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
6,901' GL	March 15, 2012	2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

25 Signature	Name (Printed/Typed)	Date
Paul C. Thompson	Paul C. Thompson, P.E.	2/2/2012

Title: Agent//Engineer

Approved by (Signature)	Name (Printed/Typed)	Date
/s/ Maulicewos		5/21/12
Title	**Office**	
AFM	FFO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NMOCD

MAY 23 2012

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First Street, Artesia, NM 88210
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 Resources Department

RECEIVED
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Farmington Field Office
Bureau of Land Management

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-043-21119	71599	BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
39236	LOGOS	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
287123	LOGOS CAPITAL MANAGEMENT, LLC	6907'

[10] Surface Location

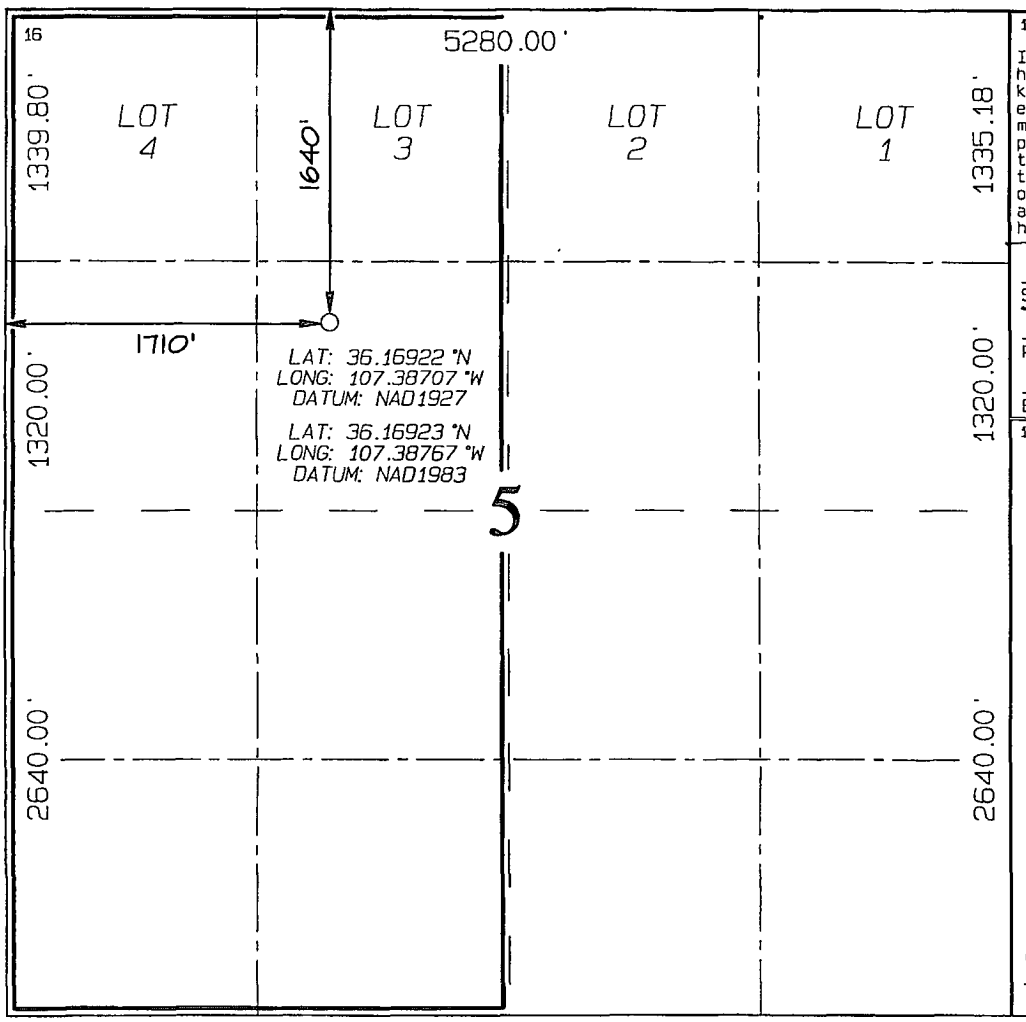
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	5	22N	5W		1640	NORTH	1710	WEST	SANDOVAL

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
321.13 Acres - (W/2)	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Paul C. Thompson 2/2/12
Signature Date

Paul C. Thompson
Printed Name

Paul@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

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

LOGOS CAPITAL MANAGEMENT, LLC.
OPERATIONS PLAN
LOGOS #1

I. Location: 1640' FNL & 1710' FWL
Sec 5, T22N, R5W
Sandoval County, NM

Date: February 2, 2010

Field: Basin Dakota
Surface: Jicarilla Apache
Minerals: Jicarilla Lease #424

Elev: GL 6,907'

II. Geology: Surface formation _ Nacimiento

A.

