

District I (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III (505) 334-6178  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV (505) 827-8198  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-106  
Revised August 1, 2011

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

ACT Permit No.

### NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator LOGOS Operating, LLC

Address 2010 Afton Place, Farmington, NM 87401 County San Juan

Lease(s) to be served by this ACT Unit State Lease VC-0472, L-02986-1, E-04912-23

Pool(s) to be served by this ACT Unit Nageezi Gallup (47540)

Location of ACT System: Unit A Section 32 Township 24N Range 08W

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

N/A Date \_\_\_\_\_

Order No. authorizing commingling between pools if more than one pool is to be served by this system

N/A Date \_\_\_\_\_

Authorized transporter of oil from this system Whiptail Midstream, LLC

Transporter's address 15 West 6<sup>th</sup> Street, Tulsa, OK 74119

Maximum expected daily through-put for this system: 1596 BBL/Day

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by:

CHECK ONE: A.  Automatic shut-down facilities B.  Providing adequate available capacity to receive production as required by 19.15.18.15.C(8) NMAC during maximum unattended time of lease operation 19.15.18.15.C(9) NMAC

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

Maximum well-head shut-in pressure \_\_\_\_\_

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 2400 BBLS.

What is the normal maximum unattended time of lease operation? Sixteen (16) Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE:  Positive displacement meter  Weir-type measuring vessel  
 Positive volume metering chamber  Other; describe Coriolis Meter

Remarks: This LACT will be selling to pipeline.

#### OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 19.15.18.15 NMAC. Approval of this Form C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system.

Signature Tamra Sessions

Printed Name & Title Tamra Sessions

Email Address tsessions@logosresourcesllc.com

Date 6-20-19 Telephone 505-324-4145

#### OIL CONSERVATION DIVISION

Approved by: [Signature]

Title: SUPERVISOR DISTRICT #3

Date: 7/8/19

INSTRUCTIONS: Submit one copy of Form C-106 with following attachments to appropriate district office.

- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.

**NOTICE OF INTENTION TO UTILIZE CUSTODY TRANSFER EQUIPMENT  
STATE 2408 32A COM PIPELINE LACT UNIT**

**WELLS TO BE SERVED BY PIPELINE LACT UNIT:**

STATE 2408 32A COM 1H / API 30-045-35911 / UNIT A (NE/NE), SEC 32, T24N-R8W, NMPM

STATE 2408 32A COM 2H / API 30-045-35912 / UNIT A (NE/NE), SEC 32, T24N-R8W, NMPM

STATE 2408 32A COM 3H / API 30-045-35913 / UNIT A (NE/NE), SEC 32, T24N-R8W, NMPM

**19.15.18.15 AUTOMATIC CUSTODY TRANSFER EQUIPMENT:**

A. Oil shall be received and measured in facilities of an approved design. The facilities shall permit the testing of each well at reasonable intervals and may be comprised of manually gauged, closed stock tanks for which the operator of the ACT system has prepared proper strapping tables, or of ACT equipment. The division shall permit ACT equipment's use only after the operator complies with the following. The operator shall file with the division form C-106 and receive approval for use of the ACT equipment prior to transferring oil through the ACT system. The carrier shall not accept delivery of oil through the ACT system until the division has approved form C-106.

- *See flow process diagram attached.*

B. The operator of the ACT system shall submit form C-106 to the appropriate division district office, which is accompanied by the following:

- (1) plat of the lease showing all wells that the any well operator will produce into the ACT system;
  - *Attached as part of Form C-106 Notice of Intent.*
- (2) schematic diagram of the ACT equipment, showing on the diagram all major components such as surge tanks and their capacity, extra storage tanks and their capacity, transfer pumps, monitors, reroute valves, treaters, samplers, strainers, air and gas eliminators, back pressure valves and metering devices (indicating type and capacity, *i.e.* whether automatic measuring tank, positive volume metering chamber, weir-type measuring vessel or positive displacement meter); the schematic diagram shall also show means employed to prove the measuring device's accuracy; and
  - *Attached as part of Form C-106 Notice of Intent.*
- (3) letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.
  - *Attached as part of Form C-106 Notice of Intent.*

C. The division shall not approve form C-106 unless the operator of the ACT system will install and operate the ACT system in compliance with the following requirements.

