RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geolog 1220 South St. F ADMINIST	ABOVE THIS TABLE FOR OCD DP CO OIL CONSERVA gical & Engineering Francis Drive, Santa	ATION DIVISION Bureau – a Fe, NM 87505 DN CHECKLIST	Real Contraction of the second
THIS CHEC Applicant: Well Name: Pool:	REGULATIONS WHICH I		DIVISION LEVEL IN SANTA OGRI API:	
SUBMIT ACCURATE	and complete in	NFORMATION REQUI		THE TYPE OF APPLICATION
<ul> <li>□NSL</li> <li>B. Check one of [1] Commin</li> <li>□DH</li> <li>[II] Injection</li> <li>WF</li> <li>2) NOTIFICATION REF</li> <li>A. □ Offset ope</li> <li>B. □ Royalty, of</li> <li>C. □ Applicatio</li> <li>D. □ Notificatio</li> <li>E. □ Notificatio</li> <li>F. □ Surface of</li> <li>G. □ For all of the</li> <li>H. □ No notice</li> </ul>	Dacing Unit – Simu Sonly for [1] or [11] gling – Storage – N IC CTB I n – Disposal – Press TX PMX I <b>QUIRED TO</b> : Check erators or lease ho overriding royalty of on requires publish on and/or concur on and/or concur owner the above, proof e required	Iltaneous Dedication (PROJECT AREA)	LS OLM Inced Oil Recove DR PPR	FOR OCD ONLY  FOR OCD ONLY  Notice Complete  Application Content Complete  hed, and/or,
	proval is <b>accurate</b> to action will be ta	e and <b>complete</b> to the aken on this applica	ne best of my kno	
Note: S	tatement must be comp	leted by an individual with	managerial and/or sup	ervisory capacity.

Print or Type Name

Date

Phone Number

Signature

e-mail Address

.



Kaitlyn A. Luck Associate Phone (505) 954-7286 KALuck@hollandhart.com

March 16, 2021

# VIA ONLINE FILING

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

#### Re: Application of DJR Operating, LLC, for administrative approval of an unorthodox well location for its Venado Canyon Unit #302H well in Sections 13, 14, and 24, Township 22 North, Range 6 West, N.M.P.M., Sandoval County, New Mexico.

Dear Ms. Sandoval:

DJR Operating, LLC ("DJR Operating") (OGRID No. 371838) seeks administrative approval of an unorthodox well location for its **Venado Canyon Unit #302H well** (API No. pending) to be completed within the Lybrook Gallup pool (Pool Code 42289) underlying the SE/4 NE/4 and the NE/4 SE/4 of Section 14, SE/4 NW/4, SW/4, and the SW/4 SE/4 of Section 13, and the NE/4 of Section 24, Township 22 North, Range 6 West, N.M.P.M., Sandoval County, New Mexico. The horizontal well is proposed to be drilled as follows:

- Surface hole location: 2,209' FNL, and 745' FEL (Unit H) of Section 14
- Bottom hole location: 1,941' FNL, and 365' FEL (Unit H) of Section 24
- First take point: 2,105' FNL, and 406' FEL (Unit H) of Section 14
- Last take point: 1,941' FNL, and 365' FEL (Unit H) of Section 24

The Venado Canyon Unit #302H well is a unit well within the Venado Canyon Exploratory Unit. Exhibit A is a map of the Venado Canyon Exploratory Unit, which was approved by Division Order Nos. R-14067 and R-14067-A, for a total of 5,280 acres of federal and fee lands in Sandoval County and included 680 acres of unleased federal land.

A portion of the completed interval for this unit well will be located less than 330 feet from the adjoining unleased federal tract in the NE/4 NW/4 of Section 24. **Exhibit B** is a land plat for Sections 13, 14, and 24, that shows the proposed **Venado Canyon Unit #302H well** in relation to the adjoining unleased federal tract to the southwest in the NW/4 of Section 24.

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

**Exhibit** C is a Form C-102 for the Venado Canyon Unit #302H well reflecting the completed interval of the well in relation to the adjoining unleased federal tract to the southwest.

The affected tract is unleased federal acreage within the Venado Canyon Unit. The BLM has committed this tract to the Unit and the Unit Agreement provides that "unleased" Federal tracts are "committed" tracts to be allocated production and receive royalty. Under the Unit Agreement, the costs and production attributable to the working interest for this unleased tract is distributed to the other working interest owners in the Unit until such time as this federal tract is subject to a lease. Under this unique circumstance, it is unclear whether the Division considers this tract a "partially committed tract" for purposes of applying the setbacks under NMAC 19.15.16.C(7). Accordingly, DJR has applied for approval of an unorthodox location out of an abundance of caution and **Exhibit D** provides proof that a copy of this application with all attachments has been sent by certified mail to the BLM advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application.

Your attention to this matter is appreciated.