Formation Tops	Depths
Ojo Alamo	1,396'
Kirtland	1,673'
Pictured Cliffs	1,905'
Lewis	1,996'
Chacra	2,338'
Cliff House	3,384'
Menefee	3,465'
Point Lookout	4,144'
Mancos	4,336'
Niobrara A	5,079'
Niobrara B	5,299'
Niobrara C	5,299'
Greenhorn	6,145'
Graneros	6,191'
Dakota	6,211'
Morrison	6,592'
Total Depth	6,600'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 1,905, 2,338', 3,384', 4,144'.
Water, gas, and oil - 4,336', 5,079', 5,299', 5,299', and 6,211'.

B. Logging Program: Induction/GR and density/neutron logs from TD to the surface casing point. Mud logs will be run from below the surface casing to TD. No DST's or cores are planned for this well. Cased hole GR/CCl and CBL logs will be run from PBTD to surface.

C. No over pressured zones are expected in this well. No H_2S zones will be penetrated in this well. Max. BHP = 2,850 psig. Lost circulation zones may be encountered in the Mesa Verde group and Niobrara sections.

III. Drilling

A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The production hole will be drilled with a fresh water mud and will use bentonite to increase the viscosity. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 9.2 ppg. The water loss will be controlled to a 6 - 8 cc/30 min. and loss circulation will be controlled with cedar fiber, paper, ect.

The Charca, Cliff House, Menefee, and Point Lookout, Mancos, Niobrara, and Dakota formations will all be considered for completion in this well. A completion procedure will be developed after evaluating the wireline and mud logs.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up to 250 psi (Low) for 5 minutes and 1,500 psi (High) for 10 minutes. All tests and inspections will be recorded in the daily drilling tour book.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	320'	8-5/8"	32# J-55
7-7/8"	6,600'	5-1/5"	15.5# J-55

B. Float Equipment:

a) Surface Casing: Notched collar, aluminum insert float in the first collar, and 3 centralizers on the bottom 3 joints.

b) Production Casing: Production Casing: 5-1/2" cement float shoe and self-fill insert float collar. Place float one joint above shoe. **Place DV tool at 4300'**. Place ten centralizers spaced every other joint above the shoe, two turbolizers on the collars below the DV tool and two turbolizers above the DV tool. Place five turbolizers every third joint from the top of the well.

V. Cementing:

Surface casing: 8-5/8" - Use 225 sx (266 cu. ft.) of Type V with 2% $CaCl_2$ and ¼ #/sk celloflake (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1500 psi.

Production Casing: 5-1/2" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **1st Stage: Lead** with 260 sx (458 cu.ft.) of Cl "B" 65/35 poz with 6% gel, 1% $CaCl_2$, 4% phenoseal, and ¼ #/sx celloflake (Yield = 1.76 cu. ft./sk; slurry weight = 12.8 PPG). **Tail** with 100 sx (146 cu.ft.) of Cl "B" 50/50 poz with 0.15% dispersant, 1% $CaCl_2$ and ¼#/sk. celloflake. (Yield = 1.46 cu. ft./sk; slurry weight = 13.0 PPG). **2nd Stage**: Precede cement with 20 bbls of water. **Lead** with 600 sx (1056 cu.ft) Cl "B" 65/35 poz with 6% gel, 1% $CaCl_2$, and ¼ #/sx celloflake (Yield = 1.76 cu. ft./sk; slurry weight = 12.8 PPG). **Tail** with 100 sx (146 cu.ft.) of Cl "B" 50/50 poz with 0.15% dispersant, 1% $CaCl_2$ and ¼#/sk. celloflake. (Yield = 1.46 cu. ft./sk; slurry weight = 13.0 PPG). Total cement volume is 1806 cu.ft. (50% excess to hole volume to circulate cement to surface).

Paul C. Thompson

Paul C. Thompson, P.E.

