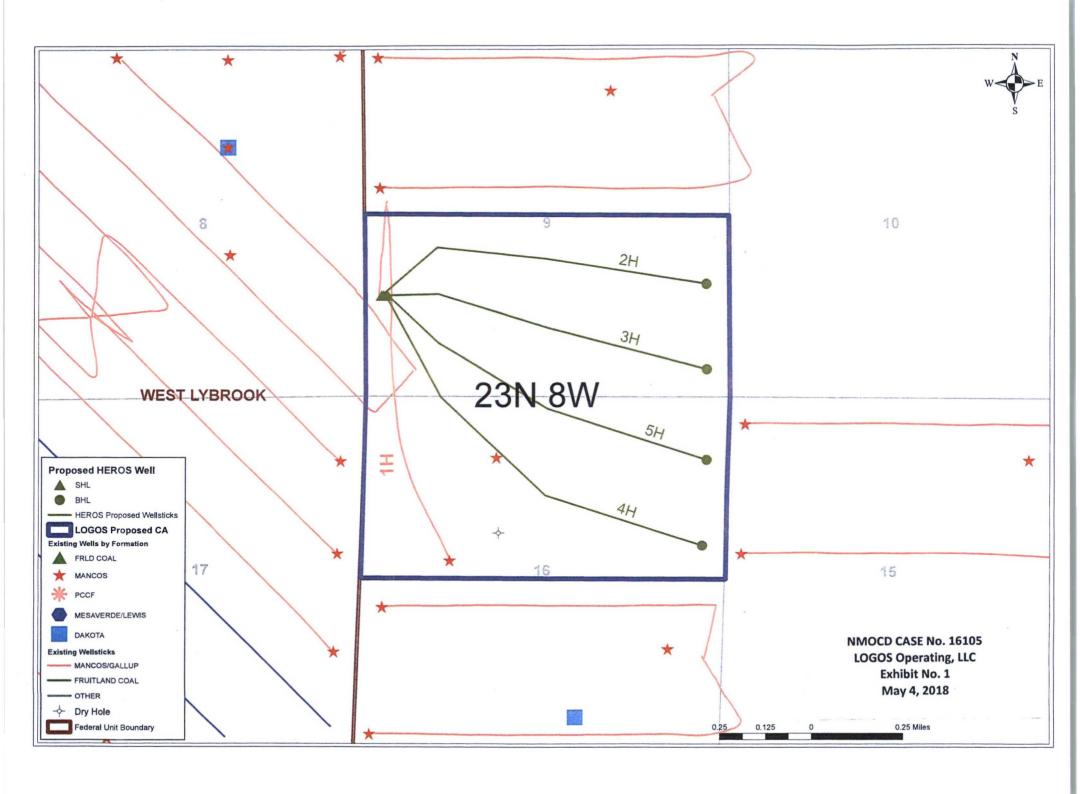
STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

and non. standard spacing unt

APPLICATION OF LOGOS OPERATING, LLC, FOR APPROVAL OF A NON-STANDARD PROJECT AREA COMPRISED OF ACREAGE SUBJECT TO A PROPOSED FEDERAL/STATE OF NEW MEXICO COMMUNITIZATION AGREEMENT, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 16105