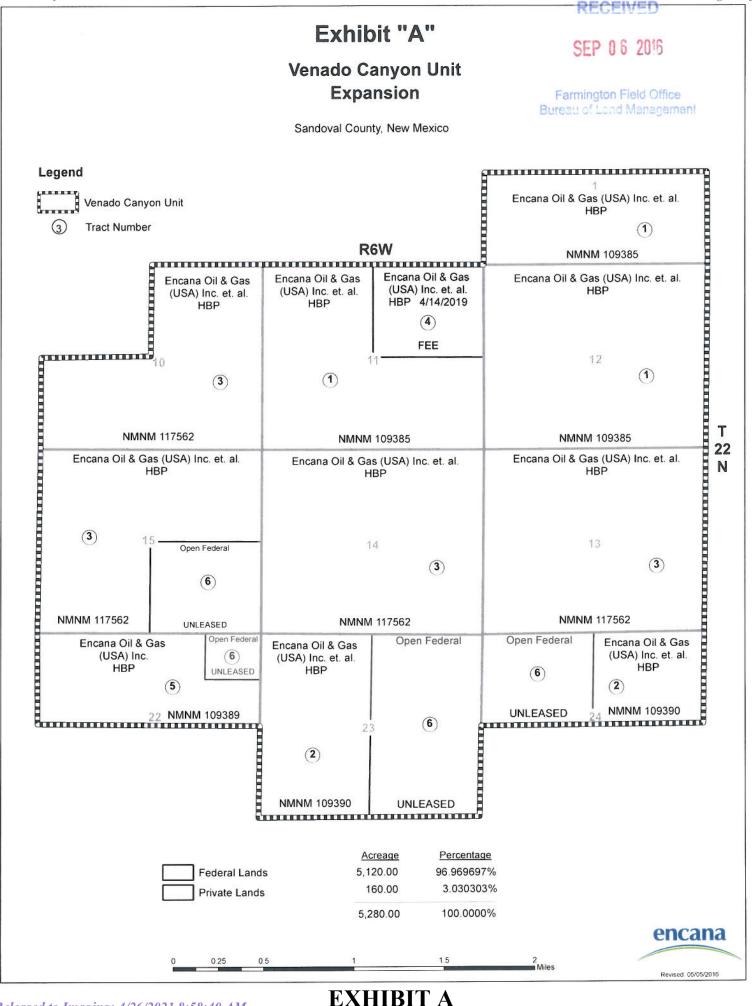
Sincerely,

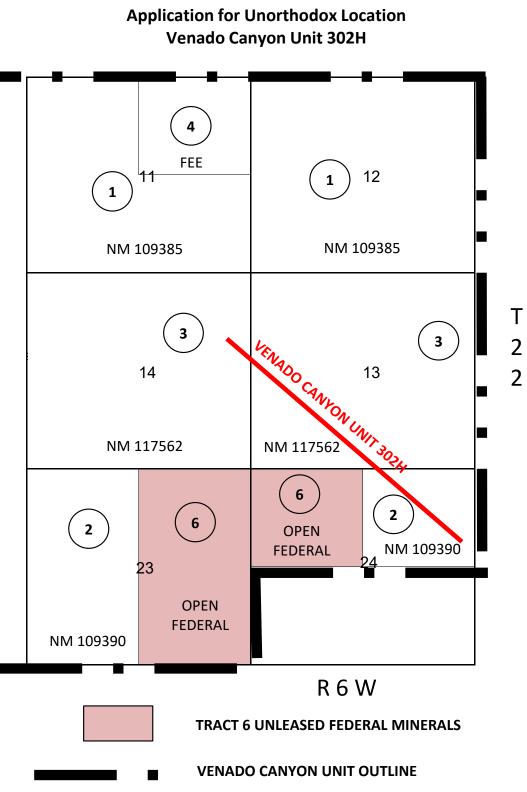
Kaitlyn A. Luck ATTORNEY FOR DJR OPERATING, LLC

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com









**EXHIBIT B** 

**EXHIBIT B** 

Received by OCD: 3/16/2021 4:20:28 PM

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II 811 S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