- (1) Provision is made for accurate determination and recording of uncorrected volume and applicable temperature, or of temperature corrected volume. The system's overall accuracy shall equal or surpass manual methods.
  - *The LACT system is more accurate when compared to manual tank. It is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The LACT also has a temperature RTD which will be calibrated semi-annually, unless more frequent verification is requested by the division.*
- (2) Provision is made for representative sampling of the oil transferred for determination of API gravity and BS&W content.
  - *The LACT is equipped with a flow proportional sampler (sample probe and actuated valve). The sampled fluid is stored in a sealed cylinder that is used for API gravity and S&W determination.*
- (3) Provision is made if required by either the oil's producer or the transporter to give adequate assurance that the ACT system runs only merchantable oil.
  - *The LACT is equipped with a water cut analyzer that communicated with the flow computer. When the S&W set point is reached the divert valve will engage sending non-merchantable oil to a divert tank. The set point can be adjusted in the flow computer but only if agreed upon by both shipper and producer.*
- (4) Provision is made for set-stop counters to stop the flow of oil through the ACT system at or prior to the time the allowable has been run. Counters shall provide non-reset totalizers that are visible for inspection at all times.
  - *The Coriolis meter has a non-resettable totalizer which is always visibly available on the LCD display.*
- (5) Necessary controls and equipment are enclosed and sealed, or otherwise arranged to provide assurance against, or evidence of, accidental or purposeful mismeasurement resulting from tampering.
  - *Required ports are sealed and tracked in the seal log.*

- (6) The ACT system's components are properly sized to ensure operation within the range of their established ratings. All system components that require periodic calibration or inspection for proof of continued accuracy are readily accessible; the frequency and methods of the calibration or inspection shall be as set forth in Paragraph (12) of Subsection C of 19.15.18.15 NMAC.
- *The Coriolis is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The prover is NIST traceable and water drawn on a bi-annual basis. Proving will be consistent with Onshore Order #4, unless a variance is granted by the Division. NMOCD representatives are sent the schedule to witness if desired. The temperature transmitter is verified on a semi-annual basis, unless more frequent verification is requested by the Division. The water cut analyzer is calibrated as needed.*
- (7) The control and recording system includes adequate fail-safe features that provide assurance against mismeasurement in the event of power failure, or the failure of the ACT system's component parts.
- *In the event of power failure, the divert valve mechanically goes to "failed state" and no longer sales oil but only sends it to the divert tank.*
  - *All of the historized volume data is stored in the flow computer memory with battery backup and is also transmitted by SCADA, multiple times a day, to an office server. So even during a power failure no oil volume is lost.*
  - *In the event of a malfunction, the LACT unit is programmed to shut off and the divert valve is forced to close and no longer sales oil but only sends it to the divert tank. The malfunction is also logged by the flow computer.*
- (8) The ACT system and allied facilities include fail-safe equipment as may be necessary, including high level switches in the surge tank or overflow storage tank that, in the event of power failure or malfunction of the ACT or other equipment, will shut down artificially lifted wells connected to the ACT system and will shut in flowing wells at the well-head or at the header manifold, in which latter case the operator of the ACT system shall pressure test all flowlines to at least 1½ times the maximum well-head shut-in pressure prior to the ACT system's initial use and every two years thereafter.
- *Hi level switches are in place and will shut the well in at the inlet to the production unit in the event of a full tank. Flow lines were tested to 1 ½ times shut in pressure at initial construction. Testing will commence every two years to ensure piping integrity.*
- (9) As an alternative to the requirements of Paragraph (8) of Subsection C of 19.15.18.15 NMAC the producer shall provide and at all times maintain a minimum of available storage capacity above the normal high working level of the surge tank to receive and hold the amount of oil that may be produced during maximum unattended time of lease operation.
- *N/A*
- (10) In all ACT systems employing automatic measuring tanks, weir-type measuring vessels, positive volume metering chambers or any other volume measuring container, the container and allied components shall be properly calibrated prior to initial use and shall be operated, maintained and inspected as necessary to ensure against incrustation, changes in clingage factors, valve leakage or other leakage and improper action of floats, level detectors, etc.
- *N/A (Coriolis Meter)*
- (11) In ACT systems employing positive displacement meters, the meter and allied components shall be properly calibrated prior to initial use and shall be operated, maintained and inspected as necessary to ensure against oil mismeasurement.
- *The Coriolis is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The prover is NIST traceable and water drawn on a bi-annual basis. Monthly proving will continue per the rule, unless a variance is granted by the Division. NMOCD representatives are sent the schedule to witness if desired. The temperature transmitter is verified on a semi-annual basis, unless more frequent verification is requested by the Division.*

