

# NSL Initial Application

Received: 02/06/20

P.O. No.: 2B6L9-200206-NSL000

Revised March 23, 2017

RECEIVED: <b>02/06/20</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL2004439102</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

<b>Applicant:</b> LOGOS Operating, LLC	<b>OGRID Number:</b> 289408
<b>Well Name:</b> Zeus 2308 03 No. 4H	<b>API:</b> 30-045-38179
<b>Pool:</b> Basin-Mancos	<b>Pool Code:</b> 97232

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL☐ NSP

(PROJECT AREA)

☐ NSP

(PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application  
Content  
Complete

- 3) 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

Print or Type Name

Signature

February 6, 2020

Date

505-303-7236

Phone Number

shall@logosresourcesllc.com

e-mail Address



J. Scott Hall  
Senior Attorney  
LOGOS Resources II, LLC  
317 Paseo de Peralta  
P. O. Box 1946  
Santa Fe, NM 87504  
Office: 505.303.7236  
Mobile: 505.670.7362

[shall@logosresourcesllc.com](mailto:shall@logosresourcesllc.com)

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February 4, 2020

Adrienne Sandoval, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Via Email: [Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)

Re: **LOGOS Operating, LLC**  
**Application for Administrative Approval, Unorthodox Well Location (NSL)**  
**Basin Mancos Gas Pool (97232)**

**Township 23 North, Range 8 West, San Juan County**  
**Section 1: Lot 4, SW/4 NW/4**  
**Section 2: Lots 1, 2, 3, 4, S/2 N/2**  
**403.72 acres**

**Zeus 2308 03 Well No. 4H (Horizontal Oil/NSL)**  
**API No. 30-045-38179**  
**SL: 1938' FNL and 223' FEL (H), Section 3**  
**FTP: 754' FNL and 330' FEL Lot 4 (E), Section 1**  
**LTP: 753' FNL and 100' FWL Lot 4 (D), Section 2**  
**BL: 755' FNL and 1100' FEL (D), Section 1**

Dear Ms. Sandoval:

LOGOS Operating, LLC ("LOGOS"), as operator for LOGOS Resources II, LLC, hereby requests administrative approval of non-standard location for the Zeus 2308 03 Well No. 4H (the "Subject Well") pursuant to New Mexico Oil Conservation Division ("NMOCD") rules governing the drilling of horizontal wells in the Basin Mancos Gas Pool (Pool ID 97232). LOGOS intends to drill the Subject Well as horizontal oil wells with a communitized dedicated spacing unit comprised of Lot 4 and the SW/4 NW/4 of Section 1 and Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 23 North, Range 8 West, N.M.P.M., San Juan County, New Mexico (the "HSU" or "Spacing Unit"). LOGOS has the rights to the lease within this spacing unit, along with the attendant right to drill.

#### **Non-Standard Location**

Under the recently adopted amendments to Rule 19.15.16 NMAC, the proposed locations of the completed intervals of the Subject Well are unorthodox for a gas well because they encroach upon adjacent tracts to a distance such that the first take point in each of the wellbores is at least 330' west of the east line of Lot 4 of Section 1 and the last take points are at least 100' east of the west line of said Section 2. The

February 6, 2020

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Subject Well is located within the Basin-Mancos Gas Pool which does not have rules for oil wells. However, the well is near the frozen Nageezi-Gallup Oil Pool and is expected to produce oil from a correlative stratum. The depicted locations for the Subject Well would be orthodox for an oil well under Rule 19.15.16 NMAC, and LOGOS believes that the Subject Well will produce a gas to oil ratio that would fit within industry standards for oil wells.

Exhibits demonstrating the full development of the 403.72 acre HSU by the Subject Well and a planned adjacent well are set out as Exhibits "A" through "D" attached hereto. The location of the Zeus 2308 03 Well No. 4H is specifically depicted in C-102 Exhibit "B". Further, Exhibit "D" depicts the locations of the first and last perforations as well as the operatorship of the Gallup formation or, absent an NMOCD approved operator of the Gallup formation, all working interest owners in the Gallup formation in any spacing unit which is subject to encroachment under the provisions of Rule 19.15.16 NMAC governing setbacks for a horizontal gas well.