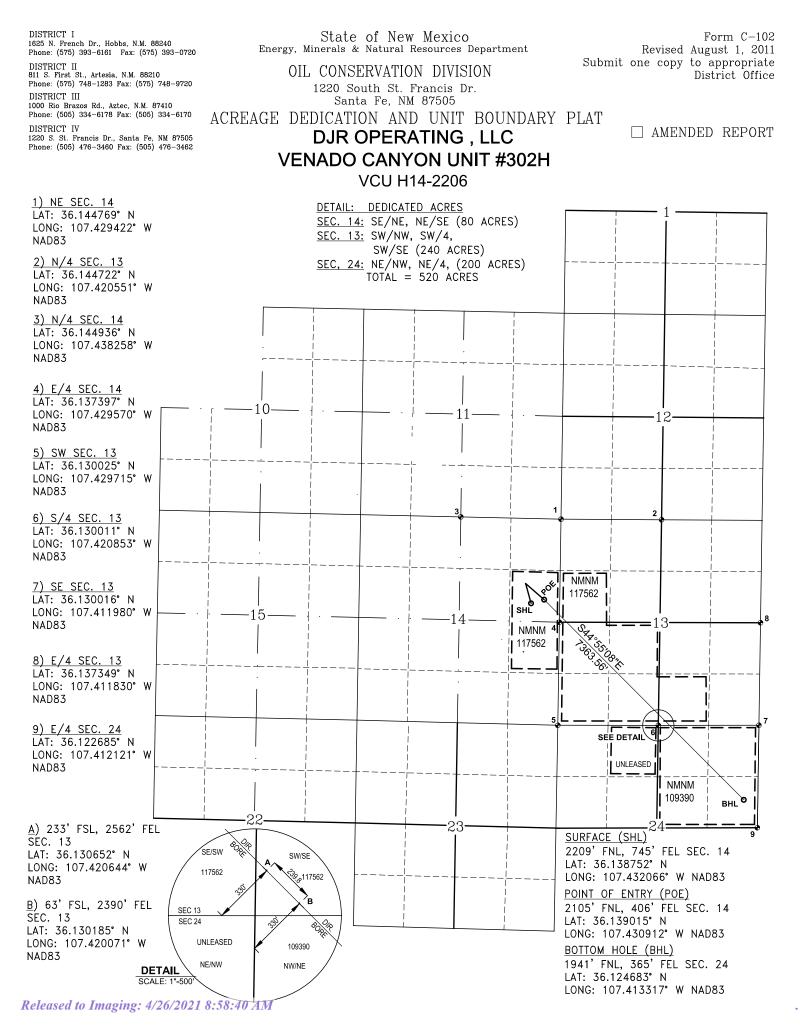
**EXHIBIT C** 

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

□ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API		<sup>2</sup> Pool Code 42289					<sup>³</sup> Pool Name LYBROOK GALLUP							
<sup>4</sup> Property C	<sup>4</sup> Property Code <sup>5</sup> Property Name <sup>6</sup> Well								ell Number					
32527				VE	ENADO CA	ANYON UNIT 30					302H			
<sup>7</sup> OGRID No						erator 1						9	<sup>9</sup> Elevation	
371838 DJR OPERATING,													7122	
07100	0												, , ,	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from		Locat	lON South line	Feet	from the	East/We	at line	Course has	
H	14	22-N	6-W	LOUIDI	2209			ORTH		745	East/ we		County SANDOVAL	
			<sup>11</sup> Botto	om Hole	Locati	ion It	f Diffe	rent Fre	om S	urface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	n the	North/	South line	Feet	from the	East/We	est line	County	
Н	24	22-N	6-W		1941	1	N	DRTH		365	EA	ST	SANDOVAL	
<sup>12</sup> Dedicated Acro	es		<sup>13</sup> Joint or I	nfill	<sup>14</sup> Consolid	lation C	Code		<sup>15</sup> Orde	er No.				
SEE DETAIL	BELOW													
NO ALLOW	ABLE W											EEN CO	ONSOLIDATED	
16		ORAN	ION-STA	NDARD	UNII HA	S BF	EN AF	PROVED	BI	THE DIV	ISION			
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		1	 	DETAI	L: DEDIC.	ATED /	ACRES						ion contained herein	
			1		<u>14:</u> SE/N			ACRES)					of my knowledge and either owns	
				SEC.	<u>13:</u> SW/N			•		a working	interest or	unleased mi	ineral interest in the n hole location or	
		·					O ACRE			has a right	to drill th	is well at t	his location pursuant uch a mineral or	
		I		<u>SEC,</u>	<u>24:</u> NE/N TOTAI	W, NE = 52	/4, (20 0 ACRE	N AURESI S		a working	interest, or	to a volunt	ary pooling agreement etofore entered by the	
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	·				_				_	Signatur	9	D	ate	
					<u> </u>					Printed	Name			
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	1	1	SHL	406'						E-mail A	ddress			
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		i							669.96	<sup>18</sup> SU]	RVEYO	R CER'	FIFICATION	
									26(	I hereby ce	rtify that t	he well loca	tion shown on this pl	
			<u>لےا</u>		<u> </u>								tual surveys made by	
SURFACE (S 2209' FNL,		SEC 14	35"E 35		-35°55	Γ	- — -		54'14"E			of my beli	that the same is true ef.	
LAT: 36.138		SEC. 14	52'3 84.3		0.3.20	P1/2			.54,					
LONG: 107.4		/ NAD83	N00°52'		0017.04	,	l	S89°55'04"W	•00N	Date of S	<u>CH 1, 2</u>	Å.		
			(	N89 <u>*55'43"</u> 2	W <u>2617.04</u>			2620.41'				of Professio	N. RUSSEND	
<u>POINT OF EN</u> 2105' FNL,					li	il i	$\backslash$	Ī		Signature	and Seal		W ME YOU CLAN	
LAT: 36.1390		SEC, 14			li	1	I	+ 1   -	≦			₹ 2		
LONG: 107.4		NAD83						-1941	S00*50'48"W 2669.11'					
					1			$\overline{}$	00°5 266			NI S		
BOTTOM HOLE	<u>(BHL)</u>								Ñ			MAN DA	S. S. S.	
1941'FNL, 3	65' FEL S	SEC. 24						<sup>365'</sup> BHL	-	CITAL		CODDO:	POFESSIONAL STREET	
LAT: 36.1246						2.4 <b>=</b>				<u>GLEN</u> Certificate		335LC	15703	
LONG: 107.41				= FND "1948"	BLM BC	~+							13703	
eleased to Im	aging: 4/2	26/2021 8::	58:40 AM											



DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department

> OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□ AMENDED REPORT

# DJR OPERATING, LLC VENADO CANYON UNIT #302H

VCU H14-2206

#### 565.75' OF WELL BORE WITHIN

NMNM 117562

LOCATED IN THE SE/NE, OF SEC. 14, T-22-N, R-6-W, N.M.P.M.

SANDOVAL COUNTY, NEW MEXICO

WELLBORE	Feet from the	North/South line	Feet from the	East/West line	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
FROM	2105'	FNL	406'	FEL	36.139015° N	107.430912°N
ТО	2496'	FNL	0'	FEL	36.137914° W	107.429560° W

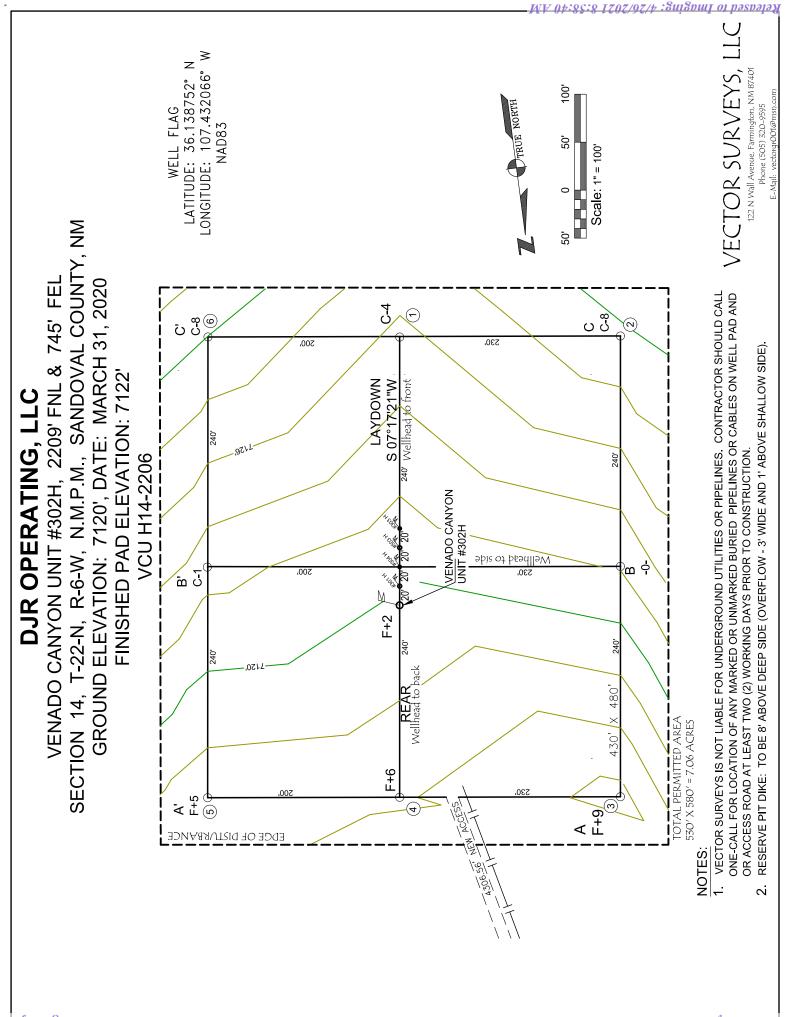
#### 4060.02' OF WELL BORE WITHIN NMNM 117562