Well Control Equipment Schematic for 2M Service

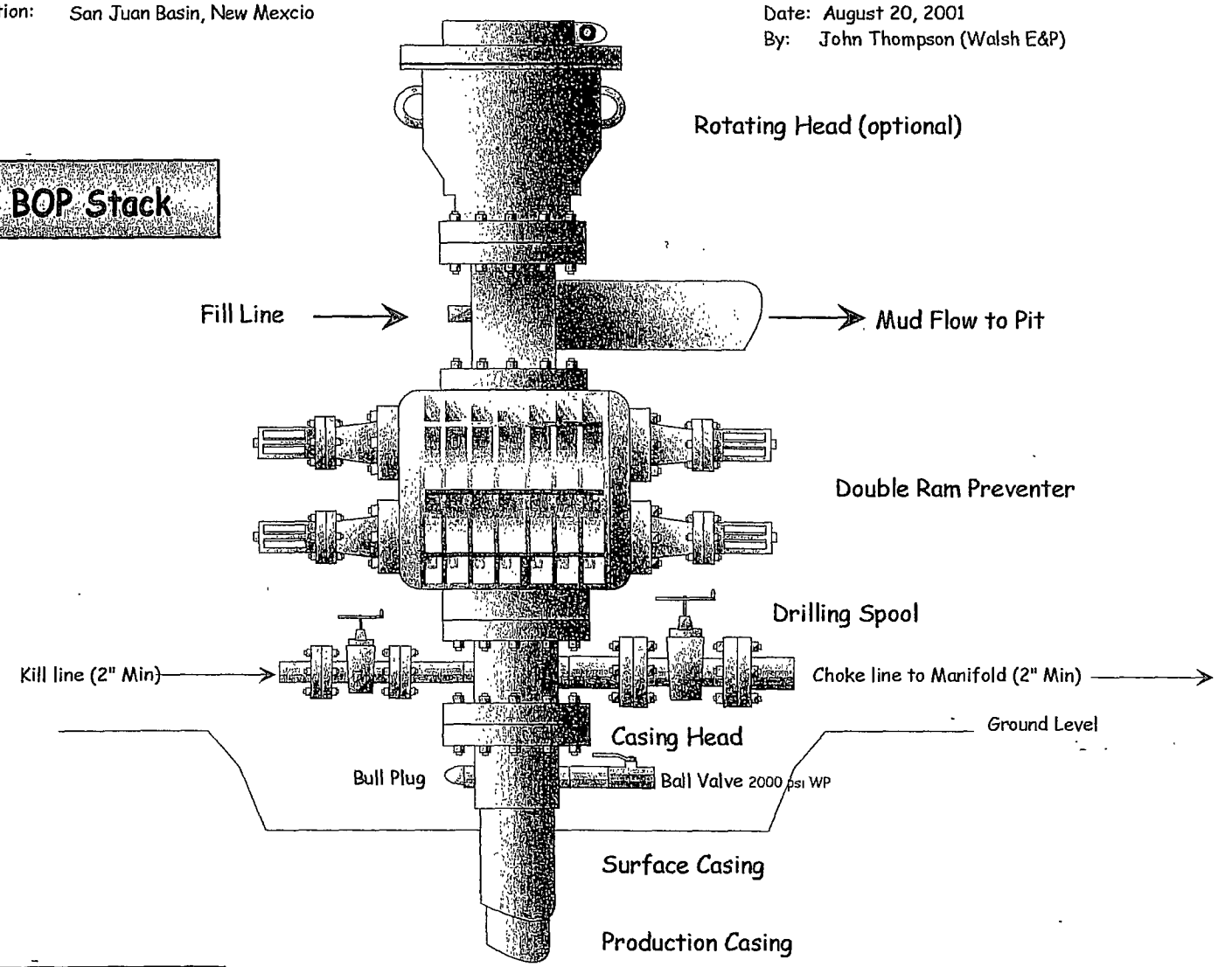
Attachment to Drilling Technical Program

Exhibit #1
Typical BOP setup

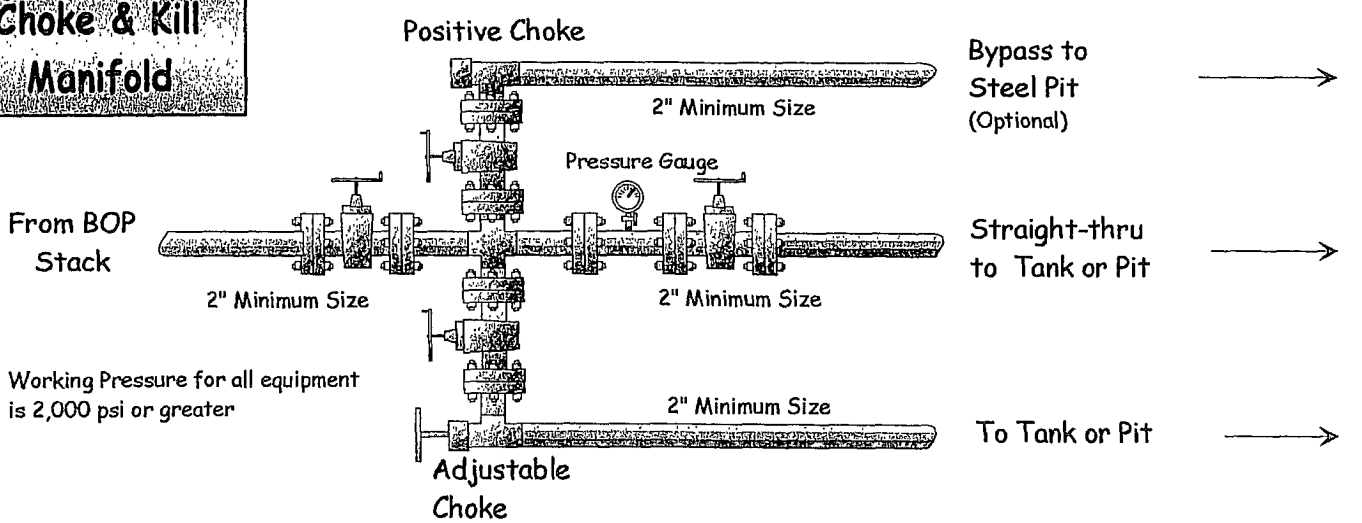
Location: San Juan Basin, New Mexcio

Date: August 20, 2001
By: John Thompson (Walsh E&P)

BOP Stack



Choke & Kill Manifold



Working Pressure for all equipment is 2,000 psi or greater