

2/14/2014 DATE IN	SUSPENSE	Re ENGINEER	2/18/2014 LOGGED IN	NSL NSP TYPE	PMAM1404950953 PMAM1404951493 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 X NSL X NSP ☐ SD

 Check 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] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] X 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

2017 FEB 11 10:46:00
 -NSL
 -NSP
 -LOGOS
 OPERATING
 289408
 well
 HENOS 40
 30-045-Pending
 Pool
 -BASIN MANCOS
 97232

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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 Montgomery & Andrews, P.A.	<i>J. Scott Hall</i>	Attorney for Applicant	2/14/2014
Print or Type Name	Signature	Title	Date
		shall@montand.com	
		e-mail Address	



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL

Phone: (505) 986-2646

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

RECEIVED OGD

FEB 14 P 3:51

February 14, 2014

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

**Re: Logos Resources LLC
Request for Administrative Approval
Non-Standard Oil Spacing Unit and Unorthodox Well
Location Basin-Mancos Gas Pool (97565)**

**Heros Well No. 4-O
API No. 30-045- (pending)
734' FSL and 1833' FEL (0) (vertical)
SW/4 SE/4 Section 4, T23N, R8W, NMPM
San Juan County, New Mexico**

Dear Ms. Bailey:

On behalf of Logos Resources LLC ("Logos") and pursuant to Division Rule 19.15.15.11.B(2) (a) and (b) and the applicable rules governing the acreage and well location requirements for the Basin-Mancos Gas Pool (97232; Order No. R-12984), we request administrative approval for a 40 acre $\pm$ non-standard oil spacing and proration unit comprised of the SW/4 SE/4 of Section 4, Township 23 North, Range 8 West, NMPM.

Logos seeks an exception from the applicable acreage dedication and well location rules for the following reasons: Order No. R-12984 established special pool rules for the Basin-Mancos Pool as a gas pool with 320 acre spacing units and well location setbacks of 660'. The special pool rules also provide that oil wells located within two miles of certain Gallup oil pools or associated pools identified in Order No. R-12984 are to be drilled and spaced in accordance with the rules applicable to those pools. The spacing unit proposed in this case is located in close proximity to the

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

Jami Bailey
February 14, 2014
Page 2

Nageezi - Gallup Oil Pool (47540) and the well is expected to produce oil from a correlative stratum. The current rules for that pool reflect statewide rules and provide that wells shall be located no closer than 330' to the boundary of a unit, with 40-acre units dedicated to the wells. However, this pool is not among the pools specified in Order No. R-12984 and therefore, the Division has previously advised that the rules for the pool may not be extended to the proposed spacing unit and well location. Therefore, this application for exception is made necessary.

This proposed well is no closer than 330' to the outer boundary of the SW/4 SE/4 of the section and otherwise complies with statewide acreage dedication and locational rules applicable to oil wells. The unit and well location are also consistent with the established development pattern for Mancos oil wells in the area. In this regard, please note that the Division has previously approved a non-standard location and a non-standard proration unit for a Basin-Mancos oil well drilled by Logos in Unit P immediately adjoining the subject unit. (See Orders NSL-6753 and NSR-1961.) The the C-102 plat and area APD Map showing the SW/4 SE/4 spacing unit and the proposed location for the Heros Well No. 4-O are attached as Exhibits A and B.

Logos Resources LLC owns and operates all of Section 4 T23N R8W under a single federal lease (NMNM-109398). Royalty and overriding royalty interests in the S/2 of Section 4, including the SW/4 SE/4 of the section are uniform. The Bureau of Land Management is being notified of this application, but no further notification is indicated under Division Rules 19.15.4.12 A(2) and (3) (Exhibit C).