(12) The operator of the ACT system shall check the measuring and recording devices of ACT systems for accuracy at least once each month unless it has obtained an exception to such determination from the division. Where applicable, the operator of the ACT system shall use API standard 1101, Measurement of Petroleum Hydrocarbons by Positive Displacement Meter. Meters may be proved against master meters, portable prover tanks or prover tanks permanently installed on the lease. If the operator of the ACT system uses permanently installed prover tanks, the distance between the opening and closing levels and the provision for determining the opening and closing readings shall be sufficient to detect variations of 5/100 of one percent. The operator of the ACT system shall file reports of determination on the division form entitled "meter test report" or on another acceptable form in duplicate with the appropriate division district office.

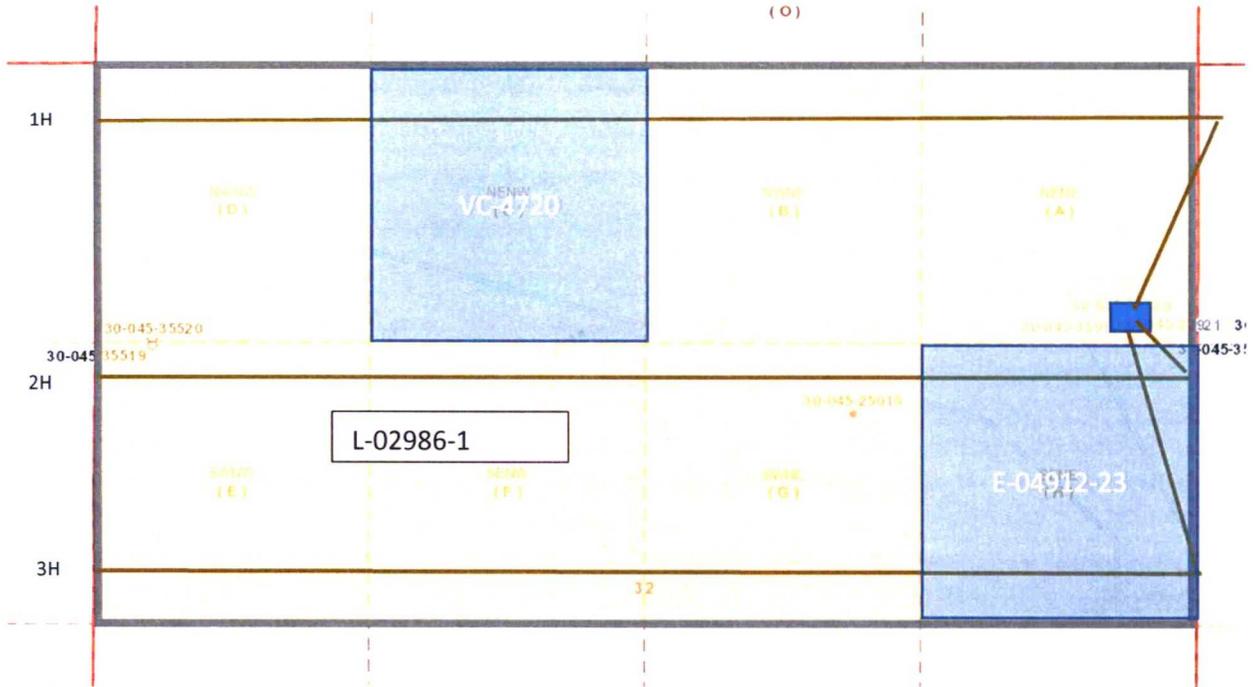
- *The Coriolis is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The prover is NIST traceable and water drawn on a bi-annual basis. Monthly proving will continue per the rule, unless a variance is granted by the Division. NMOCD representatives are sent the schedule to witness if desired. The temperature transmitter is verified on a semi-annual basis, unless more frequent verification is requested by the Division.*

