C-147 REGISTRATION PACKAGE

Nageezi Unit Water Supply Well Pad
Recycling Containment and Recycling Facility

September 2024

ENDURING RESOURCES IV, LLC

DJR Operating, LLC A Subsidiary Company of Enduring Resource, LLC

200 Energy Court
Farmington, New Mexico 87401
Phone: (505) 636-9720

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment*****

Type of action: ☒ Permit ☒ Registration
☐ Modification ☐ Extension
☐ Closure ☐ Other (explain) _____

*** At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.**

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.

Operator: **DJR Operating, LLC** (For multiple operators attach page with information) OGRID #: **371838**

Address: **200 Energy Court, Farmington, New Mexico 87401**

Facility or well name (include API# if associated with a well): **Nageezi Unit Water Supply Well Pad**

OCD Permit Number: 3RF-76 (For new facilities the permit number will be assigned by the district office)

U/L or Qtr/Qtr **D** Section **10** Township **23N** Range **09W** County: **San Juan**

Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☒ **Recycling Facility:**

Location of recycling facility (if applicable): Latitude **36.2472204** Longitude **-107.7821891** NAD83

Proposed Use: ☒ Drilling* ☒ Completion* ☒ Production* ☐ Plugging *

The re-use of produced water may NOT be used until fresh water zones are cased and cemented

☐ Other, ***requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.***

☒ Fluid Storage

☒ Above ground tanks ☒ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type_____

☐ Activity permitted under 19.15.36 NMAC explain type:_____ ☐ Other explain _____

☐ For multiple or additional recycling containments, attach design and location information of each containment

☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date:_____

3.

☒ **Recycling Containment:**

☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)

Center of Recycling Containment (if applicable): Latitude **36.2472204** Longitude **-107.7821891** NAD83

☒ For multiple or additional recycling containments, attach design and location information of each containment

☒ Lined ☐ Liner type: Thickness **40** mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____

☒ String-Reinforced

Liner Seams: ☒ Welded ☒ Factory ☐ Other _____ Volume: **86,000** bbl Dimensions: **Dia 162'4" x2** x Height **12' x2**

☐ Recycling Containment Closure Completion Date:_____

4.

Bonding:

☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC **(These containments are limited to only the wells owned or operated by the owners of the containment.)**

☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond $_____ **(work on these facilities cannot commence until bonding amounts are approved)**

☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☒ Alternate. Please specify _____**Existing six foot chain link fence around location**_____

6.

Signs:

☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

☒ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting

Ground water is less than 50 feet below the bottom of the Recycling Containment. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; written approval obtained from the municipality	☐ Yes ☒ No ☐ NA
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	☐ Yes ☒ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	☐ Yes ☒ No
Within a 100-year floodplain. FEMA map	☐ Yes ☒ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; aerial photo; satellite image	☐ Yes ☒ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	☐ Yes ☒ No

9.
Recycling Facility and/or Containment Checklist:
Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

☒ Design Plan - based upon the appropriate requirements. **– Section 3 of the C-147 Registration Package**
☒ Operating and Maintenance Plan - based upon the appropriate requirements. - **Section 4 of the C-147 Registration Package**
☒ Closure Plan - based upon the appropriate requirements. - **Section 5 of the C-147 Registration Package**
☒ Site Specific Groundwater Data – **Exhibit D of the C-147 Registration Package**
☒ Siting Criteria Compliance Demonstrations **– Section 2 of the C-147 Registration Package**
☒ Certify that notice of the C-147 (only) has been sent to the surface owner(s) **– C-147 package is being submitted concurrently to the Division and BLM FFO. See Exhibit C of the C-147 Registration Package for additional surface owner notification.**

10.
Operator Application Certification:
I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): **Heather Huntington** Title: **Permitting Technician**
Signature: Heather Huntington Date: **09/04/24**
e-mail address: **hhuntington@enduringresources.com** Telephone: **505-636-9751**

11.
OCD Representative Signature: Victoria Venegas **Approval Date:** 09/11/2024
Title: Environmental Specialist **OCD Permit Number:** 3RF-76
☒ OCD Conditions
☒ Additional OCD Conditions on Attachment

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1. INTRODUCTION

Applicant	DJR Operating, LLC - Enduring Resources, LLC & DJR Operating, LLC are wholly owned subsidiaries of Enduring Resources IV, LLC. Leases, rights of ways, wells, and other property interests will continue to be held in their current entity names.
OGRID	371838
Project Name	Nageezi Unit Water Supply Well Pad Recycling Containment and Recycling Facility
Project Type	Recycling Facility & Recycling Containment
Legal Location	Northwest ¼ of the Northwest ¼ of Section 10, Township 23N, Range 09W
Surface Owner	Federal surface managed by the Bureau of Land Management Farmington Field Office

In accordance with 19.15.34 NMAC, DJR Operating, LLC (DJR) a subsidiary company of Enduring Resources, LLC requests registration of their Nageezi Unit Water Supply Well Pad (NU WSW Pad) Recycling Containment and Recycling Facility through the approval of this C-147 registration and permit package.

The recycling containment will consist of two 43,000 barrel (bbl) above ground storage tanks (AST). Per 19.15.34.7 B. NMAC a *"**Recycling containment**" is a storage containment which incorporates a synthetic liner as the primary and secondary containment device and is used solely in conjunction with a recycling facility for the storage, treatment or recycling of produced water only for the purpose of drilling, completion, production or plugging of wells used in connection with the development of oil or gas or both.* These AST containments falls within this definition and must meet all applicable requirements of a Recycling Containment in Rule 19.15.34 NMAC.

The recycling facility will consist of up to thirty 400 bbl vertical frac tanks with a consolidated volume of 12,000 bbls to treat (mechanical and chemical reconditioning process) produced water for reuse. DJR will only set as many tanks are anticipated to be needed based on incoming volumes and extent of treatment necessary. As defined in 19.15.34.7 A. NMAC a ***"Recycling facility"** is a stationary or portable facility used exclusively for the treatment, re-use or recycling of produced water. A recycling facility does not include oilfield equipment such as separators, heater treaters and scrubbers in which produced water may be used.* These tanks will be used as upright gun barrel oil water separators. This oil separation process will prevent having any visible layer of oil on the surface of the recycling containments in accordance with Rule 19.15.34.13 B.(1).

Per 19.15.34.9 A. water (produced water and Entrada water) stored/processed through this temporary recycling facility and containments will be used as part of a permitted operation for drilling, completing, and producing DJR Operating, LLC and Enduring Resources, LLC wells.

See Exhibit A for site survey plat and Exhibit B for a site diagram of the proposed ASTs and recycling facility layout. This facility will not be used for the disposal of produced water.

The NU WSW Pad is located at 36.2472204 ° N, -107.7821891 ° W, within Section 10, Township 23N, Range 09W, in San Juan County, New Mexico. The site is located on federal lands managed by the Bureau of Land Management Farmington Field Office (BLM FFO). DJR is the operator of the applicable oil and gas mineral rights at this location.

BLM FFO has been notified and approved of this site for water storage and water recycling. See Exhibit C of the approved Sundry Notice of Intent for this site and associated infrastructure. Per New Mexico Oil Conservation Division (NMOCD) Form C-147, DJR will provide A copy of this registration package to the BLM FFO concurrently with the submittal to the division.

This document provides supplemental information to NMOCD Form C-147 that is required for registration, including siting criteria and demonstrations, design and construction plans, operating and maintenance plans, closure plan, closure and site reclamation requirements, and surface owner notification.

Upon approval of this registration, the recycling containments located at this facility will be operated for up to five years.

If the AST containments are found to be needed beyond five years, DJR will submit annual extensions to NMOCD on Form C-147 at least 30 days prior to expiration. The extension request will include a summary of all monthly inspections of the containments, including monitoring of the leak detection system indicating that the containment's integrity has not been compromised.

2. SITING CRITERIA

2.1. Depth to Groundwater 19.15.34.11 A.(1)

Per 19.15.34.11 B. NMAC, DJR requests use of multiple ground water determination sources in the surrounding area. These sources are listed below.

TABLE 1. NEAREST GROUND WATER DETERMINATIONS

Source Name	Type of Well	Location	Elevation	Well Depth	Water Depth	Distance to NU WSW Pad	Elevation at NU WSW Pad
Kimbeto Wash Unit 771H Ground Bed Drilling Log	Cathodic Protection Ground Bed	36.220539, -107.807116	6570' AMSL	340'	180'	12,075' Southwest	6799' AMSL
West Lybrook Unit 707H Ground Bed Drilling Log	Cathodic Protection Ground Bed	36.23610, -107.73353	6746' AMSL	340'	90'	14,800' East-Southeast	6799' AMSL
POD SJ00001	Water Well - Industrial Use	SE ¼, NW ¼, NE ¼, Sec 1, T23N, R09W	6957' AMSL	695'	630'	13,900' East-Northeast	6799' AMSL

With the proposed containments being ASTs sitting above ground level, the groundwater depth is greater than 50 feet below the bottom of the recycling containments. See Exhibit D for the ground bed drilling logs and well record for the aforementioned wells supporting this determination.

