

DATE IN 2/18/2014	SUSPENSE	ENGINEER Re	LOGGED IN 2/18/2014	TYPE NSL NSP	APP NO. PMAM1404955230 PMAM1404955774
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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

[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.

J. Scott Hall

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 18 2014

February 18, 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. 3N
API No. 30-045- (pending)
630' FSL and 2268' FWL (N) (vertical)
SE/4 SW/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 SE/4 SW/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

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 18, 2014
Page 2

close proximity to the 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 SE/4 SW/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 of Section 4. (See Orders NSL-6753 and NSP-1961.) The C-102 plat and area APD Map showing the SE/4 SW/4 spacing unit and the proposed location for the Heros Well No. 3N are attached as Exhibits A and B.

In accordance with Division Rules 19.15.4.12 A(2) and (3) notification is being provided to those interest owners reflected in 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,

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

J. Scott Hall

JSH:lb

Enclosures

cc: John Austin Akers

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3489

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

T-23-N

LOT 4 **LOT 3** **LOT 2** **LOT 1**

BASIS OF BEARING:
 BETWEEN FOUND MONUMENTS AT THE SOUTHWEST CORNER AND THE SOUTH
 QUARTER CORNER OF SECTION 4, TOWNSHIP 23 NORTH, RANGE 8 WEST,
 N.M.P.M. SAN JUAN COUNTY, NEW MEXICO.

LINE BEARS: S 89°40'59" E A DISTANCE OF 2641.20 FEET AS MEASURED BY
 G.P.S. LOCAL GRID NAD83.

FND GLO
 "1947" BC

LATITUDE: 36°15.0432' N
LONGITUDE: 107°41.2513' W
NAD27

LATITUDE: 36.250733° N
LONGITUDE: 107.688134° W
NAD83

B.L.M.

2268'

630'

