

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



NSP PDK 1305958456  
30-045-35423

Logos #5

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

NSL-6753  
NSP-196

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ X NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

J. Scott Hall  
Montgomery & Andrews, P.A.

*J. Scott Hall*  
Signature

Attorney for Applicant

27  
2/26/2013  
Date

Print or Type Name

Signature

Title

Date

shall@montand.com  
e-mail Address



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**

Office: (505) 986-2646

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

February 27, 2013

Ms. Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

**HAND DELIVERED**

**Re: Logos Resources LLC  
Request for Administrative Approval  
Non-Standard Oil Spacing Unit and Unorthodox Well Location  
Basin-Mancos Gas Pool (97565)**

**Logos Well No. 5  
API No. 30-045-35423  
671' FSL and 973' FEL (P) (vertical)  
SE/4 SE/4 Section 4, T23N, R8W, NMPM  
San Juan County, New Mexico**

Dear Ms. Bailey:

On behalf of Logos Resources LLC ("Logos") and pursuant to Division Rule 19.15.15.11.B(2) (a) and (b) and the applicable rules governing the acreage and well location requirements for the Basin-Mancos Gas Pool (97232; Order No. R-12984), we request administrative approval for a 40-acre  $\pm$  non-standard oil spacing and proration unit comprised of the SE/4 SE/4 of Section 4, Township 23 North, Range 8 West, NMPM.

In addition, Logos seeks approval of an unorthodox well location for its Logos Well No. 5 to be located 671' from the south line and 973' from the east line of Section 4, T23N, R8W NMPM in San Juan County. This well will be drilled to a depth sufficient to test the Mancos and Basin-Dakota formations within the current horizontal boundaries of the Basin-Mancos Gas Pool.

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**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

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6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

Ms. Jami Bailey, Director  
February 27, 2013  
Page 2

Logos seeks an exception from the applicable acreage dedication and well location rules for the following reasons: Order No. R-12984 established special pool rules for the Basin-Mancos Pool as a gas pool with 320 acre spacing units and well location setbacks of 660'. The special pool rules also provide that oil wells located within two miles of certain Gallup oil pools or associated pools identified in Order No. R-12984 are to be drilled and spaced in accordance with the rules applicable to those pools. The spacing unit proposed in this case is located immediately adjacent to the Nageezi-Gallup Oil Pool (47540). The current rules for both that pool reflect statewide rules and provide that wells shall be located no closer than 330' to the boundary of a unit, with 40-acre units dedicated to the wells. However, neither of these pools is among the pools specified in Order No. R-12984 and therefore, the Division has advised that the rules for the pool may not be extended to the proposed spacing unit and well location. Therefore, this application for exception is made necessary.

This proposed well is no closer than 330' to the outer boundary of the SE/4 SE/4 of the section and otherwise complies with statewide acreage dedication and locational rules applicable to oil wells. The unit and well location are also consistent with the established development pattern for Mancos oil wells in the area. The 3160-3 APD along with the C-102 plat showing the SE/4 SE/4 spacing unit (S/2 for the Basin-Dakota) and the proposed location for the Logos Well No. 4 are attached as Exhibits A and B.

Logos Resources LLC owns and operates all of Section 4 T23N R8W under a single federal lease (NMNM-109398). Royalty and overriding royalty interests in the S/2 of Section 4, including the SE/4 SE/4 of the section are uniform. The Bureau of Land Management is being notified of this application, but no further notification is indicated under Division Rules 19.15.4.12 A(2) and (3) (Exhibit C).

The Division's Administrative Application Checklist is enclosed.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Ms. Jami Bailey, Director  
February 27, 2013  
Page 3

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall  
Attorneys for Logos Resources LLC

JSH:kw

Enclosures:

Exhibit A - APD  
Exhibit B - C-102  
Exhibit C - Notice List  
Administrative Application Checklist

cc: John Austin Akers, Logos Resources LLC

CONFIDENTIAL

RECEIVED

Form 3160-1  
(August 2007)

OCT 22 2012

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFarmington Field  
Bureau of Land Management

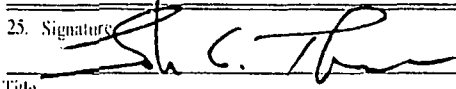
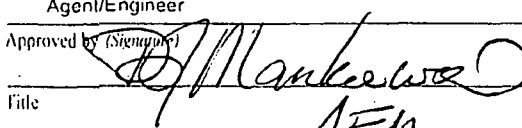
## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 009398	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name RCVD JAN 9 '13 OIL CONS DIV.	
2. Name of Operator Logos Operating, LLC		7. If Unit or CA Agreement, Name and No. Logos #5 DIST. 3	
3a. Address 4001 North Butler Ave., Building 7101 Farmington, NM 87401	3b. Phone No. (include area code) 505-436-2627	8. Lease Name and Well No. 36-045-38423	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 671' FSL, 973' FEL At proposed prod. zone same as above		9. API Well No. 36-045-38423	
10. Field and Pool, or Exploratory Basin Dakota-Nageezi-Gallup		11. Sec., T. R. M. or Blk. and Survey or Area Sec 4, T23N, R8W, UL P	
12. County or Parish San Juan		13. State NM	
15. Distance from proposed* 671' location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 640.35 acres	17. Spacing Unit dedicated to this well Basin Dakota - S/2 320 acres Nageezi-Gallup - SE/4SE/4 Basin Mancos	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. No other wells on lease.	19. Proposed Depth ~6500'	20. BLM/BIA Bond No. on file 1062445 NM B000917	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6867' GL	22. Approximate date work will start* 11/15/2012	23. Estimated duration 45 days	