# LOCATED IN THE SW/NW, N2/SW, SE/SW, SW/SE OF SEC. 13, T-22-N, R-6-W, N.M.P.M. SANDOVAL COUNTY, NEW MEXICO

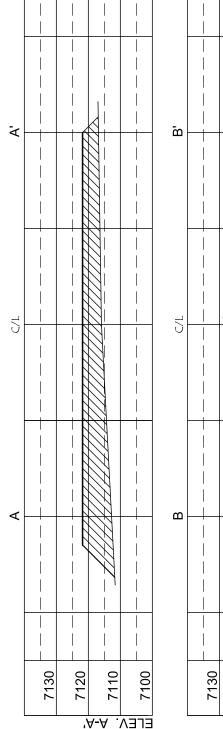
WELLBORE	Feet from the	North/South line	Feet from the	East/West line	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
FROM	2496'	FNL	0'	FWL	36.137914° W	107.429560° W
ТО	0'	FSL	2327'	FEL	36.130012° W	107.419858° W

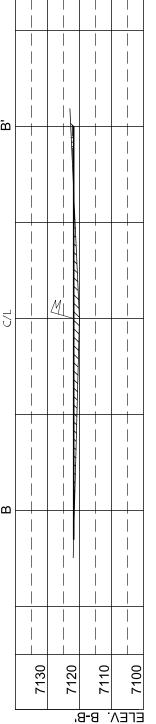
## 2737.78' OF WELL BORE WITHIN NMNM 109390 LOCATED IN THE N2/NE, SE/NE OF SEC. 24, T-22-N, R-6-W, N.M.P.M. SANDOVAL COUNTY, NEW MEXICO

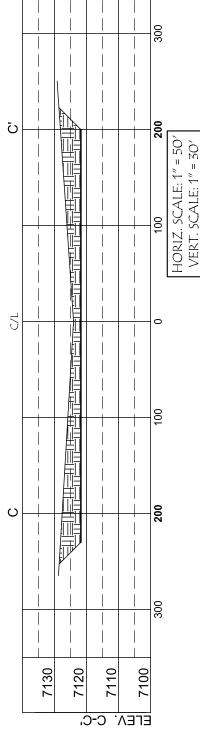
WELLBORE	Feet from the	North/South line	Feet from the	East/West line	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
FROM	0'	FNL	2327'	FEL	36.130012° W	107.419858° W
то	1941'	FNL	365'	FEL	36.124683° W	107.413317° W



SECTION 14, T-22-N, R-6-W, N.M.P.M., SANDOVAL COUNTY, NM VENADO CANYON UNIT #302H, 2209' FNL & 745' FEL GROUND ELEVATION: 7120', DATE: MARCH 31, 2020 FINISHED PAD ELEVATION: 7122' DJR OPERATING, LLC VCU H14-2206





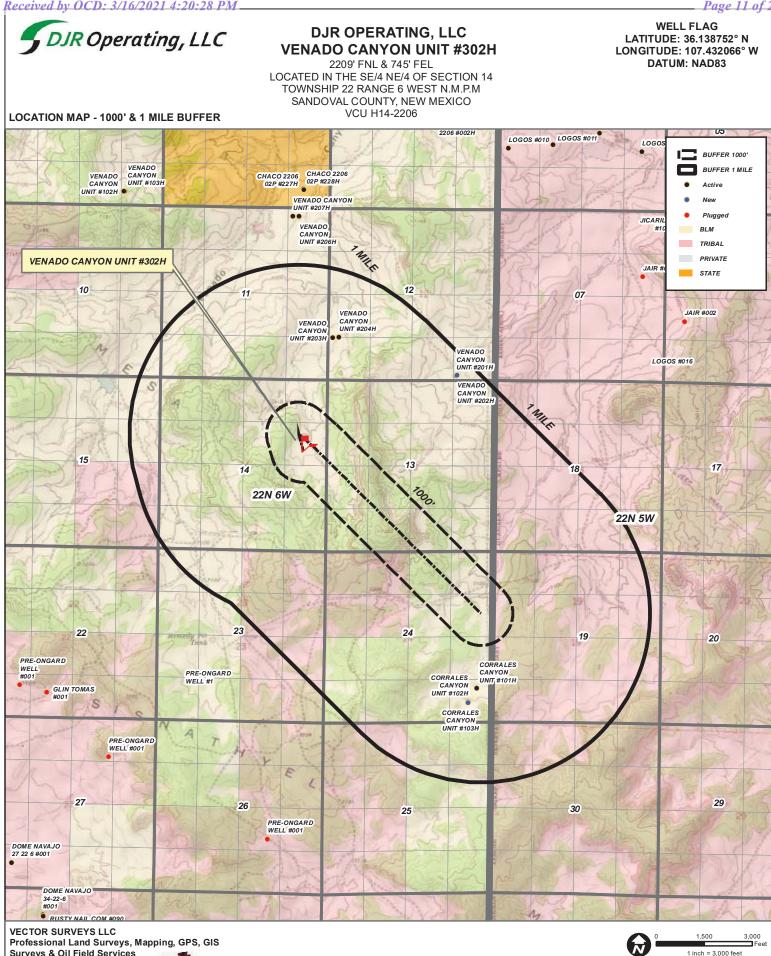


FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL ONE-CALL LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION. NOTE:

VECTOR SURVEYS, LL 122 N Wall Avenue, Farmington, NM 87401 Phone (505) 320–9595 E-Mall: Vectoratio0(@msni.com

\$7 fo 01 9804



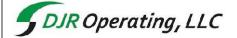


Surveys & Oil Field Services Glen W. Russell, PLS vectorgr001@msn.com Cell: (505) 320-9595 122 N. Wall Street Farmington, NM 87401





Page 11 of 24



#### DJR OPERATING, LLC VENADO CANYON UNIT #302H

2209' FNL & 745' FEL LOCATED IN THE SE/4 NE/4 OF SECTION 14 TOWNSHIP 22 RANGE 6 WEST N.M.P.M SANDOVAL COUNTY, NEW MEXICO VCU H14-2206 WELL FLAG LATITUDE: 36.138752° N LONGITUDE: 107.432066° W DATUM: NAD83

