

NSL Initial Application

Received: 02/13/20

Revised March 23, 2017

RECEIVED: 02/13/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2004445221
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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

Applicant: <u>LOGOS Operating, LLC</u>	OGRID Number: <u>289408</u>
Well Name: <u>Omega 2308 03 Well No. 5H</u>	API: <u>30-045-38180</u>
Pool: <u>Basin-Mancos</u>	Pool Code: <u>97232</u>

**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 holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ 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, Senior Attorney

Print or Type Name

J. S. Hall

Signature

February 13, 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

February 13, 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

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 (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

Dear Ms. Sandoval:

LOGOS Operating, LLC ("LOGOS"), as operator for LOGOS Resources II, LLC, hereby requests administrative approval of non-standard location for the Omega 2308 03 Well No. 5H (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 the wellbore is at least 330' west of the east line of the SW/4 NW/4 of Section 1 and the last take point is at least 100' east of the west line of said Section 2. The 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 location for the Subject Wells would be orthodox for an oil well under Rule 19.15.16 NMAC, and LOGOS believes that the Subject Wells will produce a gas to oil ratio that would fit within industry standards for oil wells.

The location of the Subject Well is depicted in C-102 Exhibit "A" attached hereto. Further, Exhibits "C" 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.

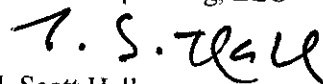
Reasoning for the Application

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 Wells 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 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 an objection to this Application 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

JSH

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

District II
611 S. First Street, Artesia, NM 88210
Phone: (505) 748-1203 Fax: (505) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6176 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

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.

Tamara Sessions 1/28/20
Signature _____ Date _____
Tamara Sessions
Printed Name
tsessions@logosresourcesllc.com
E-mail Address

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-38180		Pool Code 97232	Pool Name BASIN MANCOS
Property Code	Property Name OMEGA 2308 03		Well Number 5H
OGRIID No. 289408	Operator Name LOGOS OPERATING, LLC		Elevation 6908

Surface Location

UL or lot no.	Section	Township	Range	Lot 10'	Feet from the North/South Line	Feet from the East/West Line	County
H	3	23N	8W	1950	NORTH	223	SAN JUAN

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10'	Feet from the North/South Line	Feet from the East/West Line	County
E	1	23N	8W	1878	NORTH	1098	SAN JUAN

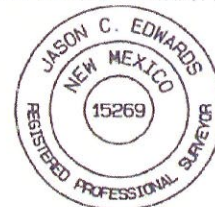
Dedicated Acres 403.72 **W/2 NW/4 - Section 1**
N/2 - Section 2

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

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)
1950' FNL 223' FEL
SECTION 3, T23N, R8W
LAT: 36.258159° N
LONG: 107.660302° W
DATUM: NAD1983

NT3°44.9'E 1795'

POINT-OF-ENTRY (B)
1910' FNL 50' FEL
SECTION 3, T23N, R8W
LAT: 36.258296° N
LONG: 107.659719° W
DATUM: NAD1983

N89°41'E 1500'

