

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



March 25, 2013

Logos Operating, LLC
Attn: Mr. John Akers Austin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6786
Administrative Application Reference No. pPRG1305831023

Logos Operating, LLC
OGRID 289408
NCRA State Well No. 7A
API No. 30-039-31181

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
1181 FNL & 666 FEL	A	16	24N	6W	Rio Arriba

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 of Section 16	160	Devils Fork; Gallup Associated (oil)	17610
NE/4 NE/4 of Section 16	40	Devils Fork; Mesaverde	17620

Reference is made to your application received on February 26, 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 as to the Mancos formation by the Special Rules and Regulations for the Devils Fork Gallup Associated Pool, which provide for 160-acre oil units, and the General Rules and Regulations for Associated Pools, which require that wells in such units be located at least 790 feet from any quarter section line and at least 330 feet from any quarter-quarter section line. As to the Mesaverde formation, it is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 790 feet from a section boundary and less than 330 feet from a quarter-quarter section boundary.

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].

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It is our understanding that you are seeking this location for topographic reasons.

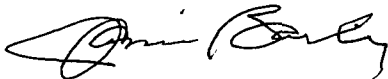
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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

This approval is 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,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
New Mexico State Land Office