DIRECTIONS

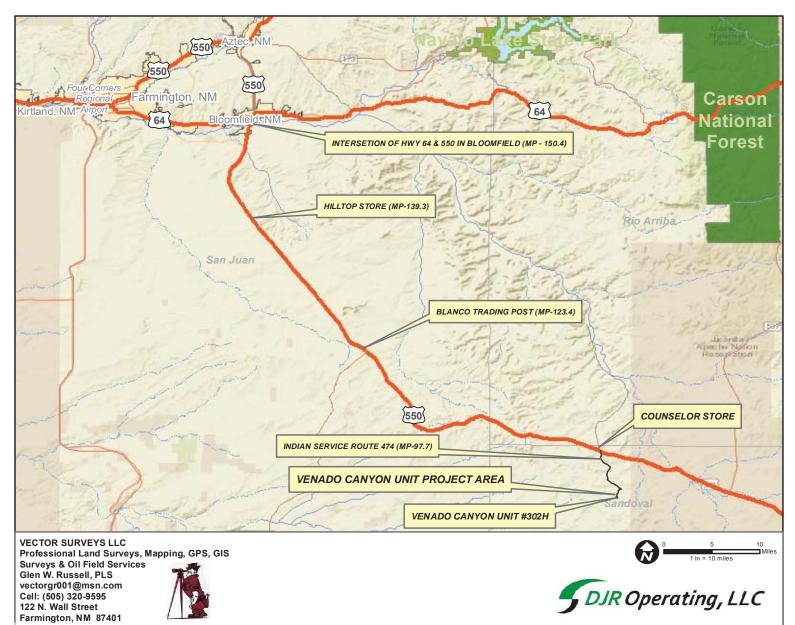
1) FROM THE INTERSECTION OF HWY 64 & HWY 550 IN BLOOMFIELD, GO SOUTH ON HWY 550 FOR 54.3 MILES TO INDIAN SERVICE ROUTE 474 (BETWEEN MILEPOSTS 98 & 97) ON THE RIGHT (SOUTH)

2) TURN RIGHT ONTO I.S.R. 474, 100' PAST COUNSELOR STORE AND GO 3.5 MILES TO A DIRT ROAD ON LEFT

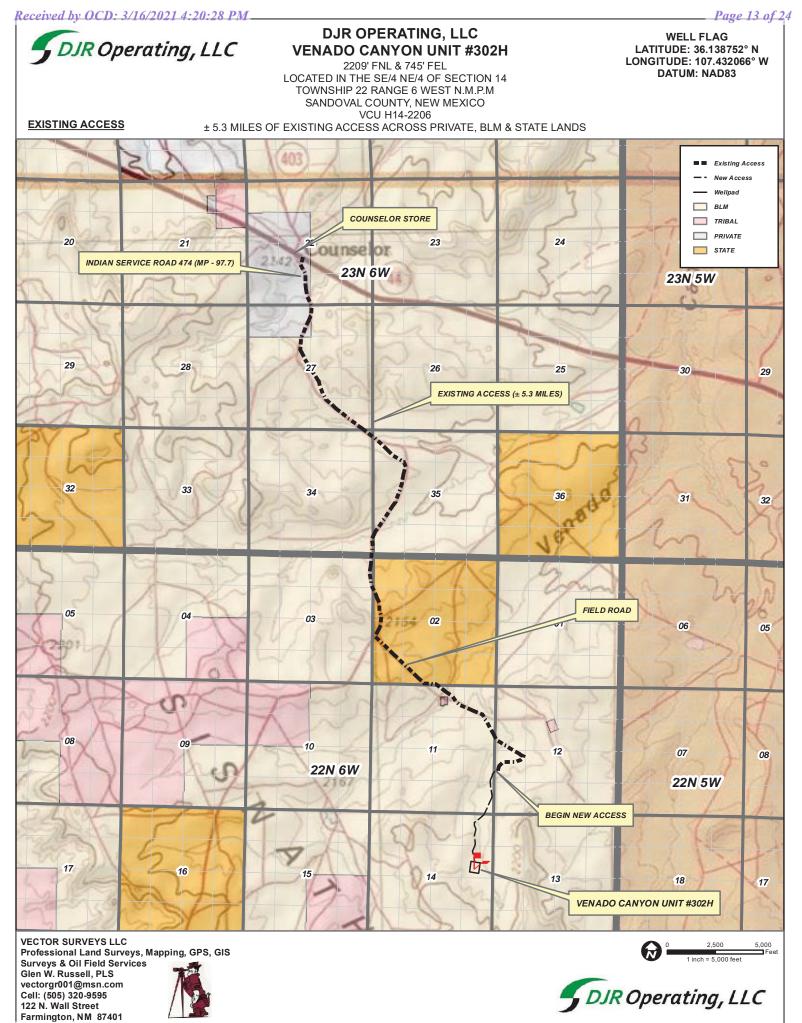
3) TURN LEFT AND GO 1.6 MILES TO A TO A DIRT ROAD ON RIGHT

4) TURN RIGHT AND GO 0.3 MILE WHERE NEW ACCESS IS STAKED ON RIGHT SIDE OF ROAD

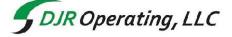
5) CONTINUE ON NEW ACCESS AND GO 0.8 MILE TO WELL LOCATION. WELL FLAG LOCATED AT LATITUDE: 36.138752° N, LONGITUDE: 107.432066° W (NAD 83)



**Released to Imaging: 4/26/2021 8:58:40** AM<sup>-</sup>







APD MAP

± 4307' NEW BLM ACCESS

#### **DJR OPERATING, LLC VENADO CANYON UNIT #302H**

2209' FNL & 745' FEL LOCATED IN THE SE/4 NE/4 OF SECTION 14 TOWNSHIP 22 RANGE 6 WEST N.M.P.M SANDOVAL COUNTY, NEW MEXICO VCU H14-2206

WELL FLAG LATITUDE: 36.138752° N LONGITUDE: 107.432066° W DATUM: NAD83

NEW ACCESS WELL PAD ■ ■ EXISTING ACCESS BLM TRIBAL PRIVATE STATE 03 02 01 C 1. 196 22N 6W 10 -12 BEGIN NEW ACCESS STA 0+00 S Drill Hole END NEW ACCESS VENADO CANYON UNIT #302H STA ±43+07 15 14 13 VECTOR SURVEYS LLC 1,000 2,000 Feet R Professional Land Surveys, Mapping, GPS, GIS 1 inch = 2,000 feet Surveys & Oil Field Services **JIR** Operating, LLC Glen W. Russell, PLS vectorgr001@msn.com