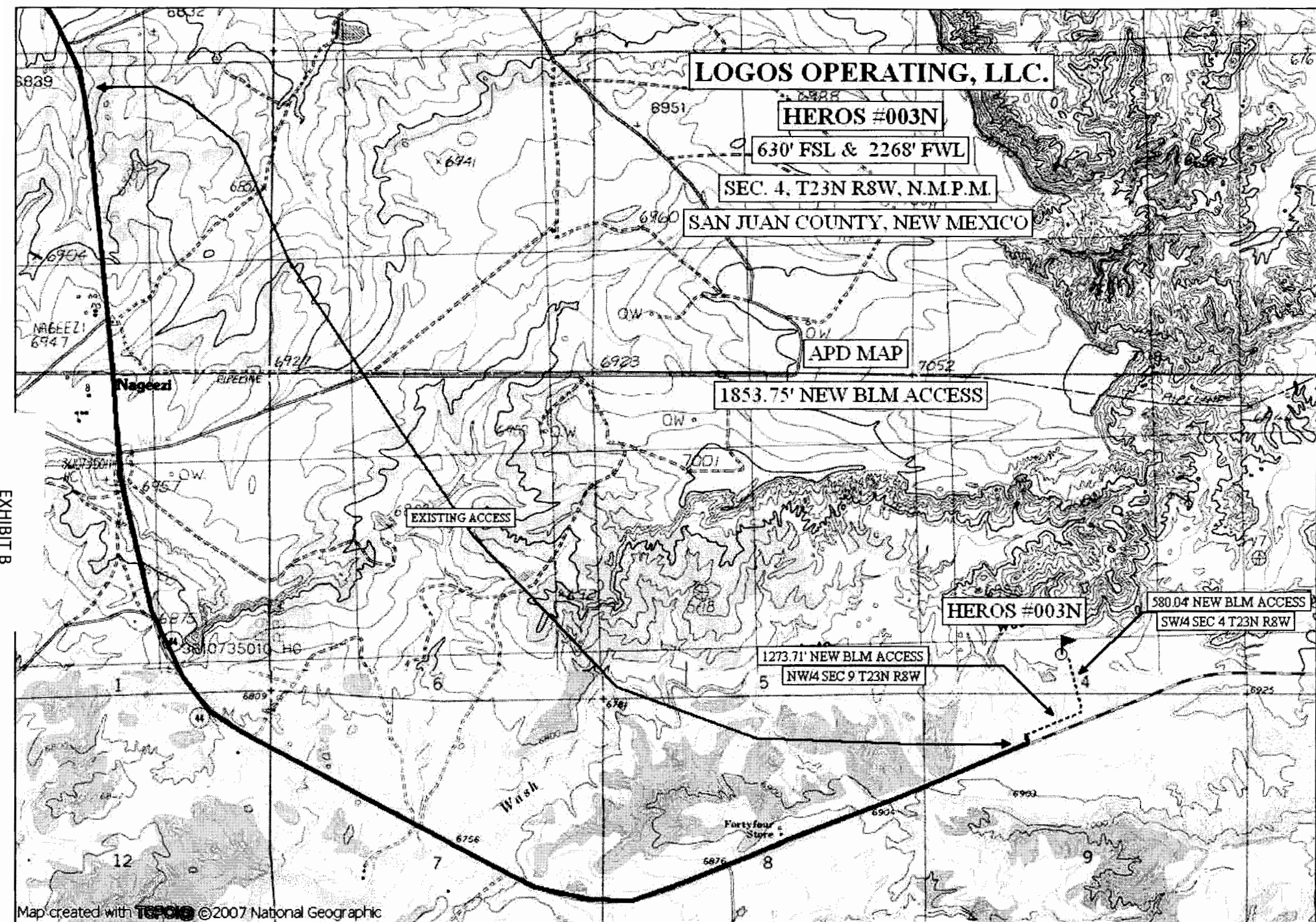
FND GLO
 "1947" BC

FND GLO
 "1947" BC

TRUE NORTH
MAGNETIC DECLINATION
 -09°30' E

(B.O.B.) S89°40'59"E - 2641.20'

GLEN W. RUSSELL
Certificate Number 15703



Notice List

Burlington Resources Oil and Gas Company LP
P. O. Box 51810
Midland, TX 79101-1810

Elm Ridge Exploration Company LLC
12225 Greenville Ave., Ste. 950
Dallas, TX 75243-0597

Energen Resources Corporation
2010 Aston Pl.
Farmington, NM 87401

Graham ACQ 1984-II
3510 Causeway Blvd.
Metairie, LA 70002

Pinnacle Production Prop.
555 S Camino del Rio
Durango, CO 81301

Pioneer Natural Resources USA Inc.
1401 17th Street #1200
Denver, CO 80202

WPX Energy Production LLC
4400 One Williams Center
Tulsa, OK 74172-0144

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

THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO shall@montand.com AND DELETE THE MESSAGE. THANK YOU.

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

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



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL

Phone: (505) 986-2646

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

February 18, 2014

Energen Resources Corporation
2010 Aston Pl.
Farmington, NM 87401

**CERTIFIED MAIL/
RETURN RECEIPT REQUESTED**

Energen Resources Corp.
Farmington Land
RECEIVED

FEB 19 2014

**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. 3N
API No. (pending)
630' FSL and 2268' FWL (N) (vertical)
SE/4 SW/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. 3N 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.

REPLY TO:

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Santa Fe, New Mexico 87501
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Santa Fe, New Mexico 87504-2307

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Post Office Box 36210
Albuquerque, New Mexico 87176-6210

February 20, 2014
Page 2

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

Sincerely,

MONTGOMERY & ANDREWS, P.A.

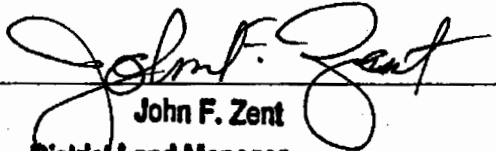


J. Scott Hall

CONSENT:

Energen Resources Corporation

By:


John F. Zent
District Land Manager