(13) To obtain an exception to the requirement in Paragraph (12) of Subsection C of 19.15.18.15 NMAC that all measuring and recording devices be checked for accuracy once each month, either the producer or transporter may file a request with the director setting forth facts pertinent to the exception. The application shall include a history of the average factors previously obtained, both tabulated and plotted on a graph of factors versus time, showing that the particular installation has experienced no erratic drift. The applicant shall also furnish evidence that the other interested party has agreed to the exception. The director may then set the frequency for determination of the system's accuracy at the interval which the director deems prudent.

- *N/A*

D. The division may revoke its approval of an ACT system's form C-106 if the system's operator fails to operate it in compliance with 19.15.18.15 NMAC.

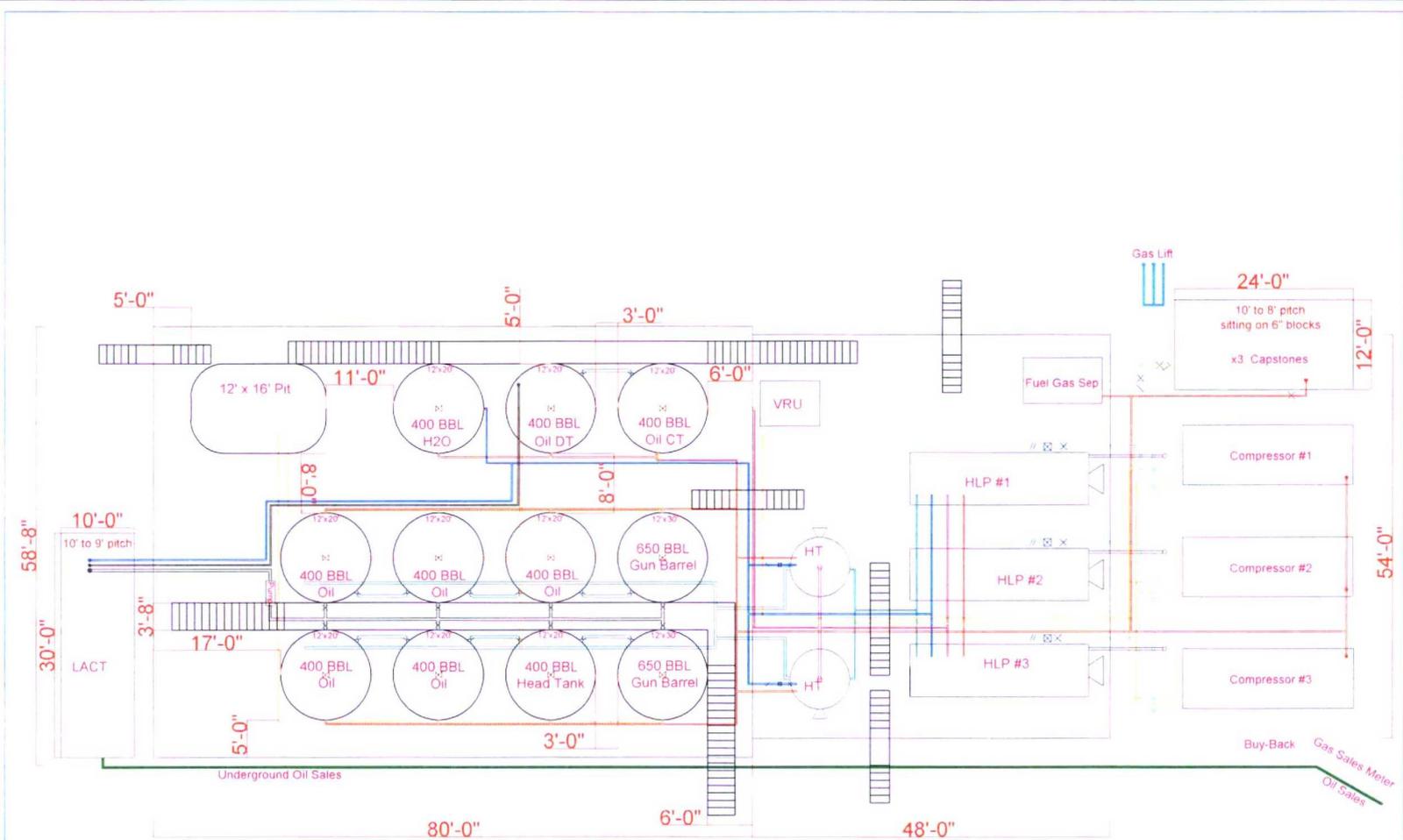
[19.15.18.15 NMAC - Rp, 19.15.5.309 NMAC, 12/1/08]