2.2. Distance to Surface Water 19.15.34.11 A.(2)

There are no continuously flowing watercourses within 300 feet; nor, any lakebeds, sinkholes, or playa lakes within 200 feet of the proposed ASTs as shown in Exhibit E Map 2. Additionally, there are no significant drainages within 200' of the proposed ASTs.

DJR contracted SWCA Environmental Consultants in August of 2024 to assess all surrounding drainages per 19.15.34.11 A.(2) NMAC. In the report provided to DJR titled, *Aquatic Resources Delineation Technical Memorandum,* SWCA Summarized the following. This report is attached hereto as Exhibit F:

> *Based on the regulatory considerations provided in Section 2, evaluation of the survey area and observed aquatic resources, and SWCA's understanding of the USACE Albuquerque District's current policies regarding jurisdictional determinations, it is SWCA's professional opinion that, per the 2023 Amended Rule, no features present within the survey area would be considered jurisdictional WOTUS by the USACE. Erosional features, as those observed in the survey area, are excluded from WOTUS jurisdiction (40 Code of Federal Regulations 120.2(b)(8)).*

Pursuant to 19.15.34 NMAC, no OHWMs were observed within 200 feet of the project area. Therefore, no significant watercourse is likely to occur within 200 feet of the proposed recycling containment. Additionally, neither the project area nor the survey area intersect a FEMA 100-year flood zone.

2.3. Distance to Structures 19.15.34.11 A.(3)

The recycling containments are not located within 1,000 feet of a permanent residence, school, hospital, institution, or church in existence at the time of this application. As shown on the aerial map in Exhibit E Map 2, there are no permanent residences, schools, hospitals, institutions, or churches within the 1000-foot buffer ring of the pad. A field visit verified there has been no new structure erected since the aerial imagery was obtained.

2.4. Distance to Non-Public Water Supply and Springs 19.15.34.11 A.(4)

The recycling containments are not located within 500 horizontal feet of a spring or fresh water well used for domestic or stock watering purposes in existence at the time of this application as shown on Exhibit E Map 1 and 2. Map 1 shows wells and springs/seeps regardless of use type in the surrounding area and Map 2 shows that no water wells, springs, or seeps are located within the 500-foot buffer of the pad. The nearest fresh water well according to New Mexico Office of the State Engineer (NM-OSE) is 11,790 feet East-Southeast. Upon further investigation this well was actually found to be 13,900 feet East-Northeast and is referenced in Table 1 above. Nearest spring/seep according to the National Hydrologic Dataset (NHD) is 6,800 feet Southeast.

2.5. Distance to Municipal Boundaries and Defined Municipal Fresh Water Well Fields 19.15.34.11 A.(5)

The recycling Containments are not within any incorporated municipal boundaries nor within a defined municipal fresh water well field covered by a municipal ordinance adopted pursuant to Section 3- 27-3 NMSA 1978, as amended. Please see Exhibit E Map 1 showing the nearest municipal boundary being Bloomfield New Mexico approximately 31.5 miles North-Northwest.

2.6. Distance to Wetland 19.15.34.11 A.(6)

The recycling containments are not located within 500 feet of a wetland as seen in Exhibit E Map 2 and additional evidence provided in Exhibit F.

Upon field investigation it was determined that there were no hydric soils or hydrophytes indicative of wetland habitat. Nor was there cottonwood, willow, elm, invasive salt cedar or russian olive trees indicative of riparian habitat. Nearby drainages have no defined bed and bank and no isolated pockets or pools to hold water. Vegetation in and along drainages was typical of the surrounding shrubland habitat. There was no vegetative transition to wetland species near or along the drainage.

2.7. Distance to Subsurface Mines 19.15.34.11 A.(7)

According to New Mexico Energy, Minerals and Natural Resources Department (EMNRD) Mining and Minerals Divisions database, there are no subsurface mines in Township 23N, Range 09W, San Juan County, New Mexico. See Exhibit E Map 1 showing mines regardless of status near the project area. The nearest EMNRD recorded permit (being a withdrawn permit) is a Humate pit approximately 18.5 miles south-southeast.

2.8. Site Stability 19.15.34.11 A.(8)

The recycling containments are not located in an unstable area. DJR's construction practices will provide adequate compaction of the pad surface for the anticipated load of the recycling facility and AST containments.

The following additional best management practices are implemented during pad construction to prevent equipment settling and ensure site stability.

- Prior to earthwork, all trees (if applicable) and slash/brush, is mulched and incorporated into the topsoil. Tree roots and trucks are removed from the site. The topsoil (vegetative root layer) and mulched organic matter is stripped from location and windrowed along the perimeter of location. Topsoil is not used for pad construction as the organic matter mixed within the soil prevents adequate compaction.
- Subsoil horizons are then utilized to construct a balanced (high areas are cut and used to fill low areas) location. Fill slopes are deposited and compacted in approximate 6-inch lifts with optimal soil moisture content.

- If soil is deemed too wet from inclement weather, it is not utilized as adequate compaction cannot be achieved. Additionally, if construction occurs during winter months, the frost layer if applicable is stripped and sub frost line soil horizons are utilized for construction to achieve adequate compaction that will not settle with warming temperatures.
- Cut and fill slopes around location are 3:1 or better to ensure surface and slope stability.
- The windrowed topsoil and any additional diversions found to be necessary are used to prevent surface sheet flow from entering location.
- Each AST containment will have a properly constructed foundation consisting of a firm, unyielding base, smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear.

Other factors contributing to site stability include:

- Per 19.15.34.11 A.(7) the location is not in an area overlying a subsurface mine according to the New Mexico EMNRD Mining and Minerals Divisions database.
- This area of New Mexico is not known for underlying caves and karst features.

2.9. Distance to 100-Year Floodplain 19.15.34.11 A.(9)

The recycling containments are not located within a 100-year (1% annual) floodplain. As shown in Exhibit E Map 2, the project is in Zone X (area of minimal flood hazard). The nearest 100-year flood hazard area shown in Exhibit E Map 2 is 2,050 feet Northwest.

3. DESIGN AND CONSTRUCTION SPECIFICATIONS

Pursuant to 19.15.34.12 NMAC, the following Design Plan presents the minimum standards and specifications for the design and construction of the proposed recycling containments at the NU WSW Pad. The facility and recycling containments have been designed to prevent releases and potential overtopping due to wave action (by wind) or rainfall. To supplement the information provided below, the manufacturers specifications for the design and construction of the aboveground containments are provided as Exhibit G.

3.1. Foundation Construction

The containment ASTs will be constructed on DJR's existing NU WSW Pad. The AST footprints will have a properly constructed foundation consisting of a firm, unyielding base, smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear. The containments will ensure confinement of produced water, to prevent releases and to prevent overtopping due to wave action or rainfall. Geotextile is used under the liners to reduce localized stress-strain or protuberances that otherwise may compromise the liner integrity. The containments are above ground and are not subject to water run-on.

3.2. Liner and Leak Detection

The containments will be Well Water Solutions and Rentals, Inc. double-lined frac water tank system. These tank systems are designed to incorporate a 40-mil thickness LLDPE primary (upper) string-reinforced liner and a 30-mil LLDPE secondary (lower) string- reinforced liner. The primary liner is designed to be impervious, synthetic material that will resist deterioration by ultraviolet light, petroleum hydrocarbons, salt solutions, and acidic/alkaline solutions. Liners meet or exceed the compatibility requirements of EPA SW-846 Method 9090A. Steel bolts secure the liners to the top of the AST tank. Specifications provided by Well Water Solutions and Rentals, Inc. are attached as Exhibit G.

Liner seams are minimized and are oriented vertically up and down the containment walls, not horizontally across the containment. Factory welded seams are incorporated, where possible. Field seams, welding, and testing on the geosynthetic liners is performed by a manufacturer qualified person. For any field welded seams, liners will overlap 4 to 6 inches and be thermally sealed. Field seams are avoided or minimized in corners and irregularly shaped areas.

At a points of discharge into, or suction from, the recycling containments, the liner is protected from excessive hydrostatic force or mechanical damage. External discharge or suction lines do not penetrate the liners.

