



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:

NMNM141953
3105.2 (NM925)

MAR 22 2021

Reference:

Communitization Agreement
Zeus 2308 03 Fed Com #4H
Omega 2308 03 Fed Com #5H
Section 1: Lot 4, SWNW,
Section 2: Lots 1-4, S2N2.
T. 23 N., R. 8 W., N.M.P.M.
San Juan County, NM

LOGOS Resources II, LLC
2010 Afton Place
Farmington, NM 87401-1601

Gentlemen:

Enclosed is an approved Communitization Agreement (CA) NMNM 141953 involving 323.44 acres of Federal land in lease NMNM 120374, and 80.28 acres of Federal land in lease NMNM 109397, San Juan County, New Mexico, which comprise a 403.72 acre well spacing unit.

The agreement communitizes all rights as to crude oil and associated natural gas producible from the Mancos formation in Lot 4, SWNW of Sec. 1, and Lots 1-4, S2N2 of Section 2, T. 23 N., R. 8 W., NMPM, San Juan County, NM, and is effective July 1, 2020. The operator is requested to furnish all interested principals with appropriate evidence of this approval.

Communitization Agreement NMNM 141953 as assigned above, must be posted on the well and facility signs for the Zeus 2308 03 #4H and Omega 2308 03 #5H wells. The sign shall include the well name and number, Operator name, lease serial number, Communitization number, the quarter-quarter section, section, township and range, county, and state (43 CFR 3162.6).

Pursuant to the terms and conditions of the approved CA and 43 CFR 3162.4 Well Records and Reports, you are required to file your well completion report within 30 days of the wells' completion. Within five (5) days of commencement of production, you are also required to file a notice of production startup. Penalties for non-compliance with such requirements are applicable to all wells and facilities on State or privately owned mineral lands committed to a unit or CA, which affects Federal or Indian interests, notwithstanding any provision of the unit or CA to the contrary.

Upon approval of the CA, production and royalty reports are due to the Office of Natural Resources Revenue (ONRR). The submission of Form MMS-4054, Oil and Gas Operations Report (OGOR), must begin once drilling is completed. OGORs must be submitted to ONRR by the 15th day of the second month following the production month. Royalty payments, along with the Form MMS-2014, Report of Sales and Royalty Remittance, are due on or before the last day of the month following the month during which oil or gas was produced and sold.

If the communitized well(s) are producing, any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54).

If you have any questions concerning reporting, locate your company contact at <http://www.onrr.gov/ReportPay/PDFDocs/operasgn.pdf>. Questions concerning Form 2014, call 1-800-525-9167 and Oil and Gas Operations Reports, call 1-800-525-7922.

If you have any questions regarding the Communitization Agreement, please contact Elizabeth Rivera at either lriviera@blm.gov or (505) 954-2162.

Sincerely,

**SHEILA
MALLORY**

Digitally signed by
SHEILA MALLORY
Date: 2021.03.22
12:36:45 -06'00'

Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NMF010

NMSO (NM925, File)

Determination – Approval – Certification

Pursuant to the authority nested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering Lot 4, SWNW of sec. 1 and Lots 1-4, S2N2 of sec. 2, T. 23 N., R. 8 W., NMPM, as to all producible hydrocarbons from the Mancos formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: **MAR 22 2021**

**SHEILA
MALLORY**

Digitally signed by
SHEILA MALLORY
Date: 2021.03.22
12:37:17 -06'00'

Sheila Mallory
Deputy State Director
Division of Minerals

Effective: July 1, 2020
Contract No: Com. Agr. NMNM141953