LOGOS OPERATING, LLC May 4, 2018



STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised Feb. 2013

ONLINE Version COMMUNITIZATION AGREEMENT

·	
Contra	act No
THIS AGREEMENT, entered into as of the date shown in Section 10 h parties subscribing, ratifying, or consenting hereto, such parties being herein hereto,"	_
WITNESSETH:	
WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and communitization or drilling agreements communitizing or pooling a feder portions thereof, with other lands, whether or not owned by the United S under such federal lease cannot be independently developed and operate established well-spacing program for the field or area, and such communitization to be in the public interest; and,	al oil and gas lease, or any States, when separate tracts ted in conformity with an
WHEREAS, the Commissioner of Public Lands of the State of New 1 Commissioner", is authorized to consent to and approve agreements pooling any portion thereof, when separate tracts under such state leases cannot be and operated economically in conformity with well-spacing and gas provestablished for the field or area and such pooling is determined to be in the process.	ng state oil and gas leases or the independently developed ation rules and regulations
WHEREAS, the parties hereto own working, royalty, or other leasehold in under the oil and gas leases and land subject to this agreement which developed and operated in conformity with the well-spacing program established in which said lands are located; and,	n cannot be independently
WHEREAS, the parties hereto desire to communitize and pool their resplands subject to this agreement for the purpose of developing and producing in accordance with the terms and conditions of the agreement;	•
NOW, THEREFORE, in consideration of the premises and the mutual hereto, it is mutually covenanted and agreed by and between the parties here	•
1. The lands covered by this agreement (hereinafter referred to as "communitized are: Subdivisions Section 9: S2 and Section 16: N2	a") are described as follows:
Sect, T 23N , R 8W , NMPM San Juan	County NM
containing 640.00 acres, more or less, and this agreement shall in	clude only the
Gallup	Formation
underlying said lands and the crude oil and associated natural ga	AS (hereinafter

referred to as "communitized substances") producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- The date of this agreement is May Month Day, 2018 Year, and it shall become effective as of this date or from the onset of production of 10. communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

	LOGOS Operating, LLC
Date	By: Name: Jay Paul McWilliams Title: President
	ACKNOWLEDGEMENT
STATE OF NEW MEXICO)
COUNTY OF SAN JUAN)
	nent was acknowledged before me this day of, ns, President of LOGOS Operating, LLC, for and on behalf of said
My Commission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

LOGOS Resources II, LLC

Date	By:	Jay Paul McWilliams
Date		Chief Executive Officer
	ACK	NOWLEDGEMENT
STATE OF NEW MEXICO)		
COUNTY OF SAN JUAN)		
	ul McWi	acknowledged before me this day of liams, Chief Executive Officer of LOGOS Resources ability company.
My Commission Expires		Notary Public
	WPX	Energy Production, LLC
Date		
	ACK	NOWLEDGEMENT
STATE OF)		
COUNTY OF)		
		acknowledged before me this day of of WPX Energy limited liability company.
Production, LLC, for and on behal	lf of said l	limited liability company.
My Commission Expires		Notary Public

	Encar	na Oil & Gas (U	SA) Inc.			
Date	By: Name: Title:					
	ACK	NOWLEDGEN	IENT			
STATE OF)					
COUNTY OF)					
The foregoing instruction The foregoing in the foregoing instruction The foregoing in the foregoing in the foregoing The foregoing in the foregoing in the foregoing in the foregoing The forego		_				
Gas (USA) Inc., for and on bel	nalf of said co	orporation.				
My Commission Expires		_	Notary	Public	_	

Hilcorp San Juan, LP

Date	By: Name: Title:	:	
•	ACK	NOWLEDGEMENT	
STATE OF)		
COUNTY OF)		
		acknowledged before me this	
Hilcorp San Juan, LP, for and on bel	half of s	said partnership.	01
My Commission Expires		Notary Public	
•	BP A	merica Production Co.	
	By:		
Date	Name		
·	ACK	NOWLEDGEMENT	
STATE OF)		
COUNTY OF)		
The foregoing instrument , 2018, by	t was	acknowledged before me this of BP	day of America
Production Co., for and on behalf of	compa	ny.	
My Commission Expires		Notary Public	

EXHIBIT "A"

Plat of communitized area covering: Township 23 North, Range 8 West, Section 9: S2 and Township 23 North, Range 8 West, Section 16: N2 San Juan County, New Mexico

Communitized Formation: Gallup Formation

•	
	•
•	
9	
Tract 1	
NMNM 18463	
T23N, R8W, Scc 9: S/2 320.00 acres	
320.00 acres	
}	
	Tract 3
·	Tract 3 ST NM E0-8057-0009
}································	ST NM E0-8057-0009 T23N, R8W, Sec 16:
	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
Tract 2	ST NM E0-8057-0009 T23N, R8W, Sec 16:
State of NM V0-9131-0001	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM VO-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM VO-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM VO-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM VO-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE
State of NM V0-9131-0001 T23N, R8W, Sec 16: NW, S2NE, NWNE 280.00 acres	ST NM E0-8057-0009 T23N, R8W, Sec 16: NENE

EXHIBIT "B"

To Communitization Agreement dated _____ embracing the following described land in San Juan County, New Mexico.

