

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



February 11, 2013

Logos Resources LLC
c/o Montgomery & Andrews Law Firm
Attn: Mr. Scott Hall

ADMINISTRATIVE NON-STANDARD LOCATION AND
NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSL-6751
Administrative Application Reference No. pPRG1303836694

Administrative Order NSP-1960
Administrative Application Reference No. pPRG1303839401

Logos Resources LLC
OGRID 289408
Logos Well No. 4
API No. 30-045

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
1333 FNL & 2293 FWL	C (Lot 3)	1	23N	8W	San Juan

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 3 of Section 4	40	Basin Mancos Gas Pool	97232

Reference is made to your application received on February 5, 2013.

You have requested to drill this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries. You have requested a 40-acre, non-standard proration unit, and a location less than 660 feet from the outer boundaries of that unit.

Non-Standard Location:

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to comply with United States Bureau of Land Management requirements.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

Non-Standard Proration Unit:

You have requested approval of a 40-acre, more or less, non-standard proration unit comprising Lot 3 (NE/4 NW/4 equivalent) of Section 1.

It is our understanding that you are requesting this non-standard unit because this well is expected to product oil from a correlative stratum to existing oil production from the adjacent Lybrook Gallup Pool, which is spaced on 40-acres for oil pursuant to statewide rules.

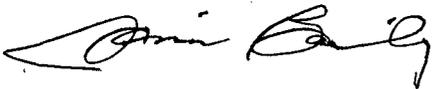
It is also understood that you have given due notice of this application to all operators or owners to whom notice is required by Rule 19.15.4.12.A(3).

Pursuant to the authority conferred by Division Rule 19.15.15.11.B(2), the above-described non-standard proration unit is hereby approved.

These approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management