

8/05/2014 DATE IN	SUSPENSE	RE ENGINEER	8/09/2014 LOGGED IN	CTB TYPE	PMAM142175-BS1 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]

-CTB  
-LOSOS OPERATING  
289408

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ 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 \_\_\_\_\_

PROCESSED  
8/13/14

#### [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] ☒ 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

- Wells  
- ENCHILADA 2x  
30-039-31194  
- ENCHILADA 1  
30-039-23352  
Pool  
- COUNSELORS  
GALLUP-DAKOTA  
13379

#### [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.

Tamra Sessions  
Print or Type Name

Signature

Operations Technician  
Title

Date

tsessions@logosresourcesllc.com

e-mail Address

CTB-728



4001 N. Butler Ave  
Farmington, NM 87401  
Phone: (505) 215-8215  
Fax: (303) 974-1767

Date: July 31, 2014

To: New Mexico Oil Conservation Division, Santa Fe

Re: Enchilada 1 & Enchilada 2X - Commingled Gas Measurement

Logos Operating, LLC proposes to surface commingle the gas production from the Enchilada 1 (API 30-039-23352) with the Enchilada 2X (API 30-039-31194). The surface commingle will allow for the Enchilada 1 and Enchilada 2X to sell gas into a shared meter which will allow for an economical solution to share a custody transfer meter.

The gas from the Enchilada 1 and Enchilada 2X will be piped through steel pipelines and the gas will be commingled and will be sold to a custody transfer Central Delivery Point (CDP) on BeeLine pipeline. The CDP will measure the total commingled gas volume from the Enchilada 1 and Enchilada 2X.

Gas allocations will be determined using a custody transfer meter and a well test method. The Enchilada 1 is a marginal well, which produced last in June 2013 and cannot economically support buying a meter for its own use. Logos is planning a workover job to try and put the Enchilada 1 back on production. Logos will determine the production from each well from well tests conducted periodically, but not less than annually. The results will be used to determine an allocation percentage to be applied to the total gas produced at the CDP.

The estimated monthly gas production for the Enchilada 2X is 2427MCF (85 MCFD). The Enchilada 1 estimated monthly gas production from the last months it produced is 47MCF (4 MCFD).

#### Identification of Lease and Pool

Well Name	ST. Lease No.	Pool 1	API
Enchilada 1	E-1207	Counselors Gallup-Dakota 13379	30-039-23352
Enchilada 2X	E-1207	Counselors Gallup-Dakota 13379	30-039-31194

Enchilada 2X Production			
Month	Mcf	Days P/I	BTU
12/1/2013	3093	25	1308
1/1/2014	2653	27	1308
2/1/2014	2321	28	1308
3/1/2014	2392	31	1308
4/1/2014	2012	30	1308
5/1/2014	2089	30	1283

Enchilada 1 had last oil production in June 2013 and last reported gas production in May 2012. The Enchilada 1 estimated monthly gas production from the last months it produced is 47MCF (4 MCFD). The BTU for both wells will be approximately the same.



4001 N. Butler Blvd. Bldg 7101  
Farmington, NM 87401  
Phone: (505) 436-2626  
Fax: (303) 974-1767

July 31, 2014

NMOCD- SANTA FE OFFICE  
1220 SOUTH ST. FRANCIS DRIVE  
SANTA FE, NEW MEXICO 87505

**Sent Via US Mail**

CC: STATE OF NEW MEXICO  
OIL, GAS, AND MINERALS DIVISION  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**Re: Logos Operating, LLC  
Surface Comingling Application Notice  
Enchilada 2X (30-039-31194), Enchilada 1 well (30-039-23352)  
NE/4 Section 16, T23N, R6W  
Rio Arriba County, New Mexico**

To whom it may concern:

Enclosed please find a C-103 application and associated documents for the Enchilada 2X and Enchilada 1 wells. This application requests surface comingling of those wells

The New Mexico State Land Office owns 100% minerals in all depths in this well and has been notified of this application. All ownership is uniform across the pools these wells produce from, and the wells have identical ownership in the same spacing unit (160 acres- NE/4).

Should you have any concerns regarding this application please contact me at 303-550-1877 or [aakers@logosresourcesllc.com](mailto:aakers@logosresourcesllc.com)

Very truly yours,

A handwritten signature in black ink, appearing to read "John Austin Akers", written over a horizontal line.