Operator of Communitized Area: LOGOS Operating, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: USA NMNM 18463

Lease Date: December 1, 1973

Lease Term: 10 years

Lessor: United States of America

Original Lessee: Harris D. Butler Jr.

Present Lessee: WPX Energy Production LLC

Description of Land Committed: Township 23 North, Range 8 West, N.M.P.M.

Section 9: S2

Number of Acres: 320.00 acres

Royalty Rate: 12.50000%

Name and Percent ORRI Owners: Harris D. Butler III – 4.00000%

Mazzola & Co. – 1.00000%

Name and Percent of

Working Interest Owners: LOGOS Resources II, LLC – 100.00000%

Tract No. 2

Lease Serial Number: State of NM V0-9131-0001

Lease Date: February 1, 2012

Lease Term: 5 years

Lessor: State of New Mexico

Original Lessee: Contex Energy Co.

Present Lessee: Encana Oil & Gas (USA) Inc.

Exhibit "B" - Page 1

Description of Land Committed: Township 23 North, Range 8 West, N.M.P.M.

Section 16: NW, W2NE, SENE

Number of Acres: 280.00 acres

Royalty Rate: 16.66667%

Name and Percent ORRI Owners: None

Name and Percent of

Working Interest Owners: LOGOS Resources II, LLC – 100.00000%

Tract No. 3

Lease Serial Number: State of NM E0-8057-0009

Lease Date: April 13, 1954

Lease Term: 10 years

Lessor: State of New Mexico

Original Lessee: Charles B. Gonsales

Present Lessee: BP America Production Co. & Hilcorp San Juan, LP

Description of Land Committed: Township 23 North, Range 8 West, N.M.P.M.

Section 16: NENE

Number of Acres: 40.00 acres

Royalty Rate: 12.50000%

Name and Percent ORRI Owners: Jimski, Inc. -0.5%

Charles B. Gonsales – 1.5%

Name and Percent of

Working Interest Owners: Hilcorp San Juan, LP – 100.00000%

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area		
1	320.00	50.000000%		
2	280.00	43.750000%		
3	<u>40.00</u>	6.250000%		
Total	640.00	100.000000%		

WPX Energy Production LLC Gallup operator		WPX Ener Production Gallup open	rgy n LLC	WPX Energy Production LLC Gallup operator	WPX Energy Production LLC	WPX Energy Production LLC Gallup operator	Encana Oil &	Gas (USA) Inc.		
8	WPX Energy Production LLC Gallup operator WPX Energy Production LLC Gallup operator		Townsh Section	ed 640 acre spacin nip 23 North, Range 9: 5/2 16: N/2		area	100% Gallup op rts. I U Basin Mancos Spacing Unit		<u>Legend</u> Proposed Communitized Area, Project Area and spacing unit	
	<u> </u>						WPX Energy Production LLC Gallup operator		Offset spacing unit	
WPX Energy Production LLC Gallup operator 17 Basin Mancos Spacing Unit							WPX Energy Production LLC Gallup operator		Non-offset land in adjacent Section	
			Gallup	Production LLC operator os Spacing Unit	WPX Energy Production LLC Gallup operator	WPX Energy Production LLC Gallup operator	Gallup LOGOS Res 100% Ga	nerating, LLC operator ources II, LLC tillup op rts. s Spacing Unit	Standard 40 acre spacing unit in proposed 600 acre spacing unit and project area	

NOTE 1: LOGOS is aware that rights of WPX Energy Production, LLC, have been divested to Enduring Resources IV, LLC. Enduring was made aware of and participated in the formation of the proposed Communitization Agreement covering the proposed Communitized Area depicted above. Based upon the most current informalton available to LOGOS, State and Federal form assignments have not been approved from WPX to Enduring covering the spacing units depicted above.