LOGOS OPERATING, LLC  
 STATE 2408 32A COM PAD  
 Lease Plat Map  
 San Juan County, NM

- Well Pad w/LACT Equip
- Lateral
- CA applied for N2 Sec 32





General Notes

- Gas
- Condensate
- Drain
- Flash Gas
- Fuel Gas
- Oil Load / LACT Lines
- Oil
- VRU Lines
- Water Lines

No.	Revision/Issue	Date

Client Name and Address

**LOGOS OPERATING**  
2010 Afton Place  
Farmington, NM 87401

Project Name and Address

**State 2408 32A**  
**COM 1H, 2H, 3H**

Project	REV. 0	Sheet	<b>1/1</b>
Date	6/14/2019		
Scale			





## Tamra Sessions

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**From:** Michael Bullock <michael.bullock@whiptailmidstream.com>  
**Sent:** Friday, June 14, 2019 1:42 PM  
**To:** Tamra Sessions; Ernie Johnson  
**Cc:** Kelly Maxwell; Marie Florez  
**Subject:** RE: C-106 Letter from Transporter: LOGOS State 2408 32A Com pad

Tamra,

We approve the use of the Pipeline Transfer LACT equipment on the State 2408 32A Com well pad to transfer product from the wells below to Whiptail Midstream, LLC's pipeline system.