Farmington, NM 87401 Released to Imaging: 4/26/2021 8:58:40 AM

Cell: (505) 320-9595 122 N. Wall Street



#### DJR OPERATING, LLC VENADO CANYON UNIT #302H

2209' FNL & 745' FEL LOCATED IN THE SE/4 NE/4 OF SECTION 14 TOWNSHIP 22 RANGE 6 WEST N.M.P.M SANDOVAL COUNTY, NEW MEXICO VCU H14-2206 WELL FLAG LATITUDE: 36.138752° N LONGITUDE: 107.432066° W DATUM: NAD83

WATER SOURCE - BLANCO TRADING POST

WATER SOURCE - BLANCO TRADING POST (MP123.4). WATER SOURCE LOCATED AT LATITUDE: 36.358278° N, LONGITUDE: 107.810555° W (WGS84)

DISTANCE FROM WATER SOURCE TO VENADO CANYON PROJECT AREA ± 31 MILES.



Received by OCD: 3/16/2021 4:20:28 PM\_



## DJR OPERATING, LLC VENADO CANYON UNIT #302H

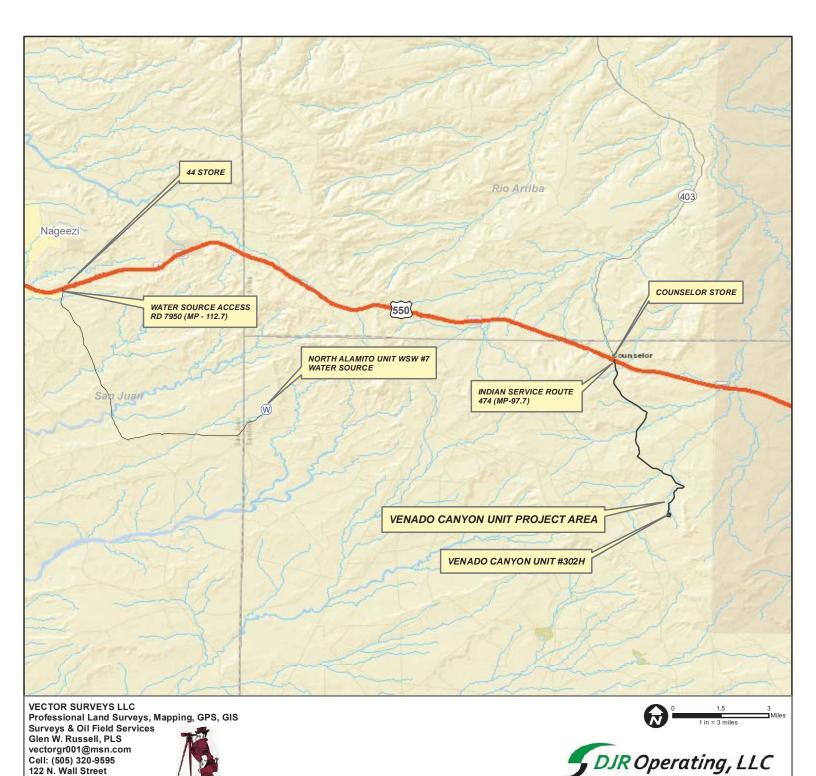
2209' FNL & 745' FEL LOCATED IN THE SE/4 NE/4 OF SECTION 14 TOWNSHIP 22 RANGE 6 WEST N.M.P.M SANDOVAL COUNTY, NEW MEXICO VCU H14-2206 WELL FLAG LATITUDE: 36.138752° N LONGITUDE: 107.432066° W DATUM: NAD83

Page 16 of 24

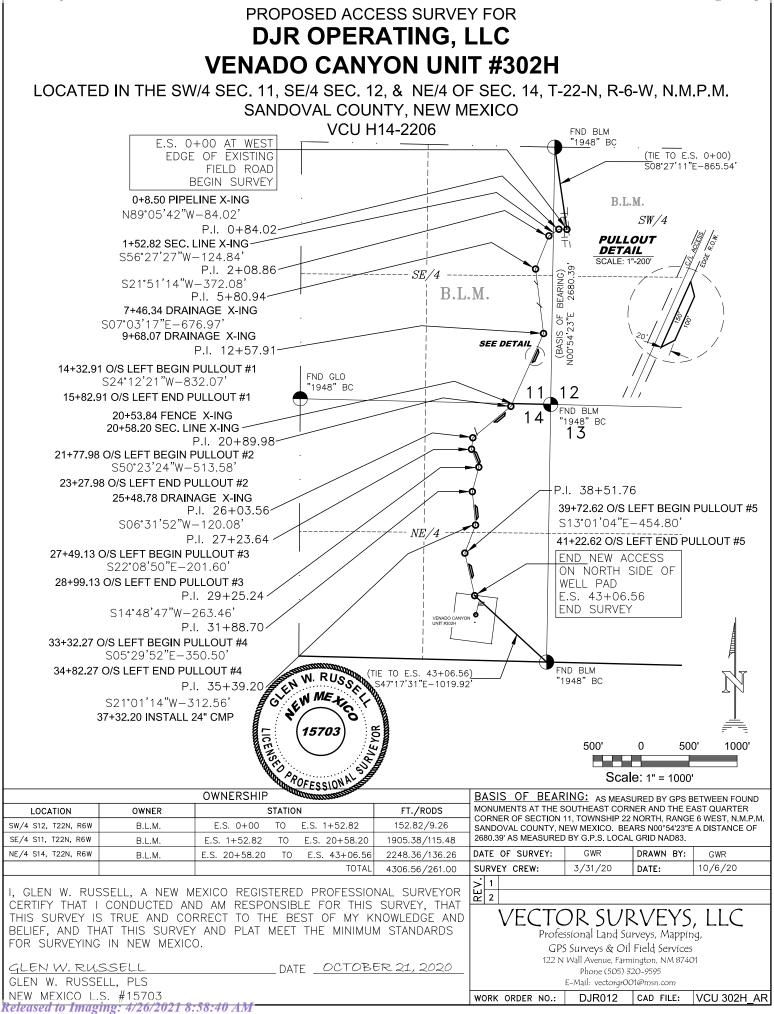
WATER SOURCE NORTH ALAMITO UNIT WSW #7

WATER SOURCE - NORTH ALAMITO UNIT WSW #7, ACCESS AT 44 STORE/RD 7950 (MP112.7). WATER SOURCE LOCATED AT LATITUDE: 36.186791° N, LONGITUDE: 107.614615° W (WGS84)