The Division's Administrative Application Checklist is enclosed.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Very truly yours,



J. Scott Hall

JSH:dh

Enclosures

DISTRICT I
1635 N. French Dr., Hobbs, N.M. 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
611 E. First St., Artesia, N.M. 88210
Phone: (505) 748-1883 Fax: (505) 748-0780

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 834-6176 Fax: (505) 834-6170

DISTRICT IV
1220 E. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
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 BASIN MANCOS
⁴ Property Code	⁵ Property Name HEROS	⁶ Well Number 0040
⁷ GRID No. 289408	⁸ Operator Name LOGOS OPERATING, LLC	⁹ Elevation 6862'

¹⁰ Surface Location

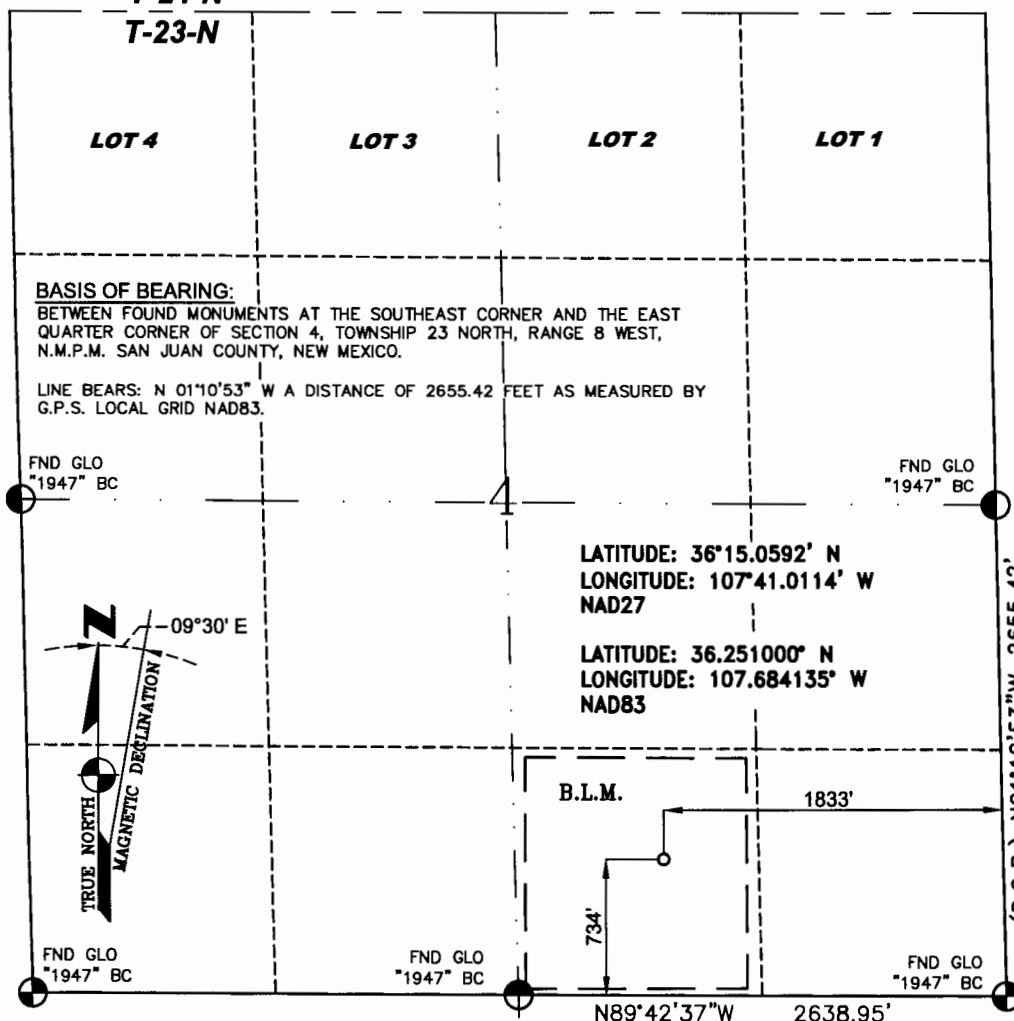
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	4	23-N	8-W		734	SOUTH	1833	EAST	SAN JUAN

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 40.00 ACRES SW/SE			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

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

¹⁶ T-24-N
T-23-N



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 a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

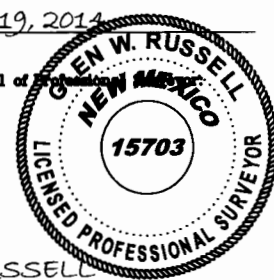
¹⁸ SURVEYOR CERTIFICATION

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.