NMOCD CASE No. 16105 LOGOS Operating, LLC Exhibit No. 3 May 4, 2018

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF LOGOS OPERATING, LLC, FOR APPROVAL OF A NON-STANDARD PROJECT AREA COMPRISED OF ACREAGE SUBJECT TO A PROPOSED FEDERAL/STATE OF NEW MEXICO COMMUNITIZATION AGREEMENT, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 16105

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)
) ss. COUNTY OF SANTA FE)
J. Scott Hall, attorney and authorized representative of the Applicant in this matter, being
first duly sworn, upon oath states that he sent copies of the Application in this matter to the
parties as specified on the attached Exhibit A.
7. Jan Uall
J. SCOTT HALL
SUBSCRIBED AND SWORN to before me this 3rd day of May 2018.
Dia M. Luna
Notary Public
My Commission Expires:
05/23/21
OFFICIAL SEAL

NMOCD CASE No. 16105 LOGOS Operating, LLC Exhibit No. 4 May 4, 2018

EXHIBIT A

OCD Case No. 16105 (LOGOS Operating, LLC)

OFFSETTING INTEREST OWNERS

WPX Energy Production, LLC Attn: San Juan Land 3500 One Williams Center Tulsa, OK 74172

XTO Energy Inc. Attn: Land Department 810 Houston Street, Suite 2000 Fort Worth, TX 76102

Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202

Hilcorp San Juan, LP Attn: Land Department 1111 Travis Street Houston, TX 77002

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Farmington Field Office Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402



J. SCOTT HALL

Cell: (505) 670-7362 Email: shall@montand.com

www.montand.com

April 12, 2018

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

To: Offsetting Interest Owners

RE: NMOCD Case No. 16105 - Application of LOGOS Operating, LLC, for

approval of a non-standard project area comprised of acreage subject to a proposed Federal/State of New Mexico Communitization Agreement,

San Juan County, New Mexico

Ladies and Gentlemen:

This letter is to advise you that LOGOS Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division and requested that this matter be scheduled for hearing before an Examiner on May 3, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe offices located at 1220 South Saint Frances Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an interest owner offsetting the proposed Project Area, you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

Parties desiring to appear in this case are required by Division Rule 19.15.4.13 NMAC to file a pre-hearing statement on or before 5 p.m. on the Thursday preceding the scheduled hearing date. The prehearing statement must be filed at the Division's Santa Fe office at the above specified address and an additional copy provided to LOGOS Operating, LLC, at 2010 Afton Place, Farmington, NM 87401. The pre-hearing statement must include the name of the party and its attorneys, a concise statement of the party's position regarding this matter, the names of all witnesses the party will call to testify at hearing; the approximate time the party will need to present its case, and must identify any procedural matters that are to be resolved prior to the hearing.

Sincerely,

1. Scott Hall

Enclosure

cc: Christopher J. Jeffus, LOGOS Resources II, LLC

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

EXHIBIT A

OCD Case No. 16105 (LOGOS Operating, LLC)

OFFSETTING INTEREST OWNERS

WPX Energy Production, LLC Attn: San Juan Land 3500 One Williams Center Tulsa, OK 74172

XTO Energy Inc.
Attn: Land Department
810 Houston Street, Suite 2000
Fort Worth, TX 76102

Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202

Hilcorp San Juan, LP Attn: Land Department 1111 Travis Street Houston, TX 77002

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Farmington Field Office Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF LOGOS OPERATING, LLC, FOR APPROVAL OF A NON-STANDARD PROJECT AREA COMPRISED OF ACREAGE SUBJECT TO A PROPOSED FEDERAL/STATE OF NEW MEXICO COMMUNITIZATION AGREEMENT, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 16105