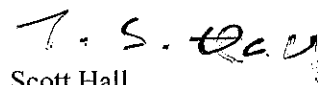
### **Reasoning for the Application**

Approval of the non-standard location detailed in this Application will allow efficient development of the Gallup formation consistent with generally accepted industry standards governing proper wellbore orientation, while minimizing the substantial waste that would result from imposition of the setbacks and well spacing imposed for gas wells under the provisions of Rule 19.15.16 NMAC. It is noted that Gallup wells in the vicinity of the Subject Well, including recent horizontal wells drilled wholly or partly in the Basin Mancos Gas Pool, have been permitted using 100' setbacks from the first and last take points in the wellbore, and it is expected that the Subject Well will produce well below the gas-to-oil ratio cutoff specified in the definition of a "gas well" in 19.15.2.7 NMAC. Both the Spacing Unit and the location of the Subject Well would be standard under the provisions of Section 19.15.16 NMAC governing the spacing and setbacks for horizontal oil wells. Accordingly, approval of this Application will allow maximum development of the Spacing Unit without preventing the future development of the surrounding area.

The NMOCD's Administrative Application Checklist is enclosed at the beginning of this package. A list of Affected Parties previously notified is set forth in the attached Exhibit "E". A certified mailing of the form letter attached hereto as Exhibit "F" was sent to each such Affected Party on February 4, 2020, advising that any objection must be filed with the NMOCD within 20 days of the NMOCD's receipt of the Application.

If any additional information is necessary for review of this Application, please do not hesitate to contact me by phone at 505-303-7236 or by email at shall@logosresourcesllc.com. Thank you for your consideration.

Sincerely,  
LOGOS Operating, LLC

  
J. Scott Hall  
Senior Attorney

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

Form C-102  
Revised August 1, 2011

Submit one copy to  
Appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Drive  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-045-38179</b>		2 Pool Code <b>97232</b>		3 Pool Name <b>BASIN MANCOS</b>	
4 Property Code		5 Property Name <b>ZEUS 2308 03</b>		6 Well Number <b>4H</b>	
7 OGRID No. <b>289408</b>		8 Operator Name <b>LOGOS OPERATING, LLC</b>		9 Elevation <b>6908'</b>	

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
H	3	23N	8W		1938	NORTH	223	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
D	1	23N	8W	4	755	NORTH	1100	WEST	SAN JUAN

12 Dedicated Acres <b>403.72</b>	W/2 NW/4 - Section 1 N/2 - Section 2	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**Tamra Sessions**  
Printed Name  
**tsessions@logosresourcesllc.com**  
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.

Date Revised: JANUARY 27, 2020  
Date of Survey: MAY 4, 2019

Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**  
Certificate Number 15269

SURFACE LOCATION (A)  
1938' FNL 223' FEL  
SECTION 3, T23N, R8W  
LAT: 36.258220°N  
LONG: 107.660305°W  
DATUM: NAD1927  
LAT: 36.258232°N  
LONG: 107.660916°W  
DATUM: NAD1983

NOT 20.6'E 1145.0'

POINT-OF-ENTRY (B)  
753' FNL 50' FEL  
SECTION 3, T23N, R8W  
LAT: 36.261476°N  
LONG: 107.659770°W  
DATUM: NAD1927  
LAT: 36.261489°N  
LONG: 107.660381°W  
DATUM: NAD1983

NOT 51.2'E 150.0'