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUIP must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed Typed) John C. Thompson	Date 10/22/2012
Title Agent/Engineer		
Approved by (Signature) 	Name (Printed Typed) AFN	Date 11/7/13
Title Office FEO		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

\*(Instructions on page 2)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

NMOC

JAN 18 2013

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
to 43 CFR 3165.4

EXHIBIT A

CONFIDENTIAL

DISTRICT I

1625 N. French Dr., Hobbs, N.M. 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II

811 S. First St., Artesia, N.M. 88210  
Phone: (979) 748-1283 Fax: (979) 748-0720

DISTRICT III

1000 Rio Grande Rd., Aztec, N.M. 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 478-3460 Fax: (505) 478-3462

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 Dr.  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-35423		*Pool Code 47232; 71599	*Pool Name BASIN MANCOS & BASIN DAKOTA
*Property Code 311963	*Property Name LOGOS		*Well Number 5
*OGRUD No. 289408	*Operator Name LOGOS OPERATING, LLC		*Elevation 6867'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	23N	8W		671'	SOUTH	973'	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
									RCVD JAN 15 '13
<sup>12</sup> Dedicated Acres Both Pools 320 - 5/2					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No. OIL CONS. DIV. DIST. 3

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

<p>16</p> <p>LEASE # NM-109398</p> <p>LAT. 38.25082° N (NAD83) LONG. 107.68123° W (NAD83) LAT. 38°15.04997' N (NAD27) LONG. 107°40.91047' W (NAD27)</p> <p>N 89°41'18" W 5280.32' (M) N 89°44' W 5278.68' (R) BASIS OF BEARINGS</p>	<p>17 OPERATOR CERTIFICATION</p> <p>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 unleased 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.</p> <p><i>Kristy Graham</i> 1/11/13 Signature Date Kristy Graham Printed Name Kgraham@logosresourcesllc.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>OCTOBER 1, 2012 Date of Survey Signature and Seal of Registered Professional Surveyor: <i>David R. Russell</i> 10201 REGISTERED PROFESSIONAL LAND SURVEYOR DAVID RUSSELL Certificate Number 10201</p>
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EXHIBIT B



Notice List

Bureau of Land Management  
1235 La Plata Highway, Suite A  
Farmington, NM 87401-8731



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**

Office: (505) 986-2646

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

February 27, 2013

Bureau of Land Management  
1235 La Plata Highway, Suite A  
Farmington, NM 87401-8731

**CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

**Re: Logos Resources LLC  
Request for Administrative Approval  
Non-Standard Oil Spacing Unit and Unorthodox Well Location  
Basin-Mancos Gas Pool (97565)**

**Logos Well No. 5  
API No. 30-045-35423  
671' FSL and 973' FEL (P) (vertical)  
SE/4 SE/4 Section 4, T23N, R8W, NMPM  
San Juan County, New Mexico**

Dear Sir or Madam:

Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 19.15.15.11 B and the rules and regulations for the Basin-Mancos Gas Pool, you are hereby notified that Logos Resources LLC has on this date made application to the NMOCD for administrative approval for a non-standard oil spacing unit and an unorthodox well location for its Logos Well No. 5 to be drilled at the location reflected above to the Mancos formation, Basin-Mancos Gas Pool, in San Juan County, New Mexico. A copy of the application is enclosed.

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

---

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

---

6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

Bureau of Land Management  
February 27, 2013  
Page 2

Should you consent to the application and the proposed non-standard spacing unit and unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely,

MONTGOMERY & ANDREWS, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall

CONSENT:

By: \_\_\_\_\_

447710



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

J. SCOTT HALL  
Office: (505) 988-2646  
Email: shall@montand.com  
Reply To: Santa Fe Office  
www.montand.com

**RECEIVED**

FEB 27 2013

Farmington Field Office  
Bureau of Land Management

February 27, 2013

Bureau of Land Management  
1235 La Plata Highway, Suite A  
Farmington, NM 87401-8731

**CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

**Re: Logos Resources LLC  
Request for Administrative Approval  
Non-Standard Oil Spacing Unit and Unorthodox Well Location  
Basin-Mancos Gas Pool (97566)**

**Logos Well No. 5  
API No. 30-045-35423  
671' FSL and 973' FEL (P) (vertical)  
SE/4 SE/4 Section 4, T23N, R8W, NMPM  
San Juan County, New Mexico**

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**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

Bureau of Land Management  
February 27, 2013  
Page 2

Should you consent to the application and the proposed non-standard spacing unit and unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely,

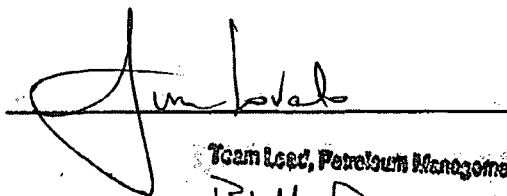
MONTGOMERY & ANDREWS, P.A.



J. Scott Hall

CONSENT:

By:



Team Lead, Petroleum Management

BLM, Farmington

447710