FEBRUARY 19, 2014

Date of Survey

Signature and Seal of



GLEN W. RUSSELL

Certificate Number

15703

LOGOS OPERATING, LLC.

HEROS #0040

734' FSL & 1833' FEL

SEC. 4, T23N R8W, N.M.P.M

SAN JUAN COUNTY, NEW MEXICO

APD MAP

583.01' NEW BLM ACCESS

EXISTING ACCESS

HEROS #0040

583.01' NEW BLM ACCESS

Map created with **TOPOIG** ©2007 National Geographic

**NATIONAL
GEOGRAPHIC**

0.0 0.5 1.0 miles
0.0 0.5 1.0 1.5 km

EXHIBIT B

TN MN
9 1/2°
02/07/14

Notice List

Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401-8731



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL

Office: (505) 986-2646

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

February 14, 2014

Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401-8731

**CERTIFIED MAIL/
RETURN RECEIPT REQUESTED**

**Re: Logos Resources LLC
Request for Administrative Approval
Non-Standard Oil Spacing Unit and Unorthodox Well Location
Basin-Mancos Gas Pool (97565)

Heros Well No. 4-0
API No. Pending
734' FSL and 1833' FEL (O) (vertical)
SW/4 SE/4 Section 4, T23N, R8W, NMPM
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 Resources LLC has on this date made application to the NMOCD for administrative approval for a non-standard oil spacing unit and an unorthodox well location for its Heros Well No. 4-0 to be drilled at the location reflected above to the Mancos formation, Basin-Mancos Gas Pool, in San Juan County, New Mexico. 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 non-standard spacing unit and unorthodox well location, you are requested to indicate your waiver of objection

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Post Office Box 36210
Albuquerque, New Mexico 87176-6210

Bureau of Land Management
February 14, 2014
Page 2

by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely,

MONTGOMERY & ANDREWS, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall

CONSENT:

By: _____

541419

McMillan, Michael, EMNRD

From: John Austin Akers <aakers@logosresourcesllc.com>
Sent: Thursday, March 06, 2014 8:20 AM
To: McMillan, Michael, EMNRD
Subject: RE: Heros 4-O well

Hi Michael,

It should be the Letter O (the qtr-qtr section designation in which the well is) I will let our APD folks know that they need to change up the C-102. Sorry about that.

Thanks,

John "Austin" Akers
Vice President of Land- Logos Resources, LLC
P:615-523-2661 F: 303-974-1767

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, March 6, 2014 9:07 AM
To: John Austin Akers
Subject: Heros 4-O well

Austin:

Can you clarify the name of the Heros 4-O well. Scott Hall has 4-O (letter). the C-102 has 4-0(number).
I want to make sure it is correct in the order.
Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F: 505.476.3462

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McMillan, Michael, EMNRD

From: J. Scott Hall <SHall@montand.com>
Sent: Wednesday, March 05, 2014 3:19 PM
To: McMillan, Michael, EMNRD
Subject: RE: Logos Heros 3N,4-O,2M wells

Both engineering and geologic. The locations conform to an existing development pattern in the area and one oil well at a gas well location won't efficiently recover all the reserves in the 40-acre unit. The locations are also necessary to protect from drainage from an offsetting well in Section 9 located less than 660' off the section line and these locations are prospective for production from the same stratum.

Please let me know if more information is needed.

J. Scott Hall
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
shall@montand.com
(505) 986-2646

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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Wednesday, March 05, 2014 12:03 PM
To: J. Scott Hall
Subject: Logos Heros 3N,4-O,2M wells

Scott:

I know you are applying for NSL for these three wells because they are within 2 miles of an existing Gallup Pool. Are there any other reasons, including geological or engineering that you are also applying for the NSL?

I will start writing the administrative application tomorrow, and your response will help justify the location.

E-mail me or call me if you have questions.

Thank You

Michael A. McMillan

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1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462