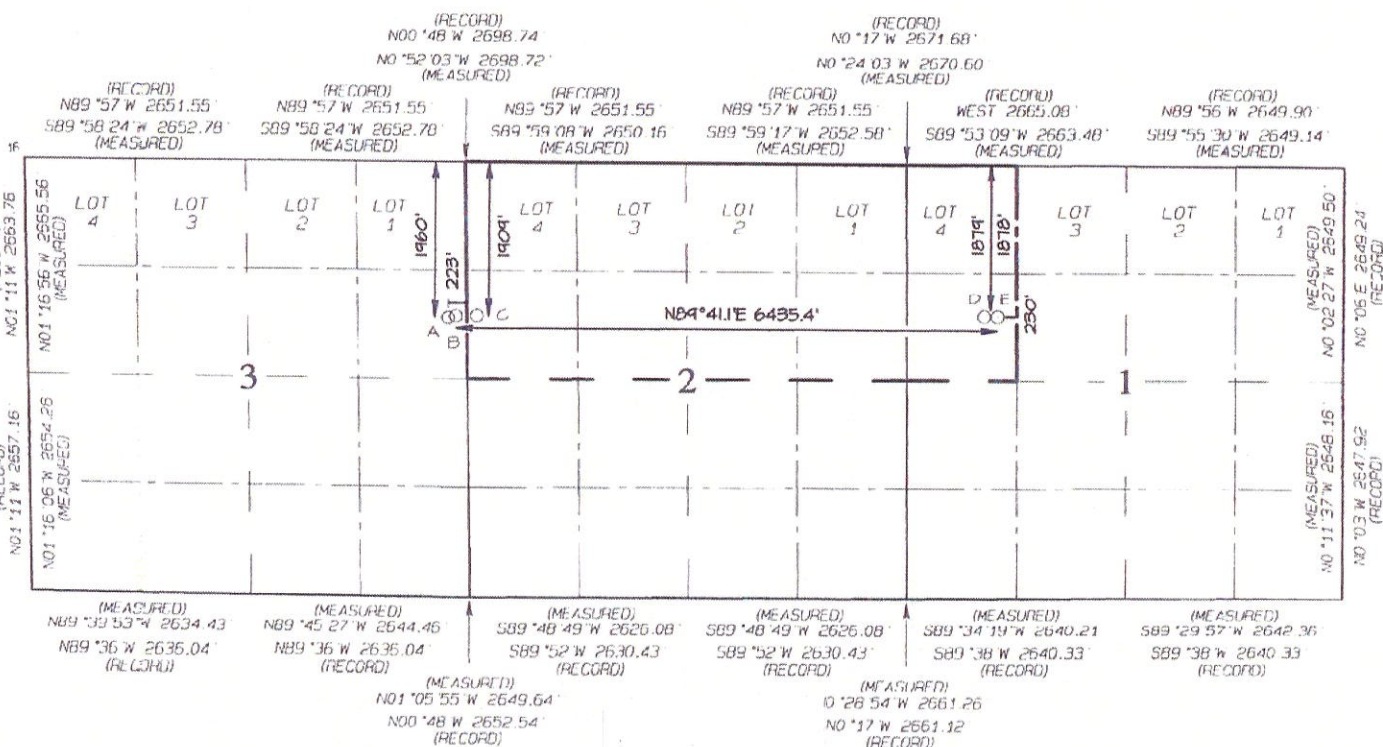
LAST PERFORATION (C)
1909' FNL 100' FNL
SECTION 2, T23N, R8W
LAT: 36.258297° N
LONG: 107.659209° W
DATUM: NAD1983