- State 2408 32A Com 1H / API #30-045-35911 / UNIT A (NE/NE) Sec. 32, T24N, R8W, NMPM
- State 2408 32A Com 2H / API #30-045-35912 / UNIT A (NE/NE) Sec. 32, T24N, R8W, NMPM
- State 2408 32A Com 3H / API #30-045-35913 / UNIT A (NE/NE) Sec. 32, T24N, R8W, NMPM

Michael Bullock  
Office: 918.900.2603  
Cell: 405.818.8618

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**From:** Tamra Sessions <tsessions@logosresourcesllc.com>  
**Sent:** Friday, June 14, 2019 2:04 PM  
**To:** Michael Bullock <michael.bullock@whiptailmidstream.com>; Ernie Johnson <ernie.johnson@whiptailmidstream.com>  
**Cc:** Kelly Maxwell <kmaxwell@logosresourcesllc.com>; Marie Florez <mflorez@logosresourcesllc.com>  
**Subject:** C-106 Letter from Transporter: LOGOS State 2408 32A Com pad

Good afternoon Michael/Ernie,

LOGOS is working on the C-106 Letter from Transporter submittal to NMOCD for State 2408 32A Com well pad. Please reply back to this email with your approval.

LOGOS Operating, LLC is requesting approval from the transporter to utilize Pipeline Transfer LACT equipment on the State 2408 32A Com well pad. Product from the below listed well would be produced through the LACT equipment, gathered through LOGOS pipeline, and transferred into Whiptail Midstream, LLC's (transporter) pipeline system through a check meter. Whiptail Midstream, LLC will be responsible for transporting LOGOS Operating, LLC's product to sales.

**State 2408 32A PIPELINE LACT UNIT**  
**WELLS TO BE SERVED BY PIPELINE LACT UNIT:**

- State 2408 32A Com 1H / API #30-045-35911 / UNIT A (NE/NE) Sec. 32, T24N, R8W, NMPM
- State 2408 32A Com 2H / API #30-045-35912 / UNIT A (NE/NE) Sec. 32, T24N, R8W, NMPM
- State 2408 32A Com 3H / API #30-045-35913 / UNIT A (NE/NE) Sec. 32, T24N, R8W, NMPM

Tamra Sessions

Regulatory Specialist  
Office 505-324-4145  
[tsessions@logosresourcesllc.com](mailto:tsessions@logosresourcesllc.com)





District I  
1625 N. French Drive Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720

District II  
811 S. First Street, Artesia, NM 86210  
Phone (575) 748-1285 Fax (575) 748-9720

District III  
1000 Rio Brazos Road Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6178

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-35912</b>		*Pool Code 47E40		*Pool Name NAGEEZI GALLUP			
*Property Code <b>322997</b>		*Property Name STATE 2408 32A COM		*Well Number 2H			
*OGRIC No 289408		*Operator Name LOGOS OPERATING, LLC		*Elevation 7002			
10 Surface Location							
Blk or lot no. A	Section 32	Township 24N	Range 8W	Lot Top 1206	Feet from the North/South line 360	Feet from the East/West line EAST	County SAN JUAN
11 Bottom Hole Location If Different From Surface							
Blk or lot no. E	Section 32	Township 24N	Range 8W	Lot Top 1321	Feet from the North/South line 20	Feet from the East/West line WEST	County SAN JUAN
*Dedicated Acres 320.0 Acres N/2 - Section 32		*Joint or Infill		*Consolidation Code		*Order No.	

END OF LATERAL (A)  
1321 FNL 20 FWL  
SECTION 32, T24N, R8W  
LAT 36 274458"N  
LONG 107 713447"W  
DATUM NAD1927

LAT 36 274470"N  
LONG 107 714050"W  
DATUM NAD1983

504°50.4'W 150.0'

FIRST PERFORATION (B)  
1321 FNL 100 FWL  
SECTION 32, T24N, R8W  
LAT 36 274457"N  
LONG 107 713176"W  
DATUM NAD1927

LAT 36 274470"N  
LONG 107 713788"W  
DATUM NAD1983

504°50.4'W 5085.6'

LAST PERFORATION (C)  
1321 FNL 100 FWL  
SECTION 32, T24N, R8W  
LAT 36 274445"N  
LONG 107 695923"W  
DATUM NAD1927

LAT 36 274455"N  
LONG 107 596535"W  
DATUM NAD1983

504°50.4'W 150.0'