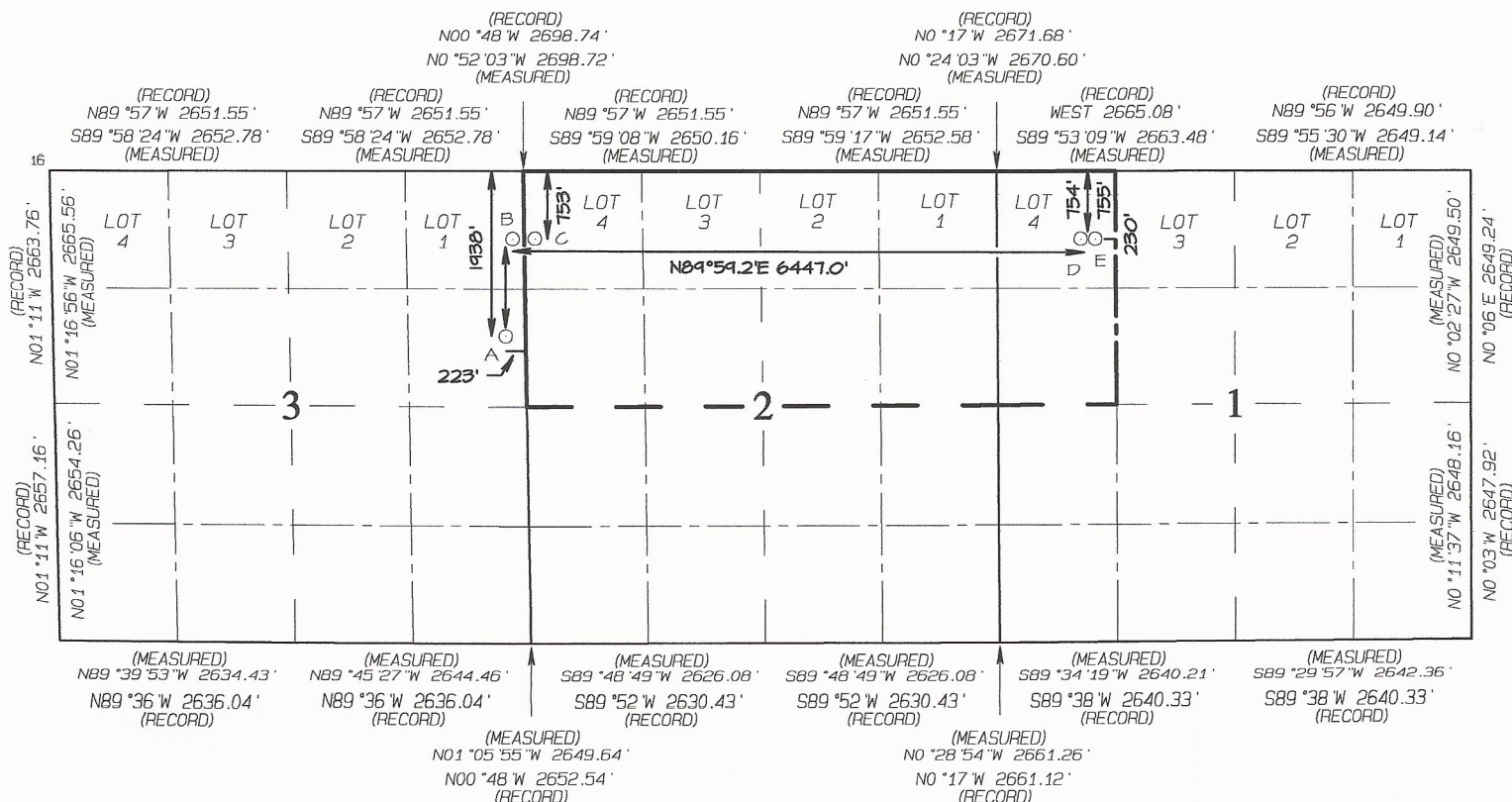
LAST PERFORATION (C)  
753' FNL 100' FWL  
SECTION 2, T23N, R8W  
LAT: 36.261475°N  
LONG: 107.659262°W  
DATUM: NAD1927  
LAT: 36.261488°N  
LONG: 107.659872°W  
DATUM: NAD1983