John Austin Akers  
Vice President of Land  
Enclosures: C103 application

DISTRICT I  
1000 E. French Dr., Santa Fe, N.M. 87505  
Phone: (505) 266-6161 Fax: (505) 266-0780

DISTRICT II  
511 E. First St., Artesia, N.M. 88210  
Phone: (505) 746-1388 Fax: (505) 746-0780

DISTRICT III  
1000 E. Brown St., Aztec, N.M. 87410  
Phone: (505) 384-6170 Fax: (505) 384-6170

DISTRICT IV  
1000 E. St. Francis Dr., Santa Fe, N.M. 87505  
Phone: (505) 478-5488 Fax: (505) 478-5488

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

<sup>1</sup> API Number 30-039-31194	<sup>2</sup> Pool Code 13379	<sup>3</sup> Pool Name COUNSELORS GALLUP DAKOTA
<sup>4</sup> Property Code 310188	<sup>5</sup> Property Name ENCHILADA	
<sup>6</sup> OCRD No. 289408	<sup>7</sup> Operator Name LOGOS OPERATING, LLC	<sup>8</sup> Well Number 2X
		<sup>9</sup> Elevation 6887'

<sup>10</sup> Surface Location

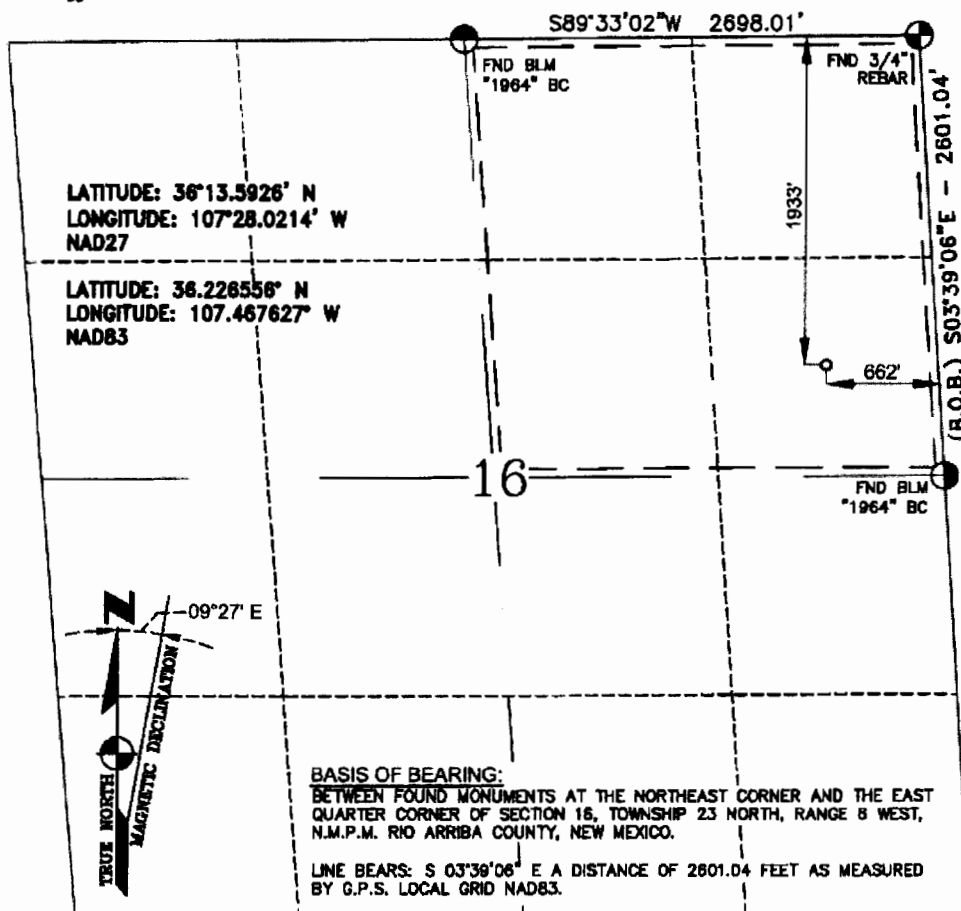
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	16	23-N	6-W		1933	NORTH	662	EAST	RIO ARriba

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



<sup>17</sup> 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 undivided 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.

*Tamra Sessions* 9-4-13  
Signature Date  
Tamra Sessions  
Printed Name  
tsessions@logosresourcesllc.com  
E-mail Address

<sup>18</sup> 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.