A leak detection system is installed between the upper and lower liners of each containment and consists of a 200-mil geonet drainage layer. The leak detection system covers the bottom and sides of each containment and includes a minimum of 3 feet of freeboard. A 6-inch PVC pipe is inserted in the sump at the bottom of each containment and between the liners. Each containment is slightly sloped, with the sump placed at the location with the lowest elevation to facilitate the earliest possible leak detection. A schematic of the leak detection system is included in Exhibit G.

The sump piping is checked weekly with a water-level meter to determine if leakage is occurring through the primary liner. If water is detected in the leak detection sump, water will be removed to assess if water returns indicating a leak in the primary liner. Controls for surface water run-on is not needed due to the containments being above ground level.

3.3. Signage

The facility will have a sign no less than 12" by 24" with lettering not less than 2" in height in a conspicuous place near the facility entrance. The sign will contain the operator's name, location of the facility by quarter-quarter or unit letter, Section, Township, Range, and emergency phone numbers.

3.4. Entrance Protection

The NU WSW pad has an existing 6-foot chain link fence around location with dual 12-foot gates at the entrance to location to restrict unauthorized entrance. Additionally, with the recycling containments being ASTs with 12-foot wall height, entrance into containments would have to be intentional. There is no risk of accidental entrance into the containments by wildlife or the public. The site will be maintained to prevent harm to wildlife and the public.

3.5. Netting

DJR will install bird netting provided by the tank manufacturer over the containments. The netting will be inspected monthly for disrepair. The containments will be inspected weekly for dead migratory birds. DJR will report dead migratory birds and/or other wildlife to the appropriate wildlife agency, surface management agency, and NMOCD.

4. Maintenance and Operating Plan

4.1. Inspection Timing and Maintenance

Pursuant to 19.15.34.13 NMAC, DJR will follow the maintenance and operational requirements described below. At a minimum, DJR will perform weekly inspections on the containment and leak detection systems while the containments holds fluid. DJR will maintain records and make them available for review by the NMOCD.

- If fluids are found in the sump, the fluids will be sampled and then pumped out.
- DJR will remove any visible oil from the surface of the containments upon discovery.
- DJR will maintain a minimum of three feet of freeboard in the containments at all times.
- The injection and withdrawal of fluids from the containments shall be accomplished through a header, diverter or other hardware that prevents damage to the liner by erosion, fluid jets or impact from installation and removal of hoses or pipes.
- If a leak is discovered in the primary liner above the liquid level in either of the containment, DJR will repair the primary liner within 48 hours, or request an extension on repair within the 48-hour time limit.
- If a leak is discovered in the primary liner below the liquid level in either of the containments, DJR will notify the division office of the leak, remove all fluids above the leak level, and repair the primary liner within 48 hours, or request an extension on repair within the 48-hour time limit.
- The facility will be operated in such a way to prevent the collection of surface water.
- An oil absorbent boom or other device will be onsite to contain an unanticipated release.
- The facility will not be used for the storage or discharge of hazardous waste.

4.2. Reporting and Record Keeping

During operation of the recycling facility, DJR will keep accurate records and report monthly to the NMOCD the total volume of water received for recycling, with the volume of fresh water received listed separately, and the total

volume of water leaving the facility for disposition of use. Water volume totals will be submitted on NMOCD Form C-148. Accurate records identifying the sources and disposition of recycled water will be maintained during the operation of the facility and made available for review to the NMOCD upon request.

4.3. Cessation of Operations

DJR will consider the recycling containments to have ceased operations if less than 20% of the total fluid volume is used every six (6) months following the first withdrawal of produced water for use. DJR will report cessation of operations to the appropriate NMOCD district office. If additional time is needed for closure, DJR will request an extension from the appropriate NMOCD district office prior to the expiration of the initial six (6) month time period.

5. CLOSURE PLAN

Pursuant to 19.15.34.14 NMAC, the activities summarized below describe the closure and reclamation requirements for the NU WSW Pad. Within 60 days of closure completion, DJR will submit a closure report on NMOCD Form C-147 and include required attachments to document all closure activities, sampling results, and details on backfilling, capping, or covering, where applicable.

5.1. Containment Closure

DJR will remove all fluids from the facility and containments within 60 days from the date that operations cease and close the containments from use within six months from the date that DJR ceases operations. Alternatively, DJR can request an extension for the removal of fluids from the NMOCD not to exceed an additional two months. DJR can also request an extension for the closure of the containments, not to exceed an additional six months.

DJR will remove all fluids, contents, synthetic liners, and leak detection piping and transfer these materials to an NMOCD-approved facility for disposal. All other equipment associated with the recycling containments and recycling facility will be removed from the site.

5.2. Closure Soil Sampling

Once the containments are removed, DJR will test the soils beneath for contamination with a five-point composite sample which includes stained or wet soils, if any, and that sample shall be analyzed for the constituents listed in the following table:

TABLE 2. CONTAMINATED SOIL TEST CONSTITUENTS

Constituents	Test Method	Groundwater Depth 51 – 100 Feet	Groundwater Depth >100 Feet
Chloride	EPA 300.0	10,000 mg/kg	20,000 mg/kg
TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg	2,500 mg/kg
GRO + DRO	EPA SW-846 Method 8015M	1,000 mg/kg	1,000 mg/kg
BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg	50 mg/kg
Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg	10 mg/kg

If any contaminant concentration is higher than the parameter limits listed above, the NMOCD may require additional delineation upon review of the results and DJR must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameter limits listed above, then DJR can proceed to backfill with non-waste containing, uncontaminated, earthen material.

5.3. Reclamation

The location will be reclaimed upon completion of use in accordance with the approved reclamation plan attached to the Nageezi Unit WSW APD in Exhibit C. This reclamation plan was developed with, and approved by, the surface managing agency.

EXHIBIT A. PLAT

A

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, N.M. 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, N.M. 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name

[4] Property Code	[5] Property Name	[6] Well Number
	Nageezi Unit WSW	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
371838	DJR Operating, LLC	6795

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	23 N	9 W		556	North	936	West	San Juan

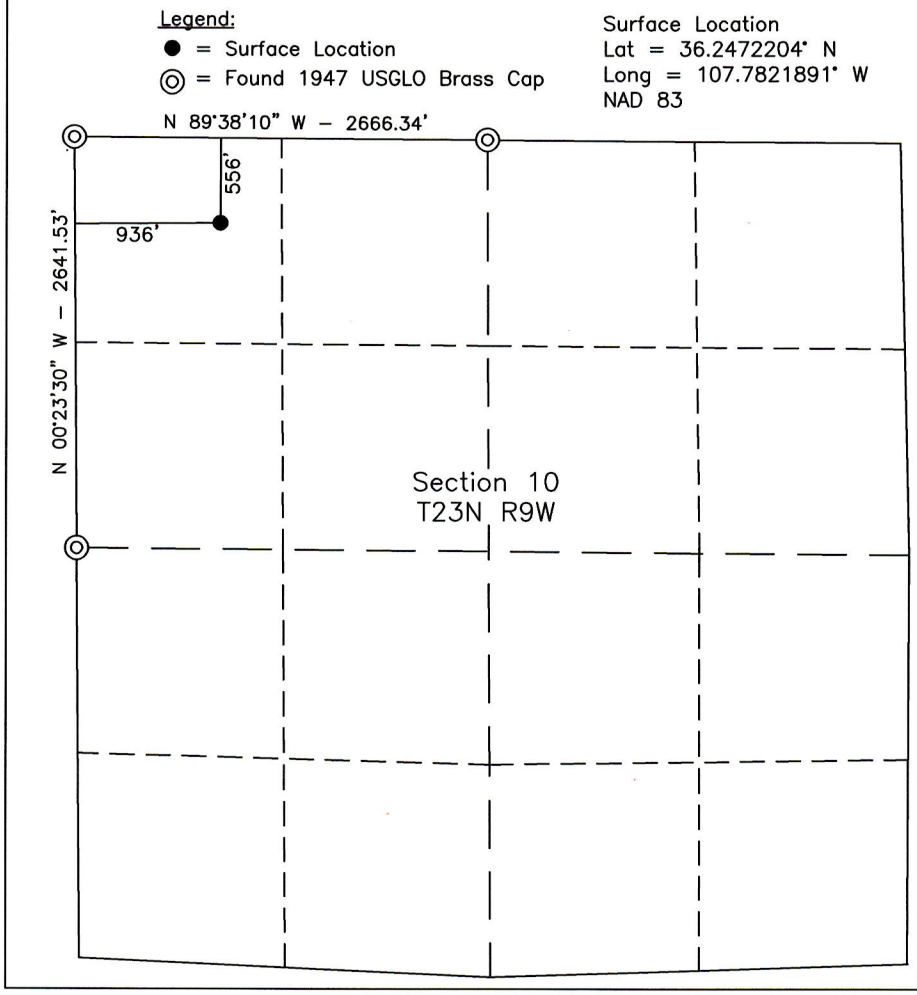
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
			R-13856 R-13856A

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

16



[17] OPERATOR CERTIFICATION

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.