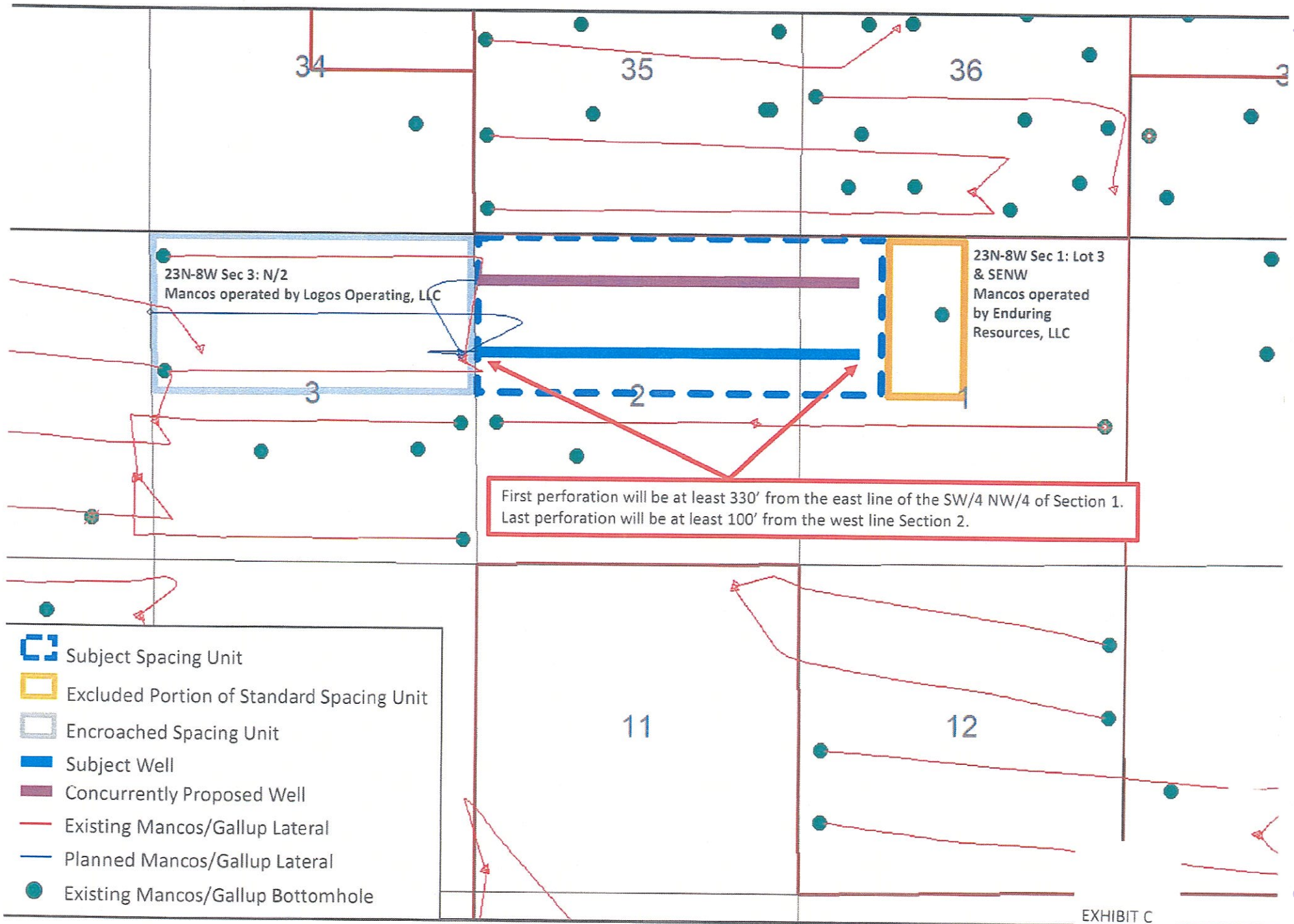
NOT 51.2'E 6197.0'

