

DATE 12/18/12	SUSPENSE 1/8/13	ENGINEER WJS	LOGGED IN	TYPE DHC	APPROVAL PLNG 1301560119
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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  
☐ 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 \_\_\_\_\_

#### [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

#### [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.

*John Austin Alvaros*

Print or Type Name

Signature

Title

Date

e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 S. First St., Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised August 1, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

RECEIVED OGD

2012 DEC 18 PM 1:35

Logos Operating, LLC		4001 N. Butler, Bldg 7101 Farmington, NM 87401	
Operator	Address		
Rita Com	Unit Letter E, Section 5, T23N, R6W	Rio Arriba	
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No. 289408 Property Code 310179 API No. 30-039-22884 Lease Type: Federal State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Mesa Verde <i>oil</i>		Counselors Gallup-Dakota <i>oil</i>
Pool Code			13379
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Est. 4084-4094		5066-5075
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Est. 1500 psi		350 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Est. Oil Gravity 45		Oil Gravity 45
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Offset production history attached. Date:  Rates: Est. 15 bopd, 10 mcf/d, 10 BWPD	Date:  Rates:	Date: 10/31/2012  Rates: 1.4 bopd, 3.3 mcf/d, 1 bwpd (6 month Average)
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	The allocation of produced volumes will be based on the production history of the Gallup zone which is well establish and stabilized. The new volumes of oil, gas, and water will be allocated to the Mesa Verde perforations.		

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?  
Yes \_\_\_\_\_ No ☒ \_\_\_\_\_  
Yes ☒ \_\_\_\_\_ No \_\_\_\_\_

Are all produced fluids from all commingled zones compatible with each other?  
Yes ☒ \_\_\_\_\_ No \_\_\_\_\_

Will commingling decrease the value of production?  
Yes \_\_\_\_\_ No ☒ \_\_\_\_\_

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?  
Yes ☒ \_\_\_\_\_ No \_\_\_\_\_

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

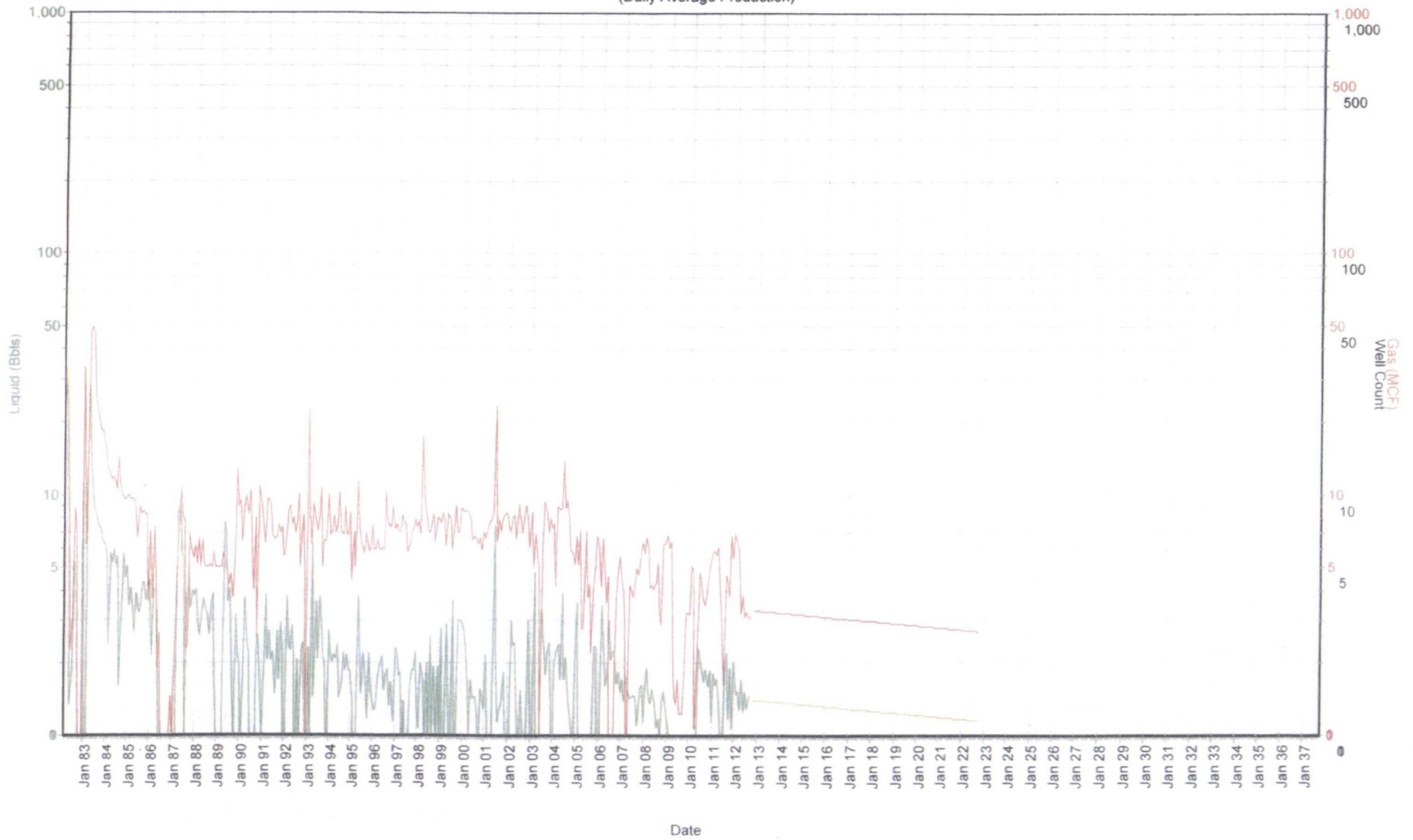
List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE *John Austin Akers* TITLE: VP of Land DATE 12/13/2012