July 22, 2013  
Date of Survey  
Signature and Seal of Professional Surveyor



GLEN W. RUSSELL  
Certificate Number 15703

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

Operator <b>MERRION OIL &amp; GAS CORPORATION</b>			Lease <b>ENCHILADA</b>		Well No. <b>1</b>
Unit Letter <b>B</b>	Section <b>16</b>	Township <b>23N</b>	Range <b>6W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well:					
<b>860</b> feet from the <b>North</b> line and <b>1825</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6856</b>	Producing Formation <b>Gallup</b>	Pool <b>Counselors Gallup</b>		Dedicated Acreage <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 royalty).
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?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use 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, eliminating such interests, has been approved by the Commission.

		860' 1825' 	
Sec.		E-1207+1	
		16	

Scale: 1"=1000'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
**Steve S. Dunn**

Position  
**Operations Manager**

Company  
**Merrion Oil & Gas Corporation**

Date  
**12/6/83**

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 knowledge and belief.

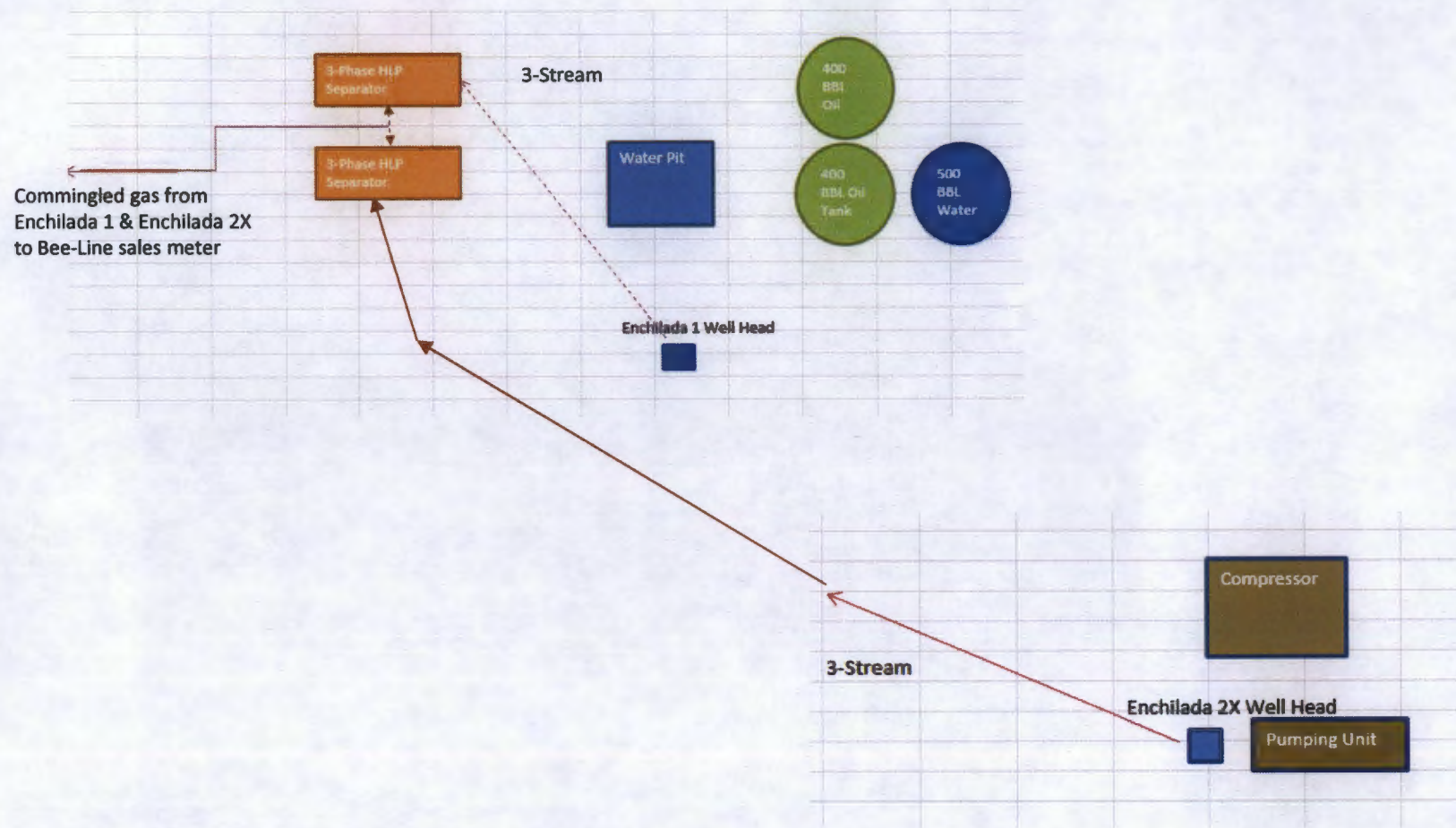
Date Surveyed  
**11/30/83**

Registered Professional Engineer and Land Surveyor

**Fred B. Kern Jr.**

Certificate No. **3950**

**State Lease E-1207**  
**Section 16, T23N, R06W**



**NEW MEXICO STATE LAND OFFICE**  
**Commingle PRE-Application      ONLINE Version**

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: Tamra Sessions Company: Logos Operating, LLC  
Address: 4001 N. Butler, Bldg 7101 City Farmington  
Telephone: 505-436-3790 ext 103 Fax: 505-832-3095 State NM Zip 87401

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

**1. Briefly describe what you propose to do.** Surface commingle gas production from the wells listed below by using a central delivery point (CDP) and well test method to allocate production. Both wells are on the same lease and ownership is identical. See attached C-103 and attachments that have been mailed to NMOCD in Santa Fe.

**2. Fill in the following information for each well.** *[Attach additional pages if needed.]*

**Well name & number** Enchilada 2X Lease # E-1207  
Lessee of Record Logos Operating, LLC  
Legal land description: Subdivisions UL H (SE/NE)  
Sect 16 T 23N R 06W NMPM Rio Arriba County NM  
Pool Counselors Gallup-Dakota

**Well name & number** Enchilada 1 Lease # E-1207  
Lessee of Record Logos Operating, LLC  
Legal land description: Subdivisions UL B (NW/NE)  
Sect 16 T 23N R 06W NMPM Rio Arriba County NM  
Pool Counselors Gallup-Dakota

**Well name & number** \_\_\_\_\_ Lease # \_\_\_\_\_  
Lessee of Record \_\_\_\_\_  
Legal land description: Subdivisions \_\_\_\_\_  
Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ County NM  
