

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



April 29, 2014

LOGOS OPERATING, LLC  
Attn: Mr. Austin Akers

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7069**  
**Administrative Application Reference No. pMAM1409146923**

**Logos Operating, LLC**  
OGRID 289408  
**Logos Well No. 701H**  
**API No. 30-043-pending**

**Proposed Location:**

|                   | <u>Footages</u>   | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|-------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface           | 450 FNL & 510 FWL | D               | 8           | 22N         | 5W           | Rio Arriba    |
| Penetration Point | 660 FNL & 102 FEL | A               | 7           | 22N         | 5W           | Rio Arriba    |
| Terminus          | 660 FNL & 330 FWL | 1               | 7           | 22N         | 5W           | Rio Arriba    |

**Proposed Project Area:**

| <u>Description</u>   | <u>Acres</u> | <u>Pool</u>    | <u>Pool Code</u> |
|----------------------|--------------|----------------|------------------|
| N/2 N/2 of Section 7 | 159.79       | Lybrook Gallup | 42289            |

Reference is made to your application received on April 1, 2014.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. This location is unorthodox because portions of the proposed completed interval are closer to outside

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boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that you are seeking this location for efficient development of the resources underlying LOGOS Jicarilla Lease 424 requires the development of the Mancos interval within the 330 foot setbacks between sections 7 and 8.

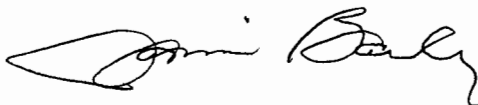
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

DONE at Santa Fe, New Mexico, on April 29, 2014

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

Jami Bailey  
Director

JB/mam

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