Shaw-Marie Ford 03/26/21
Signature Date

Shaw-Marie Ford
Printed Name

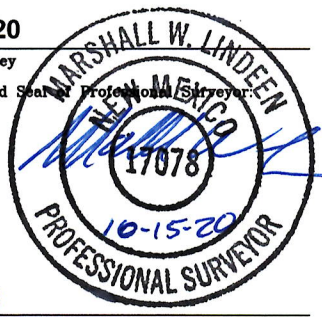
sford@djrllc.com
E-mail Address

[18] SURVEYOR CERTIFICATION

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.

9/30/20
Date of Survey

Signature and Seal of Professional Surveyor:

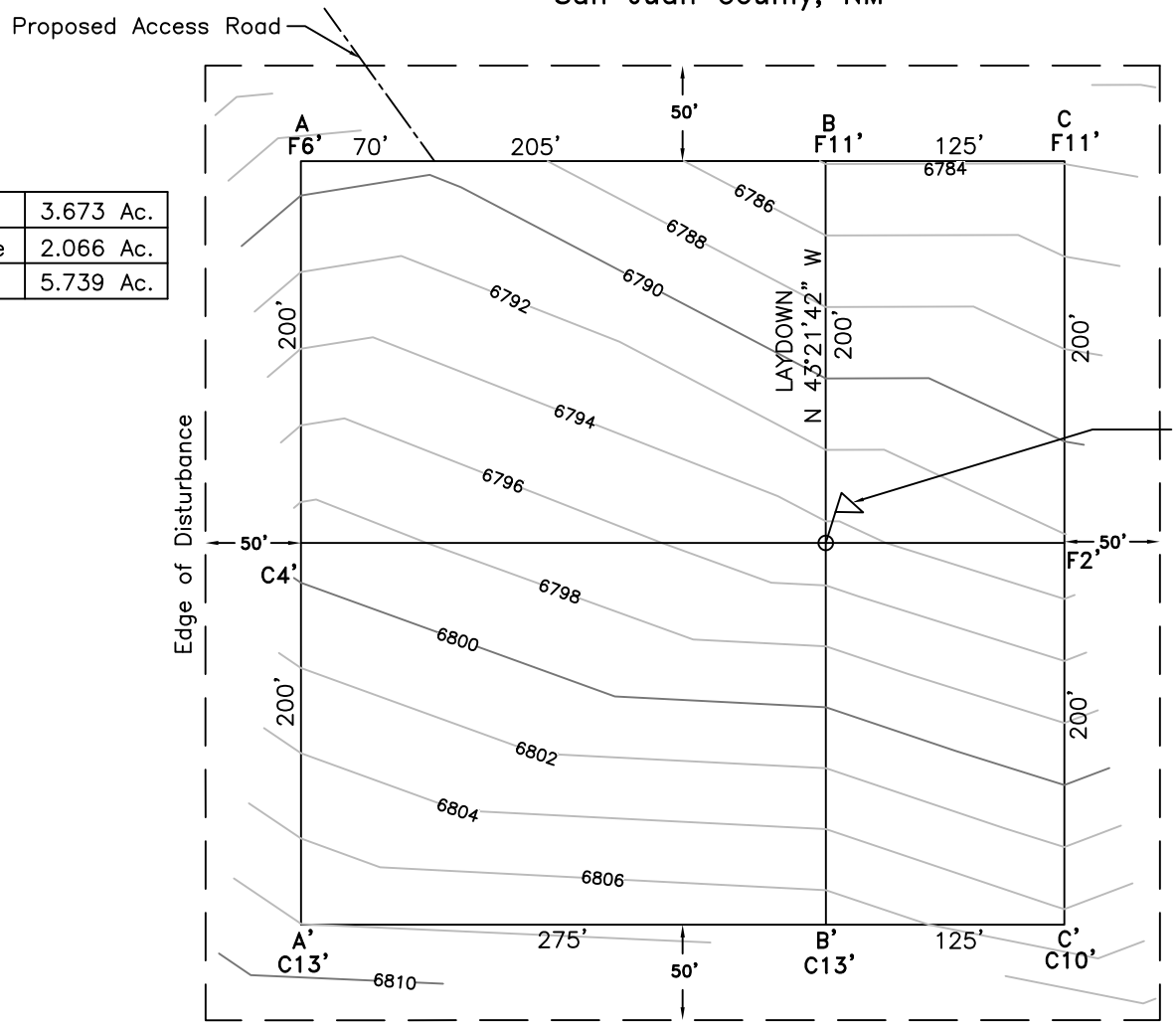


17078
Certificate Number

DJR Operating, LLC

Nageezi Unit WSW
Section 10 T23N R9W NMPM
San Juan County, NM

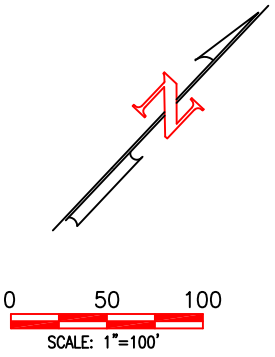
Well Pad	3.673 Ac.
Edge of Disturbance	2.066 Ac.
Total	5.739 Ac.



iBefore digging call for utility line location!

Proposed
Pad Elevation
6795'

Nageezi Unit WSW Well Flag
556' FNL, 936' FWL



Notes:

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2. Basis of elevation is referenced to the North American Vertical Datum of 1988.
3. Contractor shall contact "One-Call" for location of any marked or unmarked buried pipelines or cables on pad and/or access road at least two (2) working days prior to construction.
4. United Field Services Inc. is not liable for underground utilities or pipelines.
5. Cut and fill calculations are rounded to the nearest foot.

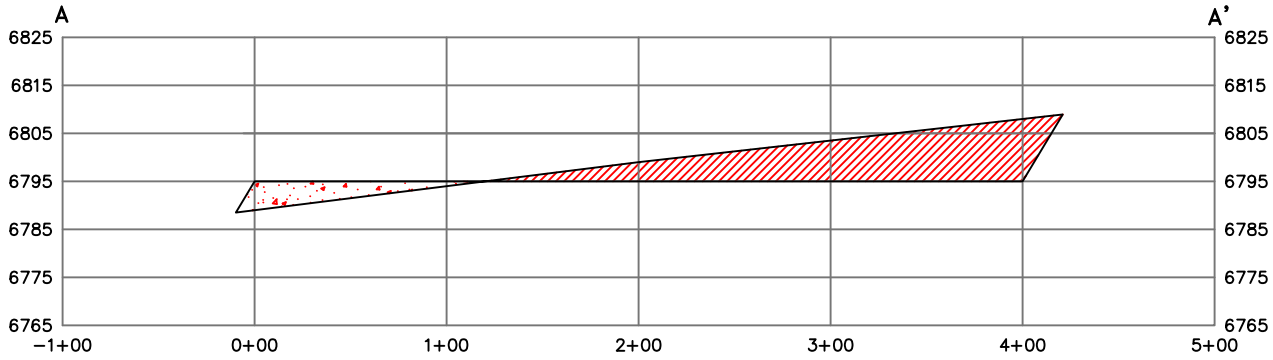
Sheet 1 of 2

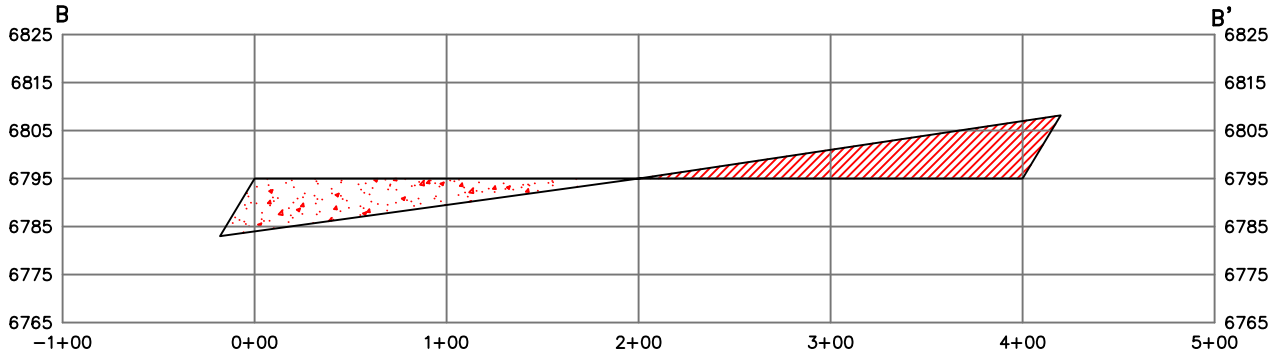
United Field Services Inc.
P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