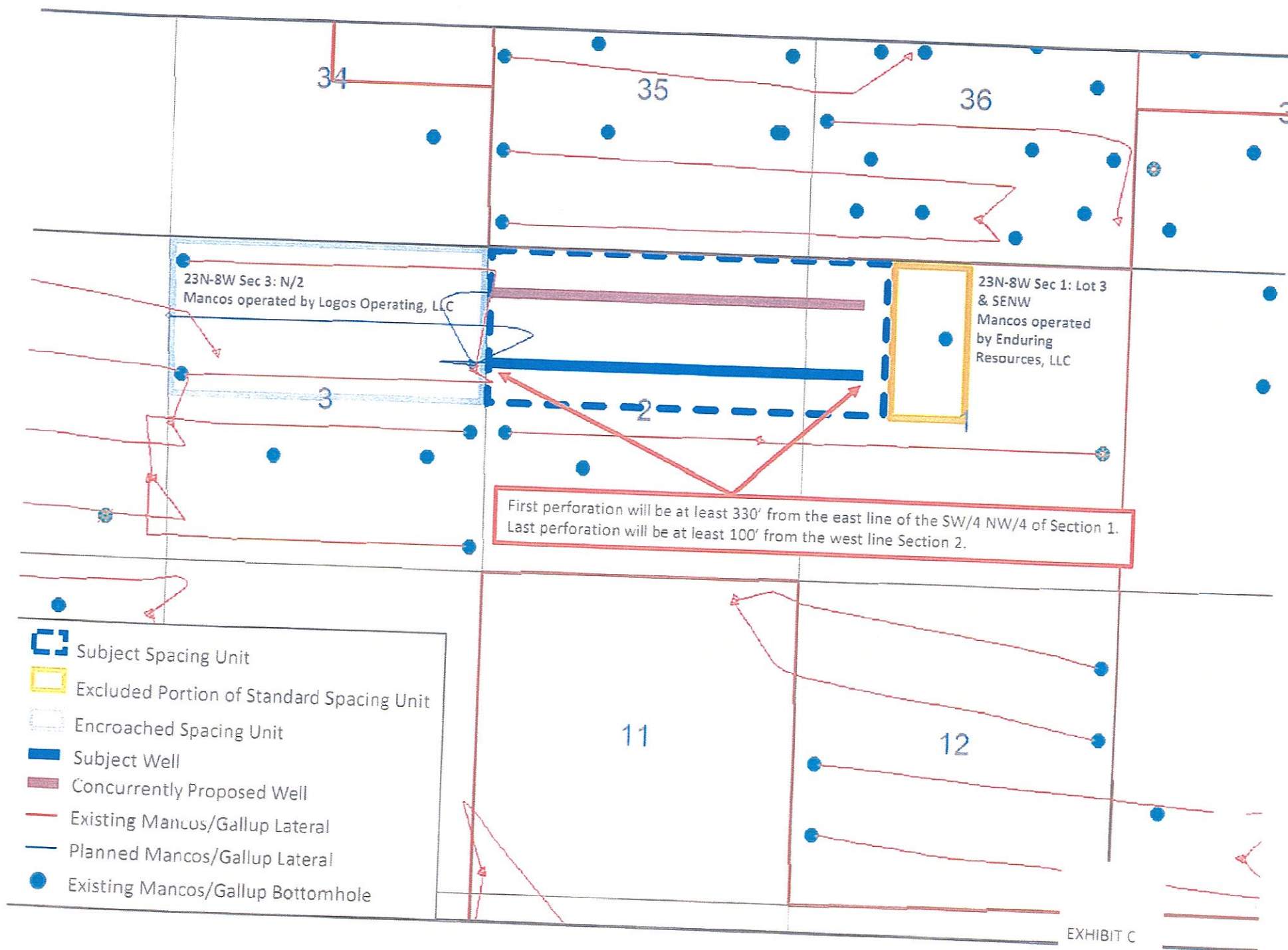
N89°41'E 6185.4'

FIRST PERFORATION (D)
1879' FNL 998' FNL
SECTION 1, T23N, R8W
LAT: 36.258358° N
LONG: 107.638230° W
DATUM: NAD1983

N89°41'E 1000'

END-OF-LATERAL (E)
1878' FNL 1098' FNL
SECTION 1, T23N, R8W
LAT: 36.258359° N
LONG: 107.637891° 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
Zens 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

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/HISU)

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
Page 2

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 17th Street, Suite 2500
Denver, CO 80265

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

701P 2280 0001 9626 5127

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DENVER, CO 80265

Certified Mail Fee	\$3.55
Extra Services & Fees (check box, add fee)	\$2.85
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.70
Total Postage and Fees	\$7.10

Sent to
ENDURING RESOURCES LLC
Street and Apt. No., or PO Box No.
1050 17th Suite 2500
City, State, ZIP+4®
DENVER CO 80265

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

02/04/2020

701P 2280 0001 9626 5127

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DENVER, CO 80265

Certified Mail Fee	\$3.55
Extra Services & Fees (check box, add fee)	\$2.85
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.70
Total Postage and Fees	\$7.10

Sent to
ENDURING RESOURCES LLC
Street and Apt. No., or PO Box No.
1050 17th Suite 2500
City, State, ZIP+4®
DENVER CO 80265

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

02/04/2020

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FARRINGTON, NM 87402

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Extra Services & Fees (check box, add fee)	\$2.85
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.85
Total Postage and Fees	\$7.25

Sent to
BLM
Street and Apt. No., or PO Box No.
6251 COLLEGE BLVD Suite A
City, State, ZIP+4®
FARRINGTON NM 87402

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

02/04/2020