APPLICATION

LOGOS Operating, LLC ("LOGOS"), files this application with the Oil Conservation Division for an order approving a 600 acre non-standard project area comprised of acreage subject to a Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. In support of its application, LOGOS states:

- 1. The parent entity of LOGOS (OGRID No. 289408), LOGOS Resources II, LLC, owns all of the working interest in the Gallup formation underlying one federal lease covering the S/2 of Section 9, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, and one State of New Mexico lease covering the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico.
- 2. LOGOS has drilled and completed the Heros 2308 09L Com #1H well (API 30-045-35688) as a horizontal Gallup oil well upon a standard project area covering the W2SW of Section 9 and W2NW of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, under an approved Federal and State of New Mexico Communitization Agreement, assigned Agreement No. NMNM 136868.

- 3. LOGOS plans to drill three horizontal Gallup oil wells, in addition to the Heros 2308 09L Com #1H, from a surface pad shared with the Heros 2308 09L Com #1H.
- 4. LOGOS has discussed with the Bureau of Land Management and the New Mexico State Land Office the potential for a single Communitization Agreement covering a single Communitized Area comprised of the Gallup formation underlying the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico (the "600 Acre Communitized Area"), and expects to receive preliminary approval of such Communitization Agreement in advance of the hearing in this matter.
- 5. LOGOS has discussed with the Bureau of Land Management and the New Mexico State Land Office the potential for the Communitization Agreement covering the 600 Acre Communitized Area to supersede, on a prospective basis, Communitization Agreement NMNM 136868.
- 6. The Nageezi Gallup Oil Pool (47540) covers the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The Nageezi Gallup Oil Pool is subject to special pool rules providing for 40 acre spacing units and 330 foot setbacks from the outer boundary of the spacing unit. All completions within the Heros 2308 09L #1H are at least 330 feet from the outer boundaries of the proposed 600 Acre Communitized Area, and all completions in the additional three (3) horizontal oil wells detailed in Recital 3 will be at least 330 feet from the outer boundaries of the proposed 600 Acre Communitized Area.
- 7. In order to minimize surface disturbance, allow for the most efficient horizontal well development pattern, and to effectively develop and produce the resource in the Gallup

formation, the entire proposed 600 Acre Communitized Area should be treated as a single project area.

- 8. LOGOS will provide notice of this application to the affected persons in the spacing units that adjoin the proposed 600 Acre Communitized Area. LOGOS's parent entity, LOGOS Resources II, LLC, is the only affected person within the 600 Acre Communitized Area.
- 9. Approval of this application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, LOGOS Operating, LLC, requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on May 3, 2018, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

J. Scott Hall

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for LOGOS Operating, LLC

Case 16105 Application of LOGOS Operating, LLC, for approval of a non-standard project area comprised of acreage subject to a proposed Federal/State of New Mexico Communitization Agreement, San Juan County, New Mexico. Applicant seeks approval of a 600 acre non-standard project area in the Gallup formation comprised of acreage subject to a proposed Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The subject acreage lies within the Nageezi Gallup Oil Pool. The subject acreage is located approximately 6 miles West of Lybrook, New Mexico.

다	U.S. Postal Service™ CERTIFIED MAIL [©] RECEIPT Domestic Mail Only	
7015 1730 0000 9743 6024	For delivery information, visit our website at www.usps.co Contified Mail Fee S Extra Sorvices & Fees (check box, add too as appropriate) Rehum Receipt (numbcopy) Rehum Receipt (susctrants)	NM 1802 1802 LOGOS

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the malipiece, or on the front if space permits. 	A. Signature Agent Address B. Received by (Printed Name) C. Date of Deliver
1. Article Addressed to: WPX Energy Production, LLC Attn: San Juan Land 3500 One Williams Center Tulsa, OK 74172	D. ts delivery address different from field (*) If YES, enter delivery address below:
9590 9403 0913 5223 4340 09 2. Article Number (Transfer from service label): 7015 1730 0000 9793 602	3. Service Type 3. Service Type 3. Adult Signaturo 4. Adult Signaturo 5. Certified Maile 6. Registered Mail Mestricted Delivery 7. Collect on Delivery 8. Signature Confirmation 9. Signature Confirmation