Pool \_\_\_\_\_



## **THE STATE LAND OFFICE RULE PERTAINING TO COMMINGLING**

### **19.2.100.53 COMMINGLING AND OFF-LEASE STORAGE OF OIL AND GAS ON STATE TRUST LANDS:**

**A.** Commingling Prohibited: Unless approved pursuant to Subsection B of 19.2.100.53 NMAC, the commingling, confusion or the intercommunication of oil or gas production from any state well with any production from any other well, whether state or non-state, by the use of common tankage facilities or central delivery points, is strictly prohibited.

**B.** Commingling Allowed - Off-Lease Storage:

(1) Commingling of oil and gas production, including downhole commingling, if properly metered or allocated and accounted for, may be permitted within the discretion of the commissioner only after his receipt of a written application containing the information specified in Subsection C of 19.2.100.53 NMAC and application fee as set in 19.2.100.65 NMAC.-

(2) Off-lease storage of production may be permitted if properly metered or allocated and accounted for, within the discretion of the commissioner only after his receipt of a written application containing the information specified in Subsection C of 19.2.100.53 NMAC and an application fee as set in 19.2.100.65 NMAC.

**C.** Application for Permission to Commingle or Off-Lease Store Production. Applications for permission to commingle or off-lease store production shall be directed to the commissioner and shall include:

(1) Formal application stating the type of permission desired and the reasons therefor, accompanied by an application fee of thirty dollars (\$30.00).

(2) Plat showing the location of leases, wells, flow lines, metering facilities and common tankage. All plats and diagrams should differentiate between surface and underground pipe.

(3) A list of the involved leases arranged by their state land office lease number, their legal description and including state beneficiaries.

(4) A designation of the pool from which each well produces.

(5) An economic analysis of proposed operation showing profit or loss to the state of New Mexico.

(6) Schematic diagram of entire system from production manifold to pipeline connection showing position of all components of flow stream.

(7) Description of the operating sequence explaining the complete operation.

(8) The applicant's proposal for allocating or metering production so that all production is properly accounted for at the well.

(9) Any other pertinent data that will assist the commissioner in deciding upon the application. [19.2.100.53 NMAC – Rn, SLO Rule 1, Sections 1.053, 1.054, 1.055, 12/13/2002]

### **19.2.100.65 FEES:**

...

**I.** Application fee for commingling (additional fee may be charged for investigation and administration at the discretion of the commissioner with the prior approval of the applicant): thirty dollars (\$30.00).