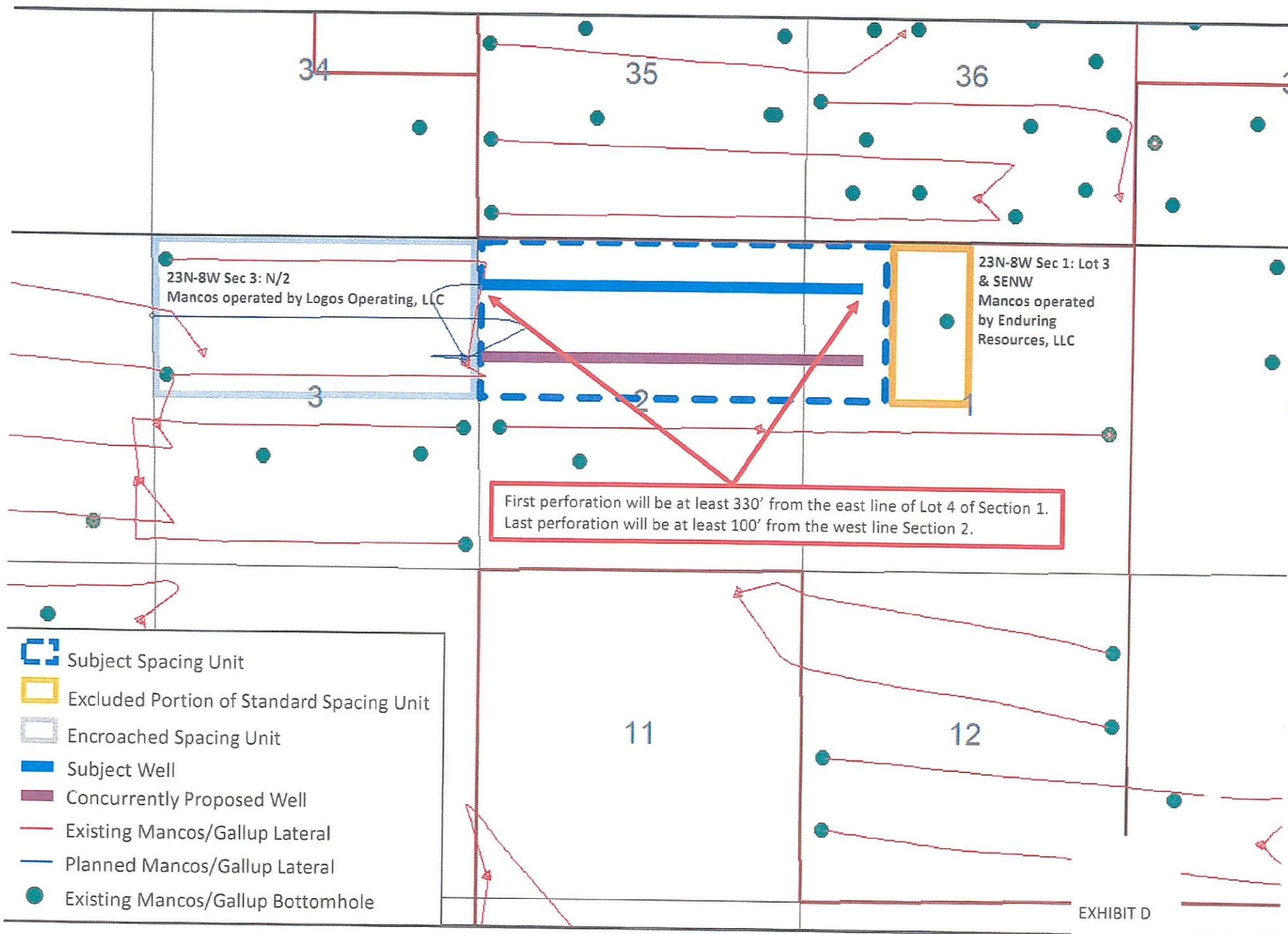
FIRST PERFORATION (D)  
754' FNL 1000' FWL  
SECTION 1, T23N, R8W  
LAT: 36.261447°N  
LONG: 107.638242°W  
DATUM: NAD1927  
LAT: 36.261460°N  
LONG: 107.638852°W  
DATUM: NAD1983

NOT 51.2'E 100.0'

END-OF-LATERAL (E)  
755' FNL 1100' FWL  
SECTION 1, T23N, R8W  
LAT: 36.261446°N  
LONG: 107.637903°W  
DATUM: NAD1927  
LAT: 36.261459°N  
LONG: 107.638513°W  
DATUM: NAD1983