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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF LOGOS OPERATING, LLC, FOR APPROVAL OF A NON-STANDARD PROJECT AREA COMPRISED OF ACREAGE SUBJECT TO A PROPOSED FEDERAL/STATE OF NEW MEXICO COMMUNITIZATION AGREEMENT, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 16105

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

J. Scott Hall, attorney and authorized representative of the Applicant in this matter, being first duly sworn, upon oath states that he sent copies of the Amended Application in this matter to the parties as specified on the attached Exhibit A.

J. Scott HALL

SUBSCRIBED AND SWORN to before me this 3rd day of May , 2018

Notary Public

My Commission Expires:

OFFICIAL SEAL

Diana M. Luna

NOTARY PUBLIC

STATE OF NEW MEXICO

Commission Expires: 05/23/2/

NMOCD CASE No. 16105 LOGOS Operating, LLC Exhibit No. 5 May 4, 2018

EXHIBIT A

OCD Case No. 16105 (LOGOS Operating, LLC)

AFFECTED PERSONS

WPX Energy Production, LLC Attn: San Juan Land 3500 One Williams Center Tulsa, OK 74172

XTO Energy Inc. Attn: Land Department 810 Houston Street, Suite 2000 Fort Worth, TX 76102

Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202

Hilcorp San Juan, LP Attn: Land Department 1111 Travis Street Houston, TX 77002

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Farmington Field Office Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402



J. SCOTT HALL Cell: (505) 670-7362 Email: shall@montand.com www.montand.com

May 1, 2018

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

To: AFFECTED PERSONS

> RE: NMOCD Case No. 16105 - Amended Application of LOGOS Operating, LLC, for approval of a non-standard project area and non-standard spacing unit comprised of acreage subject to a proposed Federal/State of New Mexico Communitization Agreement, San Juan County, New Mexico

Ladies and Gentlemen:

This letter is to advise you that LOGOS Operating, LLC, has filed the enclosed amended application with the New Mexico Oil Conservation Division and requested that this matter be scheduled for hearing before an Examiner on May 4, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe offices located at 1220 South Saint Frances Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an interest owner offsetting the proposed Project Area, you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

Parties desiring to appear in this case are required by Division Rule 19.15.4.13 NMAC to file a pre-hearing statement on or before 5 p.m. on the Thursday preceding the scheduled hearing date. The prehearing statement must be filed at the Division's Santa Fe office at the above specified address and an additional copy provided to LOGOS Operating, LLC, at 2010 Afton Place, Farmington, NM 87401. The pre-hearing statement must include the name of the party and its attorneys, a concise statement of the party's position regarding this matter, the names of all witnesses the party will call to testify at hearing; the approximate time the party will need to present its case, and must identify any procedural matters that are to be resolved prior to the hearing.

1. Switch

Enclosure

Christopher J. Jeffus, LOGOS Resources II, LLC cc:

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

EXHIBIT A

OCD Case No. 16105 (LOGOS Operating, LLC)

AFFECTED PERSONS

WPX Energy Production, LLC Attn: San Juan Land 3500 One Williams Center Tulsa, OK 74172

XTO Energy Inc. Attn: Land Department 810 Houston Street, Suite 2000 Fort Worth, TX 76102

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New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Farmington Field Office Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

AMENDED APPLICATION OF LOGOS OPERATING, LLC, FOR APPROVAL OF A NON-STANDARD PROJECT AREA AND NON-STANDARD SPACING UNIT COMPRISED OF ACREAGE SUBJECT TO A PROPOSED FEDERAL/STATE OF NEW MEXICO COMMUNITIZATION AGREEMENT, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 16105