TYPE OR PRINT NAME John Austin Akers TELEPHONE NO. ( 303 ) 550-1877  
E-MAIL ADDRESS aakers@logosresourcesllc.com

RITA COM 001  
 RIO ARriba (NM)  
 23N 06W 09 E  
 Operator: LOGOS OPERATING, LLC  
 Field: COUNSELORS (GALLUP/DAKOTA)  
 (Daily Average Production)



— Liquid (bbls) — Projected Liquid (bbls) — Gas (MCF) — Projected Gas (MCF) — Wells

Liquid (bbls):	Current Cum: 25,628	Proj. Remaining Cum: 4,633	Total: 30,261
Gas (MCF):	Current Cum: 80,550	Proj. Remaining Cum: 10,921	Total: 91,471

Date	Actual/Projected	Dcl	De	Hpr	Oil	Dcl	De	Hpr	Gas	Dcl	De	Hpr	Water	Wells
11/2011	Actual				2				7					1
12/2011	Actual				1				6					1
01/2012	Actual				2				7					1
02/2012	Actual				1				6					1
03/2012	Actual				2				6					1
04/2012	Actual				1				3					1
05/2012	Actual				2				4					1
06/2012	Actual				1				3					1
07/2012	Actual				2				3					1
08/2012	Actual				1				3					1
09/2012	Actual				1				3					1
10/2012														
11/2012	Projected	Exp	2%		1	Exp	2%		3					
12/2012	Projected	Exp	2%		1	Exp	2%		3					
01/2013	Projected	Exp	2%		1	Exp	2%		3					
02/2013	Projected	Exp	2%		1	Exp	2%		3					
03/2013	Projected	Exp	2%		1	Exp	2%		3					
04/2013	Projected	Exp	2%		1	Exp	2%		3					
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06/2013	Projected	Exp	2%		1	Exp	2%		3					
07/2013	Projected	Exp	2%		1	Exp	2%		3					
08/2013	Projected	Exp	2%		1	Exp	2%		3					
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11/2013	Projected	Exp	2%		1	Exp	2%		3					
12/2013	Projected	Exp	2%		1	Exp	2%		3					
01/2014	Projected	Exp	2%		1	Exp	2%		3					
02/2014	Projected	Exp	2%		1	Exp	2%		3					
03/2014	Projected	Exp	2%		1	Exp	2%		3					
04/2014	Projected	Exp	2%		1	Exp	2%		3					