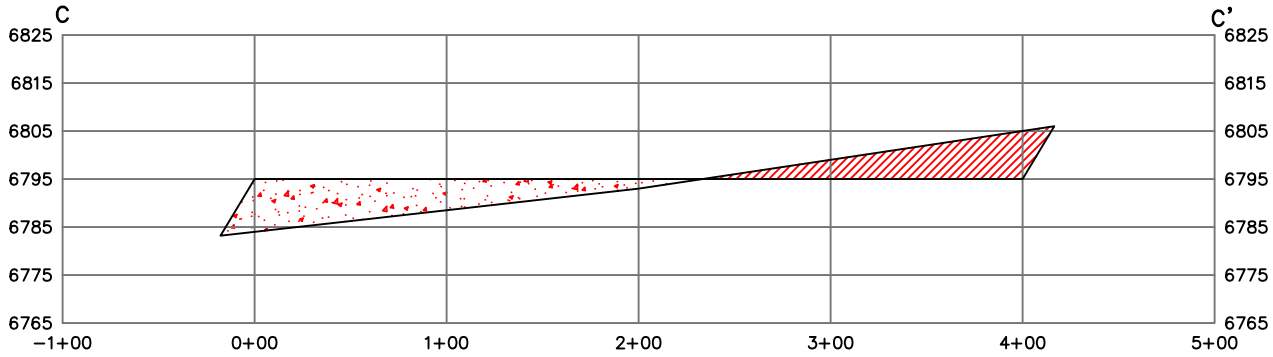
Surveyed: 9/30/20	Rev./By:	App. by: M.W.L.
Drawn by: A.A.D.	Date drawn: 10/3/20	File name: 11334-Pad

DJR Operating, LLC

Nageezi Unit WSW
Section 10 T23N R9W NMPM
San Juan County, NM







Sheet 2 of 2

Horizontal Scale: 1" = 100'
Vertical Scale: 1" = 40'

United Field Services Inc.

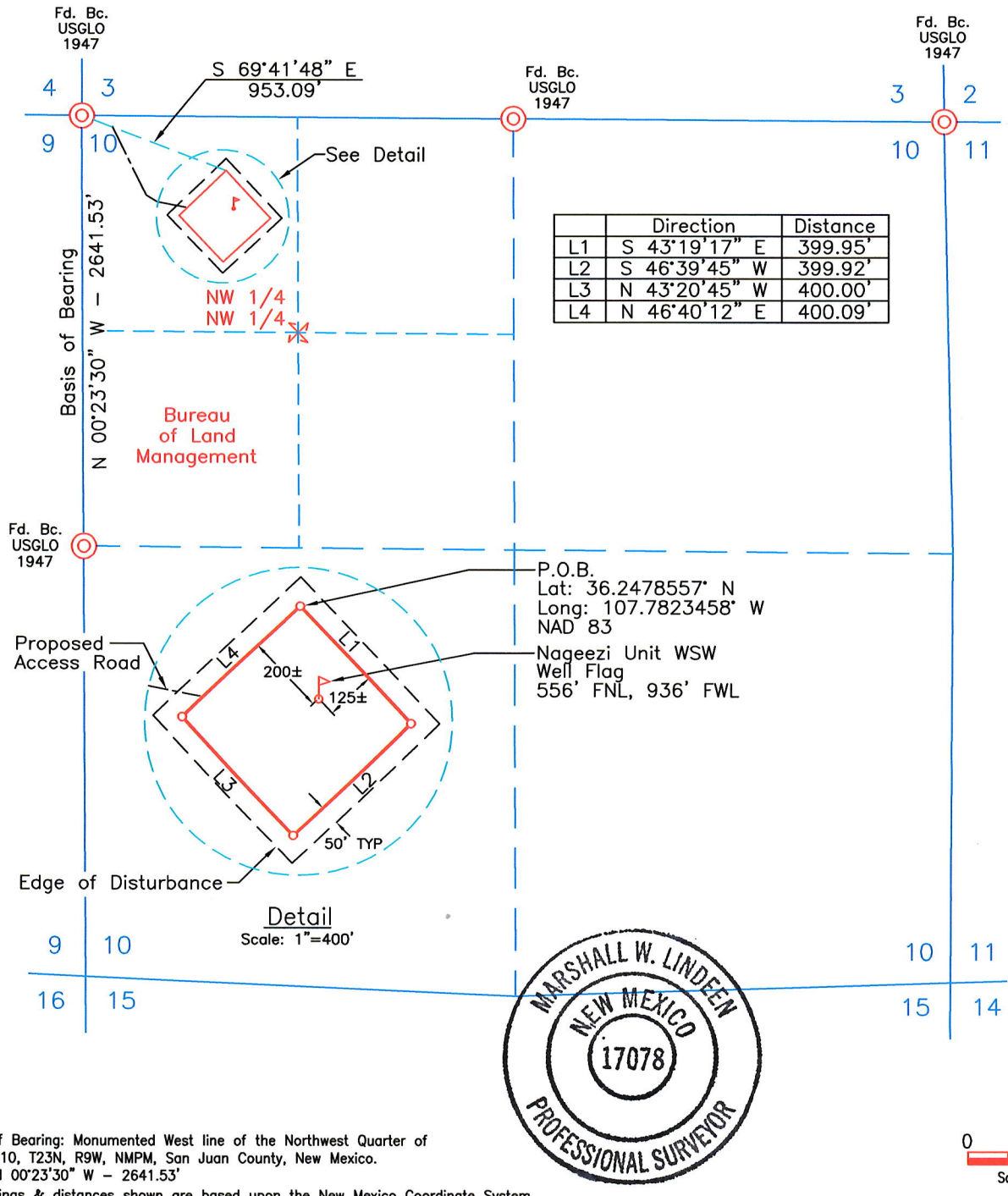
P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

Surveyed: 9/30/20	Rev. date:	App. by: M.W.L.
Drawn by: A.A.D.	Date drawn: 10/3/20	File name: 11334-Pad

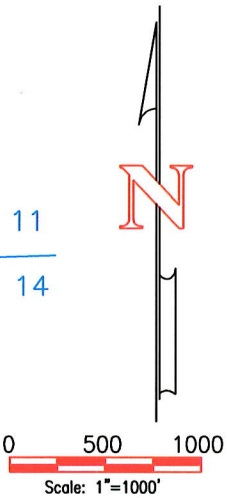
DJR Operating, LLC

Nageezi Unit WSW

NW 1/4 NW 1/4 of Sec. 10, T23N, R9W, NMPM,
San Juan County, New Mexico



	Direction	Distance
L1	S 43°19'17" E	399.95'
L2	S 46°39'45" W	399.92'
L3	N 43°20'45" W	400.00'
L4	N 46°40'12" E	400.09'



NOTES:

1. Basis of Bearing: Monumented West line of the Northwest Quarter of Section 10, T23N, R9W, NMPM, San Juan County, New Mexico. Bears: N 00°23'30" W - 2641.53'
2. All bearings & distances shown are based upon the New Mexico Coordinate System, West Zone, NAD 83, in U.S. survey feet.

P.O.B. = Point of Beginning

Owner	Square Feet	Acres
B.L.M.	159,993	3.673

I, Marshall W. Lindeen, New Mexico Professional Surveyor No. 17078, do hereby certify that this survey plat and the actual survey on the ground upon which it is based were performed by me or under my direct supervision; that I am responsible for this survey; that this survey meets the minimum standards for surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief, I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act.

Marshall W. Lindeen, P.S. #17078 — 10-15-20 Date

United Field Services Inc.