AMENDED APPLICATION

LOGOS Operating, LLC ("LOGOS"), files this application with the Oil Conservation Division for an order approving a 640 +/- acre non-standard project area and non-standard spacing unit comprised of acreage subject to a Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the N/2 Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. In support of its application, LOGOS states:

- 1. The parent entity of LOGOS (OGRID No. 289408), LOGOS Resources II, LLC, owns all of the working interest in the Gallup formation underlying one federal lease covering the S/2 of Section 9, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, and one State of New Mexico lease covering the NW/4, W2NE and SENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. Hilcorp San Juan, LP (Hilcorp), owns all of the working interest in the Gallup formation underlying one State of New Mexico lease covering the NENE of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico.
- 2. LOGOS has drilled and completed the Heros 2308 09L Com #1H well (API 30-045-35688) as a horizontal Gallup oil well upon a standard project area covering the W2SW of

Section 9 and W2NW of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, under an approved Federal and State of New Mexico Communitization Agreement, assigned Agreement No. NMNM 136868.

- 3. LOGOS plans to drill four horizontal Gallup oil wells, in addition to the Heros 2308 09L Com #1H, from a surface pad shared with the Heros 2308 09L Com #1H.
- 4. LOGOS has discussed with the Bureau of Land Management and the New Mexico State Land Office the potential for a single Communitization Agreement covering a single Communitized Area comprised of the Gallup formation underlying the S/2 of Section 9 and the N/2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico (the "640 Acre Communitized Area"), and expects to receive preliminary approval of such Communitization Agreement in advance of the hearing in this matter.
- 5. LOGOS has discussed with the Bureau of Land Management and the New Mexico State Land Office the potential for the Communitization Agreement covering the 640 Acre Communitized Area to supersede, on a prospective basis, Communitization Agreement NMNM 136868.
- 6. The Nageezi Gallup Oil Pool (47540) covers the S/2 of Section 9 and the N/2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The Nageezi Gallup Oil Pool is subject to special pool rules providing for 40 acre spacing units and 330 foot setbacks from the outer boundary of the spacing unit. All completions within the Heros 2308 09L #1H are at least 330 feet from the outer boundaries of the proposed 640 Acre Communitized Area, and all completions in the additional four (4) horizontal oil wells detailed in Recital 3 will be at least 330 feet from the outer boundaries of the proposed 640 Acre Communitized Area.

7. In order to minimize surface disturbance, allow for the most efficient horizontal well development pattern, and to effectively develop and produce the resource in the Gallup formation, the entire proposed 640 Acre Communitized Area should be treated as a single project area and non-standard spacing unit, all 640 acres within the 640 Acre Communitized Area should be dedicated to the existing Heros 2308 09L Com #1H, and all 640 acres within the 640 Acre Communitized Area should be dedicated to future horizontal Gallup wells with completed intervals wholly within the 640 Acre Communitized Area.

8. Approval of a 640-acre project area comprised of the subject acreage is consistent with the intent of a "project area" expressed in Rule 19.15.16.7.L(2).

9. LOGOS will provide notice of this application to the affected persons in the spacing units that adjoin the proposed 640 Acre Communitized Area, as well as all affected persons within the proposed 640 Acre Communitized Area. LOGOS's parent entity, LOGOS Resources II, LLC, and Hilcorp are the only affected persons within the 640 Acre Communitized Area.

10. Approval of this application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, LOGOS Operating, LLC, requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 2018, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

J. Scott Hall

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

Attorneys for LOGOS Operating, LLC

1. Son acy

Case 16105. Amended Application of LOGOS Operating, LLC, for approval of a non-standard project area and non-standard spacing unit comprised of acreage subject to a proposed Federal/State of New Mexico Communitization Agreement, San Juan County, New Mexico. Applicant seeks approval of a 640 acre non-standard project area and non-standard spacing unit in the Gallup formation comprised of acreage subject to a proposed Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the N/2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The subject acreage lies within the Nageezi Gallup Oil Pool. The subject acreage is located approximately 6 miles West of Lybrook, New Mexico.

