

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 28, 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-6752
Administrative Application Reference No. pPRG1305857686

Administrative Order NSP-1961
Administrative Application Reference No. pDKB1305958456

Logos Resources LLC
OGRID 289408
Logos Well No. 5
API No. 30-045-35423

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
671 FSL & 973 FEL	P	4	23N	8W	San Juan

Proposed Unit:

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

Reference is made to your application received on February 27, 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 for geologic reasons.

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 also requested approval of a 40-acre, more or less, non-standard proration unit comprising Unit P (SE/4 SW/4) of Section 4.

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

It is also understood that there are no 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