P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

DWG. No. : 11334-Site			Revision: 1
Drawn by: A.A.D.	Date Drawn: 10/2/20		Rev. Date:
Surveyed: 9/30/20	App by: M.W.L.		Sheet: 1

EXHIBIT B. RECYCLING FACILITY AND RECYCLING CONTAINMENT SITE DIAGRAM

B

DJR Operating, LLC's Nageezi Unit Water Supply Well Pad Diagram for Use of Two 43K BBL ASTs
NW 1/4 of the NW 1/4 of Section 10, T23N, R09W, NMPM San Juan County, New Mexico

EXHIBIT C. SURFACE OWNER NOTIFICATION

C

Well Name: NAGEEZI UNIT

Well Location: T23N / R9W / SEC 9 / NENE / 36.248043 / -107.786759

County or Parish/State: SAN JUAN / NM

Well Number: 507H

Type of Well: OIL WELL

Allottee or Tribe Name: EASTERN NAVAJO

Lease Number: N0G14021839, NOG14021839

Unit or CA Name:

Unit or CA Number: NMNM132981A

US Well Number: 3004535855

Well Status: Producing Oil Well

Operator: DJR OPERATING LLC

Notice of Intent

Type of Submission: Notice of Intent

Type of Action Drilling Operations

Date Sundry Submitted: 03/26/2021

Time Sundry Submitted: 10:52

Date proposed operation will begin: 03/26/2021

Procedure Description: NAGEEZI UNIT WSW 1 DJR Operating, LLC requests approval for the installation of an Entrada Water Source Well. Two G tanks, well head, pumps and ancillary facilities to drill, operate and maintain the DJR Nageezi Unit WSW 1. This Water Source Well will be used as a source of completion water for future wells in DJR's permitted Nageezi Unit. Well is located in Sec. 10, T23N,R9W, San Juan County, New Mexico. The site location has been revised to reflect a move because the original site was located within the West Side Energy Corridor in Sec. 3, T23N,R9W, and the Bureau of Land Management-FFO will not permit any surface facilities within this approved Energy Corridor. Attached please find the following documents Plan of Development for the proposed project. Plats for site Well Bore Diagram Drilling Plan Reclamation Plan Biological Survey Report All requests and actions per this sundry are within the permitted Nageezi Unit boundaries.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

zNageezi_Unit_WSW_1_Survey_Package_20210326105209.pdf

Nageezi_Unit_WSW_1_Reclamation_Plan_20210326105207.pdf

Nageezi_Unit_WSW_1_Biological_Survey_Report_20210326105203.pdf

Nageezi_Unit_WSW_1_DPR_20210326105203.pdf

Nageezi_Unit_WSW_1_Formations_20210326105202.pdf

Well Name: NAGEEZI UNIT

Well Location: T23N / R9W / SEC 9 / NENE / 36.248043 / -107.786759

County or Parish/State: SAN JUAN / NM

Well Number: 507H

Type of Well: OIL WELL

Allottee or Tribe Name: EASTERN NAVAJO

Lease Number: N0G14021839, NOG14021839

Unit or CA Name:

Unit or CA Number: NMNM132981A

US Well Number: 3004535855

Well Status: Producing Oil Well

Operator: DJR OPERATING LLC

Conditions of Approval

Additional Reviews

COA_list_Nageezi_Unit_WSW_1_20210512145045.pdf

Authorized Officer

COA_list_Nageezi_Unit_WSW_1_20210512145149.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: SHAW-MARIE FORD

Signed on: MAR 26, 2021 10:52 AM

Name: DJR OPERATING LLC

Title: Regulatory Specialist

Street Address: 1 Road 3263

City: Aztec **State:** NM

Phone: (505) 632-3476

Email address: sford@djrllc.com

Field Representative

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

BLM Point of Contact

BLM POC Name: RYAN JOYNER

BLM POC Title: Physical Scientist

BLM POC Phone: 9703851242

BLM POC Email Address: rjoyner@blm.gov

Disposition: Approved

Disposition Date: 05/12/2021

Signature: Ryan Joyner

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, N.M. 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, N.M. 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name

[4] Property Code	[5] Property Name	[6] Well Number
	Nageezi Unit WSW	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
371838	DJR Operating, LLC	6795

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	23 N	9 W		556	North	936	West	San Juan

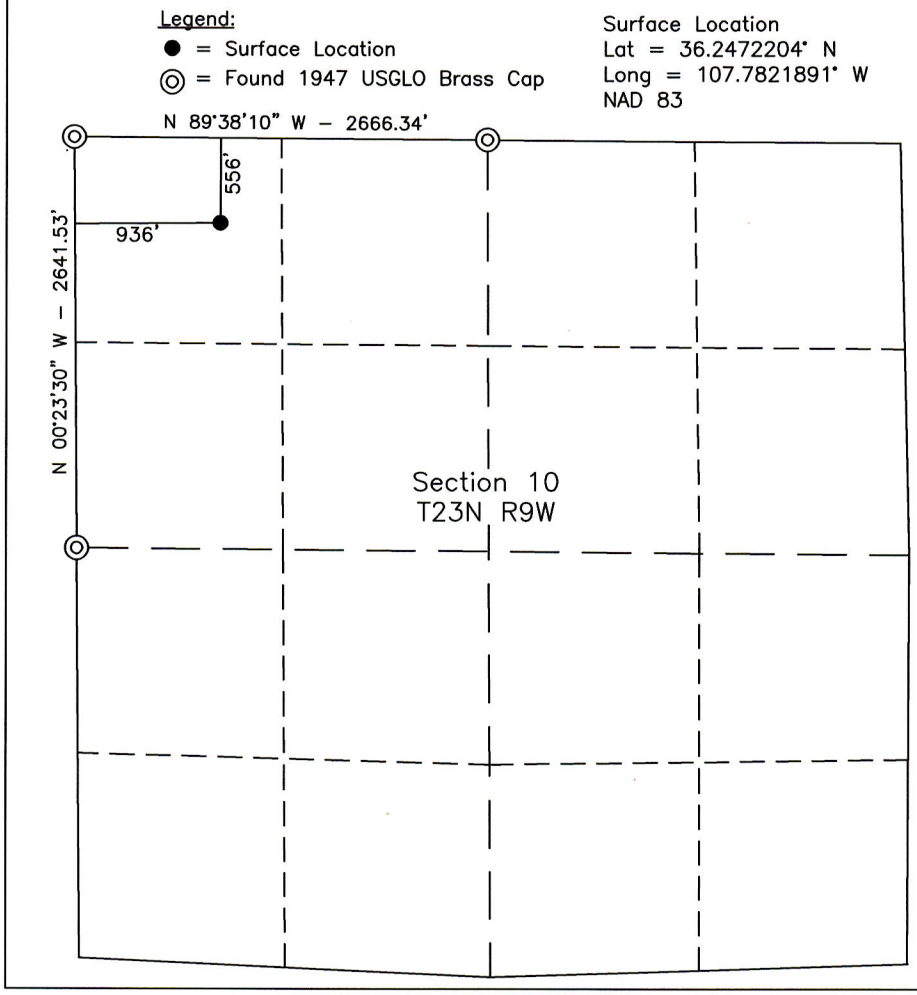
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
			R-13856 R-13856A

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

16



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Shaw-Marie Ford 03/26/21
Signature Date

Shaw-Marie Ford
Printed Name

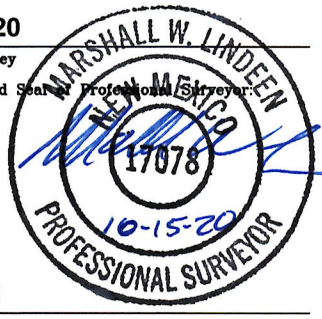
sford@djrllc.com
E-mail Address

[18] SURVEYOR CERTIFICATION

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.

9/30/20
Date of Survey

Signature and Seal of Professional Surveyor:

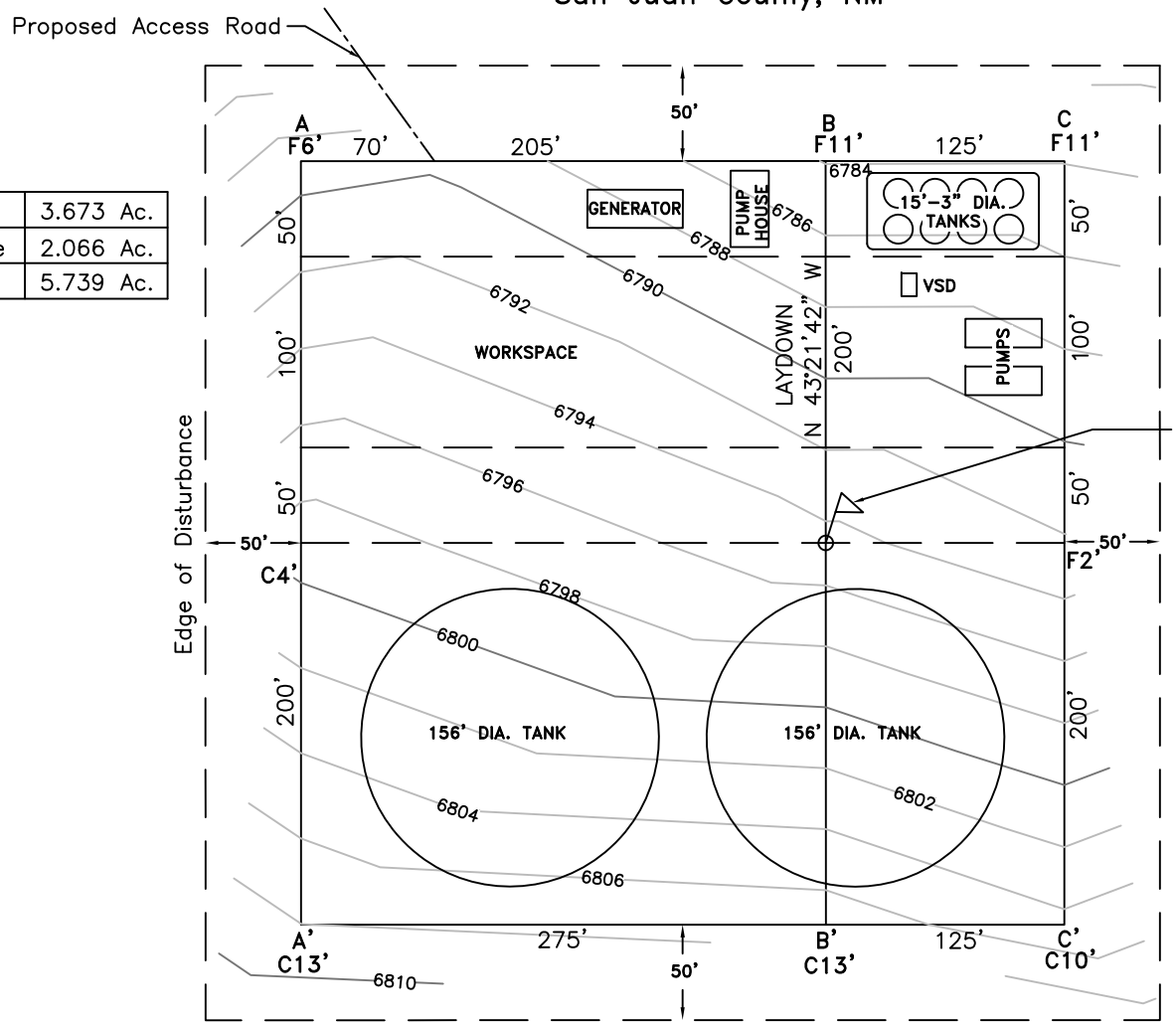


17078
Certificate Number

DJR Operating, LLC

Nageezi Unit WSW
Section 10 T23N R9W NMPM
San Juan County, NM

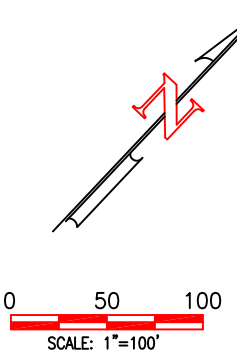
Well Pad	3.673 Ac.
Edge of Disturbance	2.066 Ac.
Total	5.739 Ac.



iBefore digging call for utility line location!

Proposed Pad Elevation 6795'

Nageezi Unit WSW Well Flag
556' FNL, 936' FWL



Notes:

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4. United Field Services Inc. is not liable for underground utilities or pipelines.
5. Cut and fill calculations are rounded to the nearest foot.

United Field Services Inc.
P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

Surveyed: 9/30/20	Rev./By:	App. by: M.W.L.
Drawn by: A.A.D.	Date drawn: 10/9/20	File name: 11334EQUIP

DJR Operating, LLC

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Section 10 T23N R9W NMPM
San Juan County, NM

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Edge of Disturbance	2.066 Ac.
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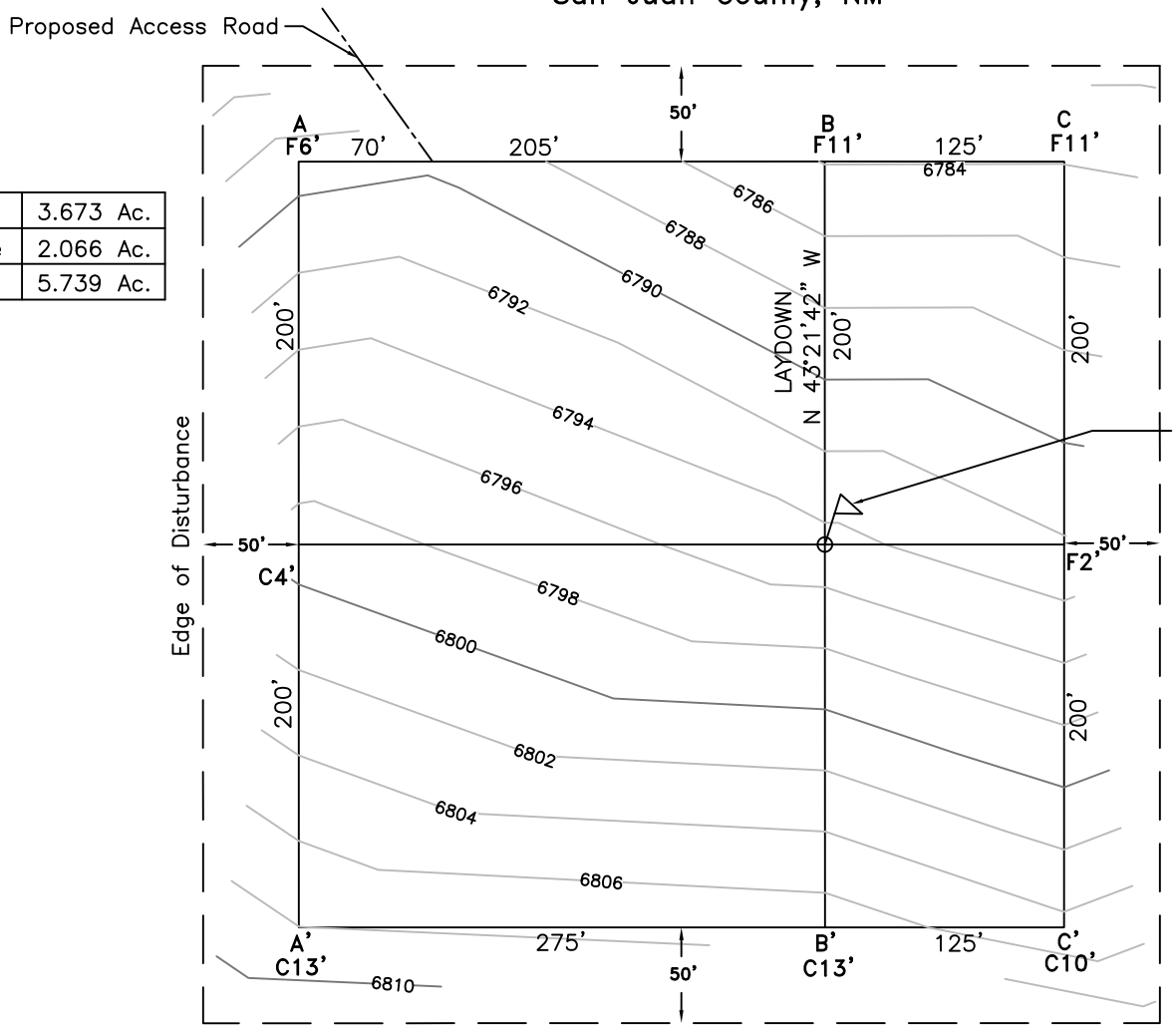

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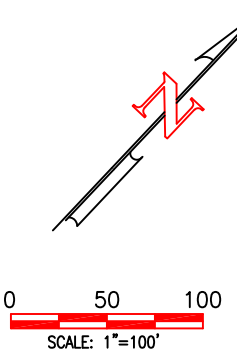