**Affected Parties**

**Application for Administrative Approval,  
Unorthodox Well Location (NSL)  
Non-Standard Spacing Unit (NSP)  
LOGOS Operating, LLC  
Omega 2308 03 Well No. 5H  
Zeus 2308 03 Well No. 4H**

Enduring Resources IV, LLC  
Working Interest Owner: Lots 1, 2, 3, SE/4 NW/4, S/2 NE/4 Section 1 T23N R8W

Date of Mailing: February 4, 2020 USPS Tracking No. 70192280000196265110

Enduring Resources, LLC  
Operator: Unit C Section 1 T23N R8W

Date of Mailing: February 4, 2020 USPS Tracking No. 70192280000196265127

LOGOS Resources II, LLC  
Working Interest Owner: N/2 Section 3 T23N R8W

Date of Mailing: N/A USPS Tracking No. N/A

Bureau of Land Management  
Royalty Interest Owner: N/2 Section 3 T23N R8W

Date of Mailing: February 4, 2020 USPS Tracking No. 70192280000196265134

**EXHIBIT E**



J. Scott Hall  
Senior Attorney  
LOGOS Resources II, LLC  
317 Paseo de Peralta  
P. O. Box 1946  
Santa Fe, NM 87504  
Office: 505.303.7236  
Mobile: 505.670.7362  
[shall@logosresourcesllc.com](mailto:shall@logosresourcesllc.com)

February 4, 2020

To: All Interest Owners/or Operators listed on  
attached page

**CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

Re: **LOGOS Operating, LLC**  
**Application for Administrative Approval, Non-Standard Spacing Unit (NSP), and**  
**Unorthodox Well Locations (NSL), Basin Mancos Gas Pool (97232)**

**Township 23 North, Range 8 West, San Juan County**

**Section 1: Lot 4, SW/4 NW/4**

**Section 2: Lots 1, 2, 3, 4, S/2 N/2 (NSP/HSU)**

**Omega 2308 03 Well No. 5H (Horizontal Oil/NSL)**

**API No. 30-045-38180**

**SL: 1960' FNL and 223' FEL (H), Section 3**

**FTP: 1878' FNL and 330' FEL SW/4 NW/4 (E), Section 1**

**LTP: 1909' FNL and 100' FWL SW/4 NW/4 (E), Section 2**

**BL: 1878' FNL and 1098' FWL (E), Section 1, T23N, R8W**

**Zeus 2308 03 Well No. 4H (Horizontal Oil/NSL)**

**API No. 30-045-38179**

**SL: 1938' FNL and 223' FEL (H), Section 3**

**FTP: 754' FNL and 330' FEL Lot 4 (E), Section 1**

**LTP: 753' FNL and 100' FWL Lot 4 (D), Section 2**

**BL: 755' FNL and 1100' FEL (D), Section 1**

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 Operating, LLC has on this date made application to the NMOCD for administrative approval of Unorthodox Well Locations (NSL) and Non-Standard Unit (NSP) for its Omega 2308 03 Well No. 5H and Zeus 2308 03 Well No. 4H to be drilled at the surface and bottom hole locations indicated above. A copy of the application is enclosed.

**EXHIBIT F**

February 4, 2020

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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 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,

LOGOS Operating, LLC

J. Scott Hall, Senior Attorney

CONSENT:

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Notification List**

**Application for Administrative Approval,  
Unorthodox Well Location (NSL)  
Non-Standard Spacing Unit  
LOGOS Operating, LLC  
Omega 2308 03 Well No. 5H  
Zeus 2308 03 Well No. 4H**

Enduring Resources, LLC, and  
Enduring Resources IV, LLC  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265

Bureau of Land Management  
Farmington Field Office  
6251 College Blvd., Suite A  
Farmington, NM 87402

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Sent To  
EDUARDINO RESOURCES LLC  
1050 17th Suite 2500  
DENVER CO 80265

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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☐ Certified Mail Restricted Delivery \$0.00  
☐ Adult Signature Required \$0.00  
☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.70

Total Postage and Fees \$7.10

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FARMINGTON NM 87402

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