

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

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|---|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM16586 |
| 2. Name of Operator DJR OPERATING LLC | | 6. If Indian, Allottee or Tribe Name EASTERN NAVAJO |
| 3a. Address 1600 BROADWAY SUITE 1960 DENVER, CO 80202 | | 7. If Unit or CA/Agreement, Name and/or No. NMNM135229A |
| 3b. Phone No. (include area code) Ph: 505-632-3476 | | 8. Well Name and No. NORTH ALAMITO UNIT 306H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T23N R7W NWSW 1403FSL 0762FWL 36.179682 N Lat, 107.568393 W Lon | | 9. API Well No. 30-043-21276-00-S1 |
| | | 10. Field and Pool or Exploratory Area ALAMITO GALLUP |
| | | 11. County or Parish, State SANDOVAL COUNTY, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

DJR Operating, LLC is requesting to install a temporary flare on the North Alamito Unit L34 pad as a contingency for potential O2 excursions as we bring both the North Alamito Unit 306H, 307H, 308H wells back on line that are currently shut-in waiting on offset completion activities.

The equipment that we plan to install on the L34 pad will include a flowback flare and a vertical knock-out separator. The flare will be located in a reclaimed area on the end of the pad and at a safe distance from the access and any facility equipment.

Measurement of the flared volumes will be measured and recorded using existing gas meters on each separator. Gas will be manually sampled at each separator meter run to evaluate oxygen content.

The natural gas production rate estimated to flare from this well is 773 Mcf/d. DJR plans to remove all temporary flare equipment by August 13, 2019.

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DISTRICT III

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| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #470362 verified by the BLM Well Information System For DJR OPERATING LLC, sent to the Farmington Committed to AFMSS for processing by ALBERTA WETHINGTON on 06/28/2019 (19AMW0061SE) | |
| Name (Printed/Typed) SHAW-MARIE CRUES | Title HSE TECHNICIAN |
| Signature (Electronic Submission) | Date 06/24/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|--------------------------|
| Approved By <u>JOE KILLINS</u> | Title <u>PETROELUM ENGINEER</u> | Date <u>07/10/2019</u> |
| Conditions of approval, if any, are attached. Approval of this notice 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. | | Office <u>Farmington</u> |

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.

(Instructions on page 2)

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