

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



April 29, 2014

Logos Operating, LLC
c/o Montgomery & Andrews Law Firm
Attn: Mr. Scott Hall

ADMINISTRATIVE NON-STANDARD LOCATION AND
NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSL-7044
Administrative Application Reference No. pMAM1404955230

Administrative Order NSP-1977
Administrative Application Reference No. pPMAM1404955774

Logos Operating, LLC
OGRID 289408
Logos Heros Well No. 3N
API No. 30-045-pending

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
630FSL & 2268FWL	N	4	23N	8W	San Juan

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 SW/4 of Section 4	40	Basin Mancos	97232

Reference is made to your application received on February 18, 2014.

You have requested to drill this well at an unorthodox oil 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 provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries. You have requested a 40-acre, non-standard proration unit, and a location less than 660 feet from the outer boundaries of that unit.

April 29, 2014

Page 2

Non-Standard Location:

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 you are seeking this location for geologic and engineering reasons. The location conforms to an existing development pattern in the area and one well at a gas location will not efficiently recover all the reserves in the 40-acre unit.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13.B NMAC, the above-described unorthodox location is hereby approved.

Non-Standard Proration Unit:

You have also requested approval of a 40-acre, more or less, non-standard proration unit comprising Unit N (SE/4 SW/4) of Section 4.

It is our understanding that you are requesting this non-standard unit because this well is expected to produce oil from a correlative stratum to existing oil production from the adjacent Nageezi Gallup Pool, which is spaced on 40-acres for oil pursuant to statewide rules.

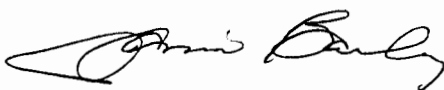
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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

These 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.

DONE at Santa Fe, New Mexico, on April 29, 2014



Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management - Farmington