Date	Actual/Projected	Dcl	De	Hpr	Oil	Dcl	De	Hpr	Gas	Dcl	De	Hpr	Water	Wells
05/2014	Projected	Exp	2%		1	Exp	2%		3					
06/2014	Projected	Exp	2%		1	Exp	2%		3					
07/2014	Projected	Exp	2%		1	Exp	2%		3					
08/2014	Projected	Exp	2%		1	Exp	2%		3					
09/2014	Projected	Exp	2%		1	Exp	2%		3					
10/2014	Projected	Exp	2%		1	Exp	2%		3					
11/2014	Projected	Exp	2%		1	Exp	2%		3					
12/2014	Projected	Exp	2%		1	Exp	2%		3					
01/2015	Projected	Exp	2%		1	Exp	2%		3					
02/2015	Projected	Exp	2%		1	Exp	2%		3					
03/2015	Projected	Exp	2%		1	Exp	2%		3					
04/2015	Projected	Exp	2%		1	Exp	2%		3					
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11/2015	Projected	Exp	2%		1	Exp	2%		3					
12/2015	Projected	Exp	2%		1	Exp	2%		3					
01/2016	Projected	Exp	2%		1	Exp	2%		3					
02/2016	Projected	Exp	2%		1	Exp	2%		3					
03/2016	Projected	Exp	2%		1	Exp	2%		3					
04/2016	Projected	Exp	2%		1	Exp	2%		3					
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11/2016	Projected	Exp	2%		1	Exp	2%		3					
12/2016	Projected	Exp	2%		1	Exp	2%		3					
01/2017	Projected	Exp	2%		1	Exp	2%		3					
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Date	Actual/Projected	Dcl	De	Hpr	Oil	Dcl	De	Hpr	Gas	Dcl	De	Hpr	Water	Wells
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10/2022	Projected	Exp	2%		1	Exp	2%		3					





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

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Date: December 14, 2012

To: Rita Com # 1 (API 30-039-22884)

Re: Downhole Commingle of Mesa Verde and Gallup

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Dear Rita Com #1 Interest Owners,

Logos Operating, LLC (OGRID 289408) is proposing to add pay in the Mesa Verde and commingle the new Mesa Verde and existing Gallup producing intervals. The well will remain on artificial lift with the pumping unit and will have the pump intake in the Gallup interval to minimize hydrostatic back pressure on the Gallup.

The production allocation will be based on historical Gallup production and new commingled production. The Gallup 6 month production average is 1.4 BOPD, 3.3 MCFD, and 1 BWPD. The Gallup allocation will be based on the current 6 month averages declined at an exponential 2% effective rate. If the decline profile changes due to wellbore or reservoir conditions, a new allocation forecast will be sent out. Please see the attached decline curve fit and resulting Gallup allocation volumes.

All new oil, gas, and water volumes above the Gallup allocation rate will be credited to the Mesa Verde interval. Logos Operating, LLC anticipates the Mesa Verde to contribute 15 BOPD, 10 MCFD, and 10 BWPD based on the offset results on the Rita Com #2.

Regards,

David Gonzales  
Vice President of Operations

Owners in the Rita Com No. 1

MINERALS MANAGEMENT SERVICE	- Royalty Owner
CONOCO PHILLIPS (REVENUE)	- Overriding Royalty Owner
HARVEY, LORNA R.	- Royalty Owner

All owners notified by certified mail on December 15, 2012



4001 N. Butler Blvd. Bldg 7101  
Farmington, NM 87401  
Phone: (505) 436-2626  
Fax: (505) 832-3095

December 13, 2012

**BUREAU OF LAND MANAGEMENT  
ATTN: MR. JIM LOVATO  
6251 COLLEGE BLVD. SUITE A  
FARMINGTON, NM 87402**

**CONOCO  
3401 EAST 30TH STREET  
FARMINGTON, NM 87402**

**MERRION OIL  
610 REILLY AVE  
FARMINGTON, NM 87401-2634**

**HARVEY, LORNA R  
2948 NORTH VIEW DR  
GRAND JUNCTION, CO 81504**

**RE: Rita Com No. 2 payadd (Mesa Verde)**

To whom it may concern:

You are receiving this letter and attached application because you are an interest owner in the above referenced well. Logos Operating, LLC has, as of the date written above, filed an application with the New Mexico Oil Conservation Division to add perforations in the Mesa Verde Formation (wildcat pool) to the well. I have attached the C-107A application and all attachments thereto for your review.

Should you have any land related questions, please do not hesitate to contact me at 303-550-1877. If you have any operations related questions please do not hesitate to contact David Gonzales at 505-436-2626. Should you have any objections to this application, you must file an objection in writing to the Santa Fe NMOCD office within 20 days of your receipt of this letter. We request that prior to filing any objection, you contact us so that we may explain the benefits of this project and answer any questions you may have.

Very truly yours,

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

John Austin Akers  
Vice President of Land  
Logos Resources, LLC