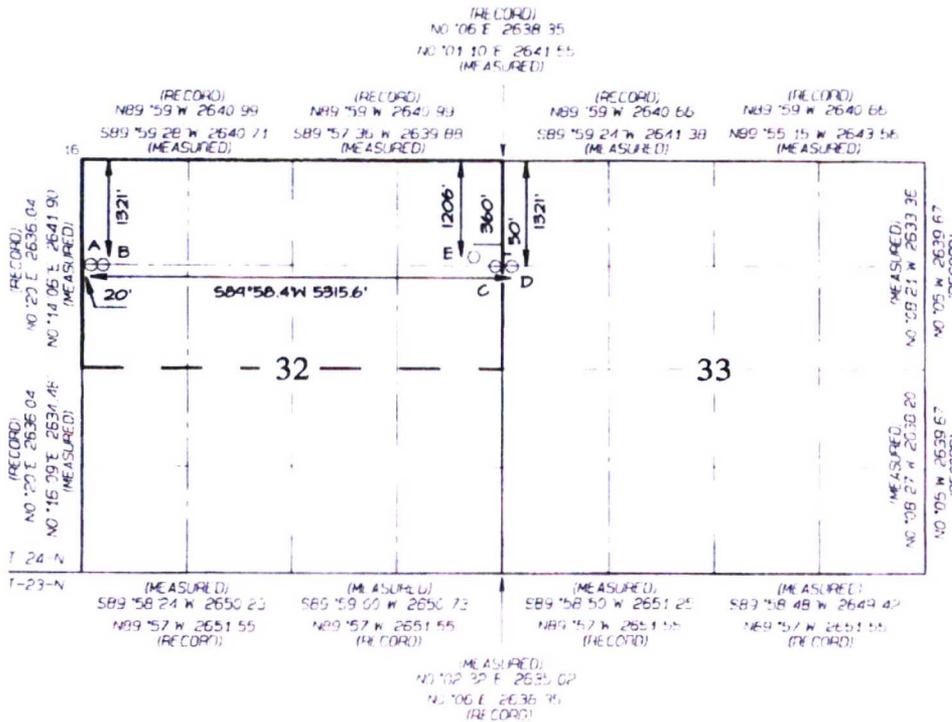
POINT OF ENTRY (D)  
1321 FNL 50 FWL  
SECTION 33, T24N, R8W  
LAT 36 274445"N  
LONG 107 695415"W  
DATUM NAD1927

LAT 36 274457"N  
LONG 107 696026"W  
DATUM NAD1983

574°21.0'E 425.0'

SURFACE LOCATION (F)  
1205 FNL 360 FWL  
SECTION 32, T24N, R8W  
LAT 36 274462"N  
LONG 107 696805"W  
DATUM NAD1927

LAT 36 274774"N  
LONG 107 697417"W  
DATUM NAD1983



17 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 unbiased 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.

Signature: *Tamra Sessions* Date: 3/15/19  
Printed Name: Tamra Sessions  
Email Address: tsessions@logosresourcesllc.com

18 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: MARCH 14, 2019  
Date of Survey: MARCH 8, 2019  
Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number: 15269

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

District I  
1625 N. French Drive Hobbs, NM 88240  
Phone (575) 393-6151 Fax (575) 393 0720

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Phone (505) 334-6178 Fax (505) 334-5170

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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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code 47540	*Pool Name NAGEEZI GALLUP
*Property Code	*Property Name STATE 2408-32A COM	
*OGRIID No 269408	*Operator Name LOGOS OPERATING, LLC	*Well Number 3H
		*Elevation 7002'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Id	Feet from the	North/South line	Feet from the	East/West line	County
A	32	24N	8W		1232	NORTH	374	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Id	Feet from the	North/South line	Feet from the	East/West line	County
E	32	24N	8W		2312	NORTH	20	WEST	SAN JUAN