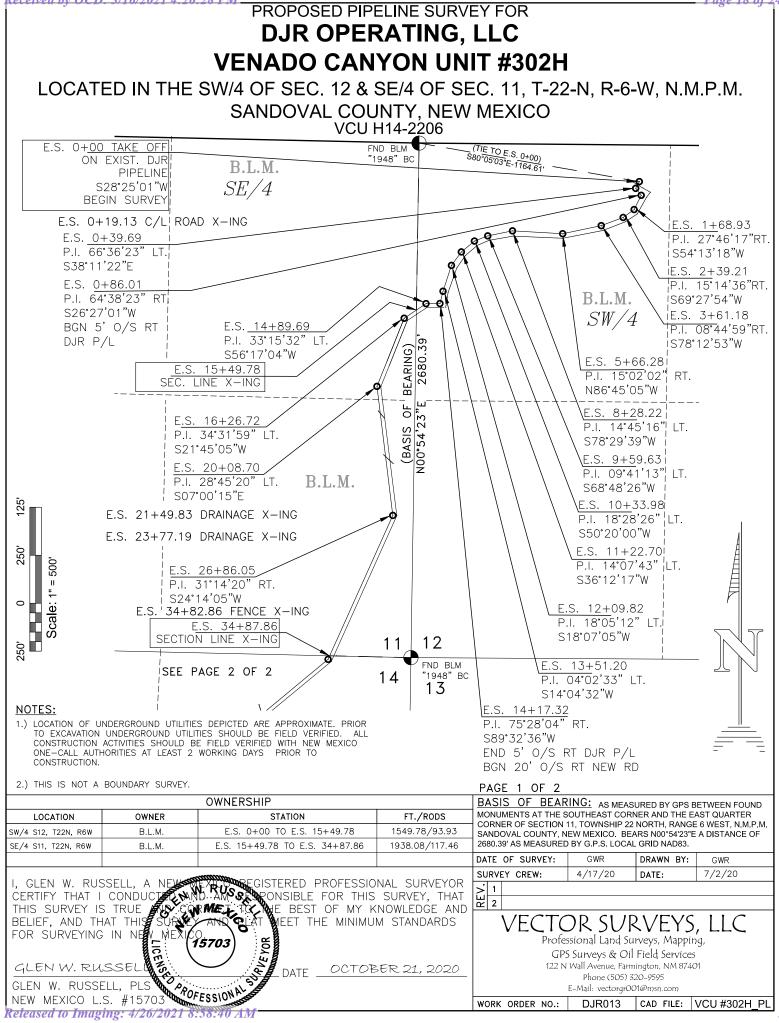
DISTANCE FROM WATER SOURCE TO VENADO CANYON PROJECT AREA ± 29.6 MILES.