*Dedicated Acres 320.0 Acres N/2 - Section 32	*Joint or Infill INFILL	*Conservation Code	*Order No.
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END OF LATERAL (A)  
2312' FNL 20' FWL  
SECTION 32, T24N, R8W  
LAT 36 271735' N  
LONG 107 713465' W  
DATUM NAD1983

589'59.3'W 80.0'

FIRST PERFORATION (B)  
2312' FNL 100' FWL  
SECTION 32, T24N, R8W  
LAT 36 271735' N  
LONG 107 713194' W  
DATUM NAD1983

589'59.3'W 80.0'

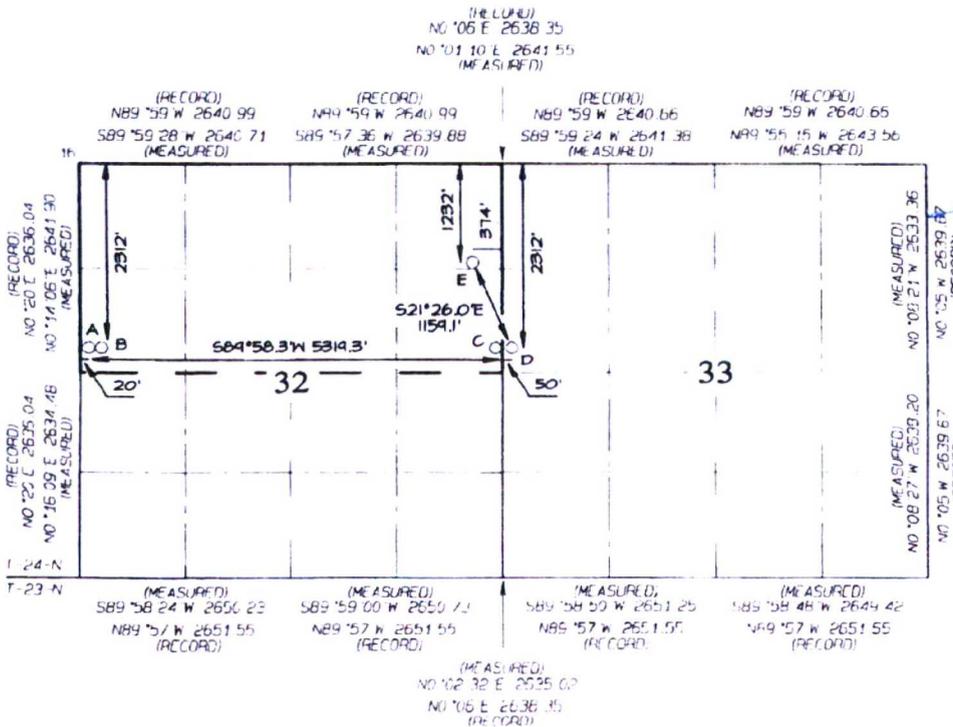
LAST PERFORATION (C)  
2312' FNL 100' FWL  
SECTION 32, T24N, R8W  
LAT 36 271724' N  
LONG 107 695929' W  
DATUM NAD1983

589'59.3'W 150.0'

POINT OF ENTRY (D)  
2312' FNL 50' FWL  
SECTION 33, T24N, R8W  
LAT 36 271723' N  
LONG 107 695420' W  
DATUM NAD1983

521'26.0'E 1154.1'

SURFACE LOCATION (E)  
1232' FNL 374' FWL  
SECTION 32, T24N, R8W  
LAT 36 274589' N  
LONG 107 696852' W  
DATUM NAD1983



17 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 unless otherwise stated, has a working 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.

Signature: *Tamra Sessions* Date: 3/15/19  
Signature  
Printed Name: Tamra Sessions  
Printed Name  
E-mail Address: tsessions@logosresourcesllc.com  
E-mail Address

18 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: MARCH 14, 2019  
Date of Survey: MARCH 8, 2019  
Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

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.