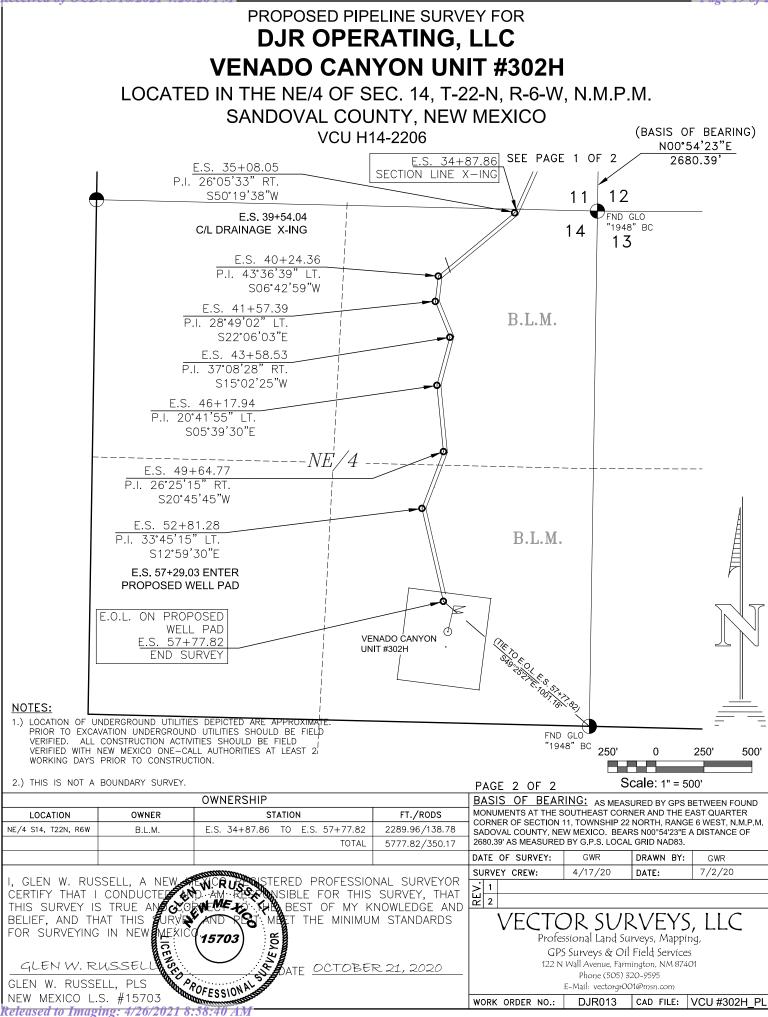


Farmington, NM 87401

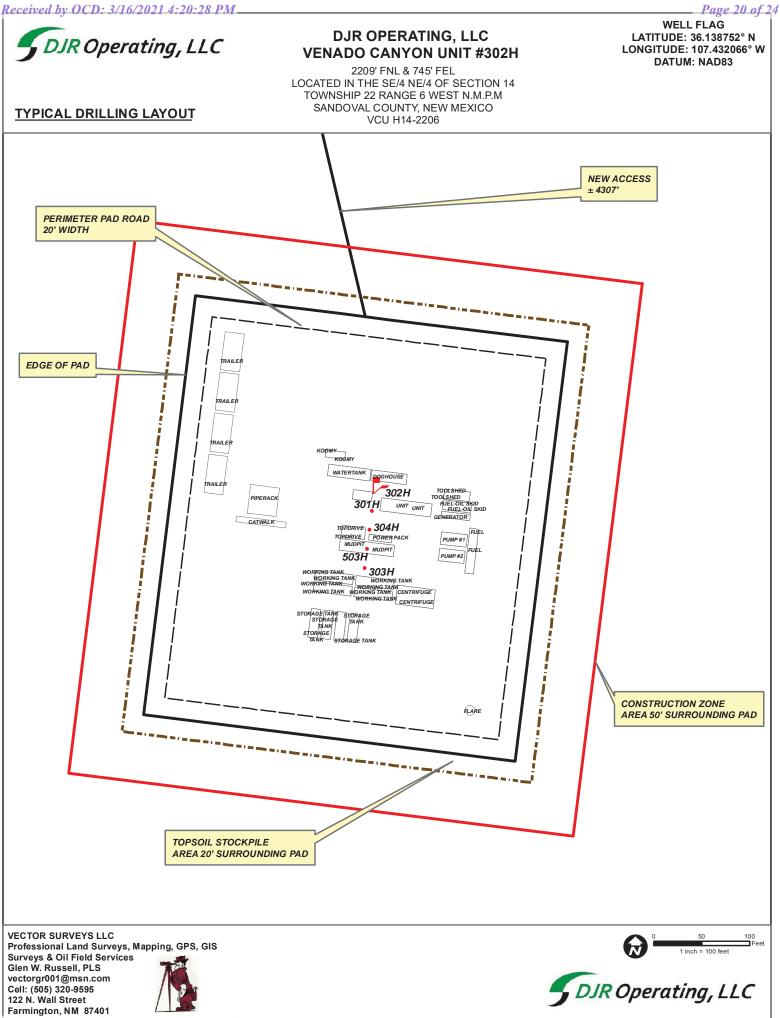






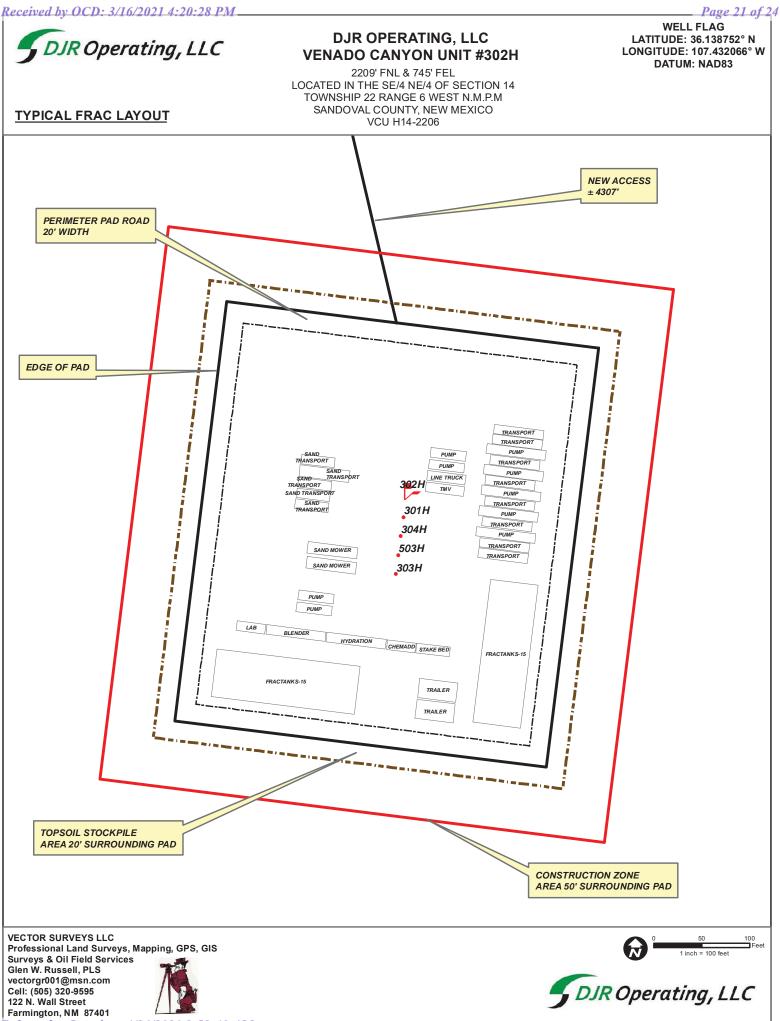






Released to Imaging: 4/26/2021 8:58:40 AM<sup>-</sup>







Kaitlyn A. Luck Associate Phone (505) 954-7286 KALuck@hollandhart.com

March 12, 2021

### <u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Bureau of Land Management 301 Dinosaur Trail Santa Fe, New Mexico 87508

**TO AFFECTED PARTIES:** 

Re: Application of DJR Operating, LLC, for administrative approval of an unorthodox well location for its Venado Canyon Unit #302H well in Sections 13, 14, and 24, Township 22 North, Range 6 West, N.M.P.M., Sandoval County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Mona Binion DJR Operating, LLC (303) 407-7399 MBinion@djrllc.com

Sincerely,

Kaitlyn A. Luck ATTORNEY FOR DJR OPERATING, LLC

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

# EXHIBIT D

3

ParentID	Mail Da	Name	DeliveryAddress	City	ST	Zip	MailClass	TrackingNo	Well
31309	03/12/	Bureau of Land	301 Dinosaur Trl	Santa Fe	NM	87508-	Certified with Return	9414811898765	70140 - DJR - Venado Canyon Unit 302H
	2021	Management				1560	Receipt (Signature)	897639290	NSL - BLM only notice list - 1

District I 1625 N. French Dr., Hobbs, NM 88240

District II

District IV

Phone:(575) 393-6161 Fax:(575) 393-0720

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

District III 1000 Rio Brazos Rd., Aztec, NM 87410 CONDITIONS

Action 20985

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### CONDITIONS OF APPROVAL

		A-t NIM07440		OGRID:		Action Type:
DJR OPERATING, LLC	1 Road 3263	Aztec, NM87410		371838	20985	NSL
OCD Reviewer			Cond	lition		
llowe			None	•		