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Sheet 1 of 2

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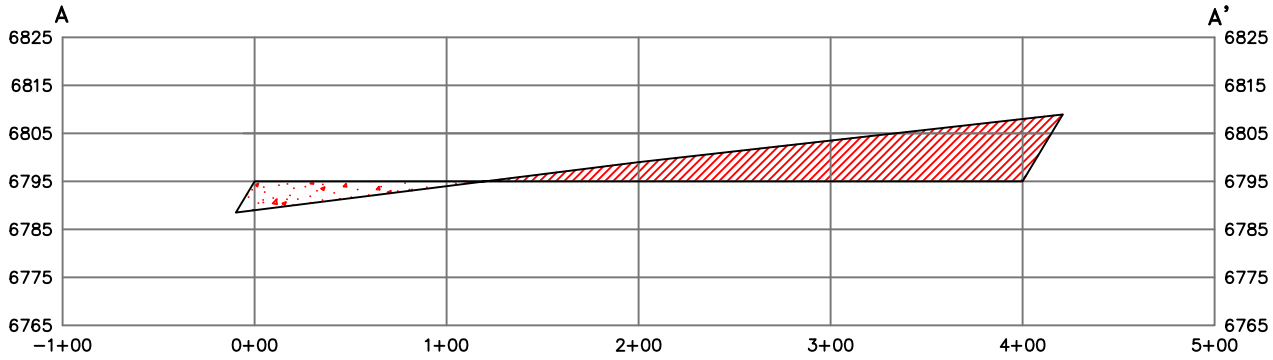
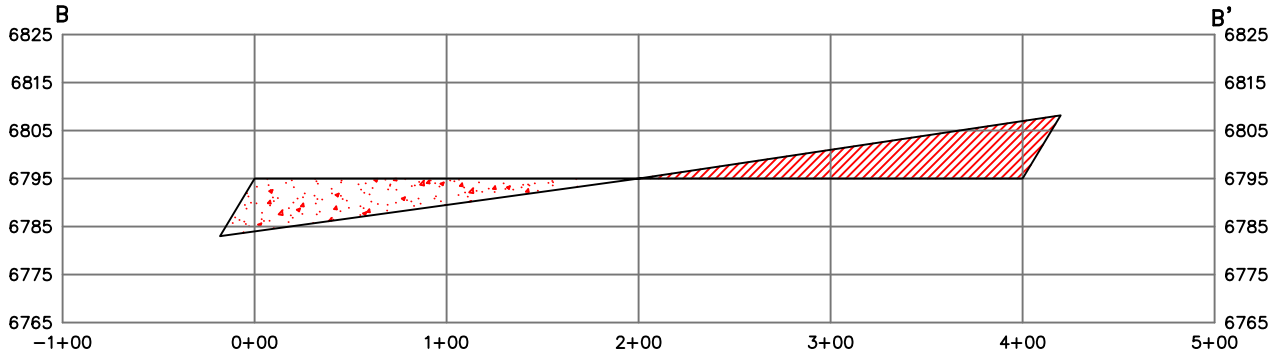
Office: (505) 334-0408

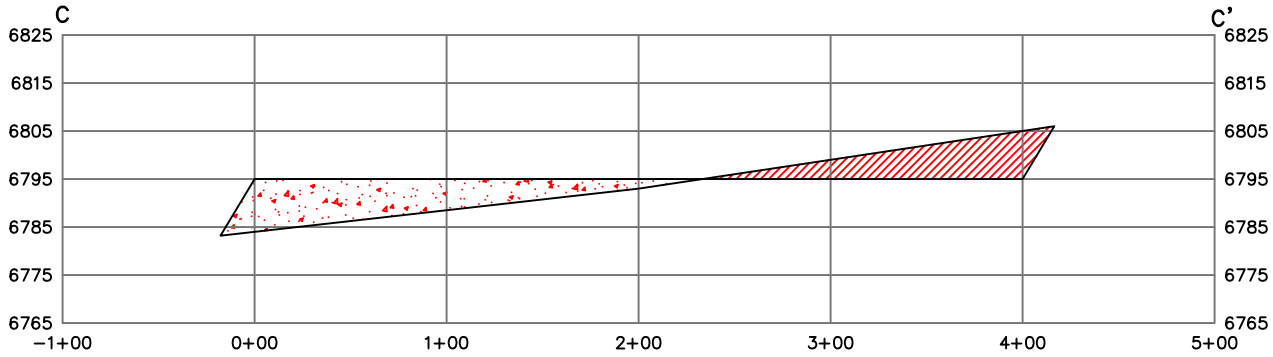
Surveyed: 9/30/20	Rev./By:	App. by: M.W.L.
Drawn by: A.A.D.	Date drawn: 10/3/20	File name: 11334-Pad

DJR Operating, LLC

Nageezi Unit WSW
Section 10 T23N R9W NMPM
San Juan County, NM







Sheet 2 of 2

Horizontal Scale: 1" = 100'
Vertical Scale: 1" = 40'

United Field Services Inc.

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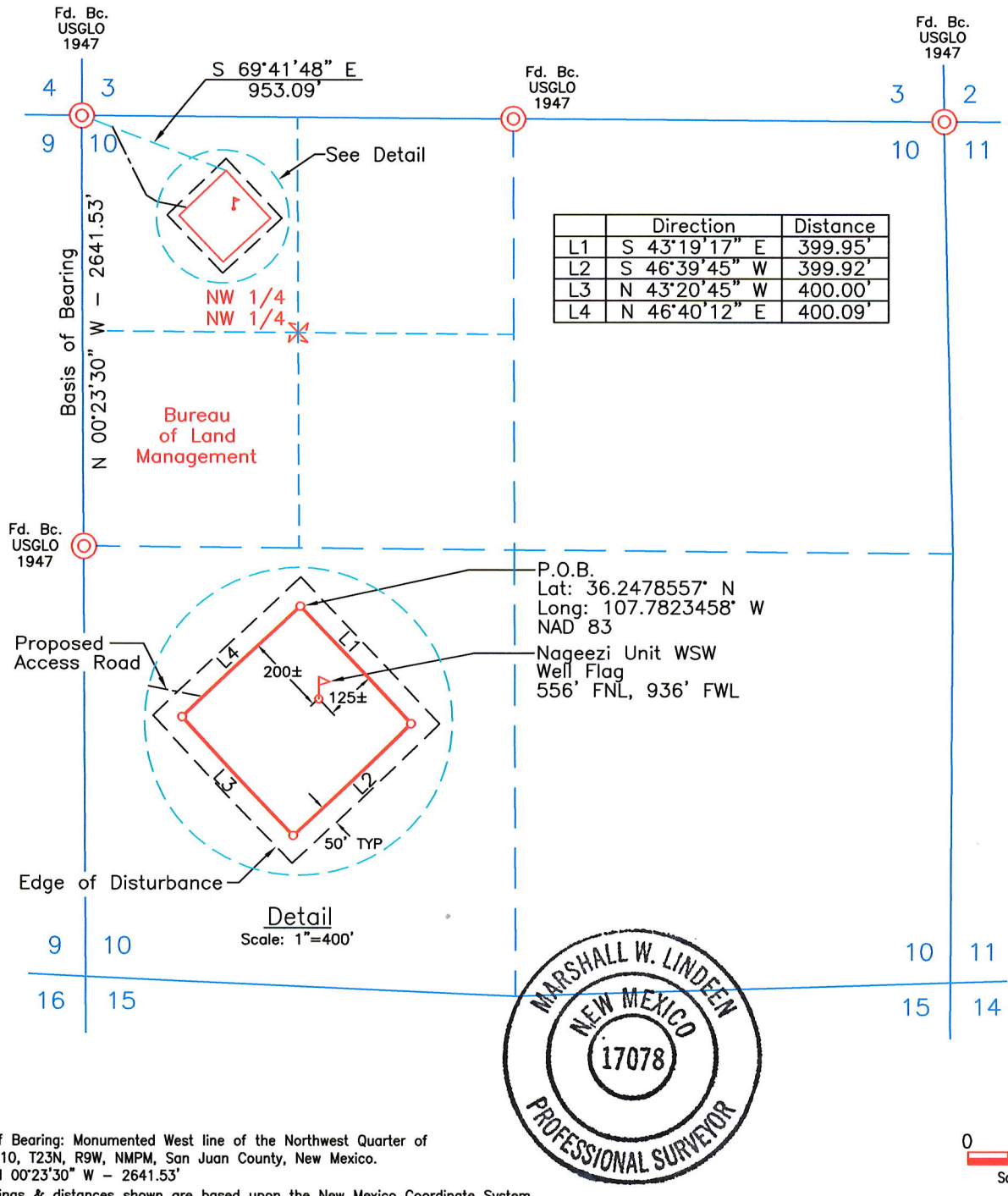
Office: (505) 334-0408

Surveyed: 9/30/20	Rev. date:	App. by: M.W.L.
Drawn by: A.A.D.	Date drawn: 10/3/20	File name: 11334-Pad

DJR Operating, LLC

Nageezi Unit WSW

NW 1/4 NW 1/4 of Sec. 10, T23N, R9W, NMPM,
San Juan County, New Mexico



	Direction	Distance
L1	S 43°19'17" E	399.95'
L2	S 46°39'45" W	399.92'
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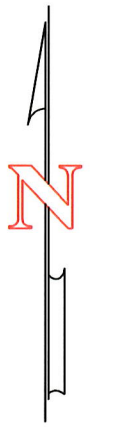

0 500 1000
Scale: 1"=1000'

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P.O.B. = Point of Beginning

Owner	Square Feet	Acres
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Marshall W. Lindeen, P.S. #17078 — 10-15-20 Date

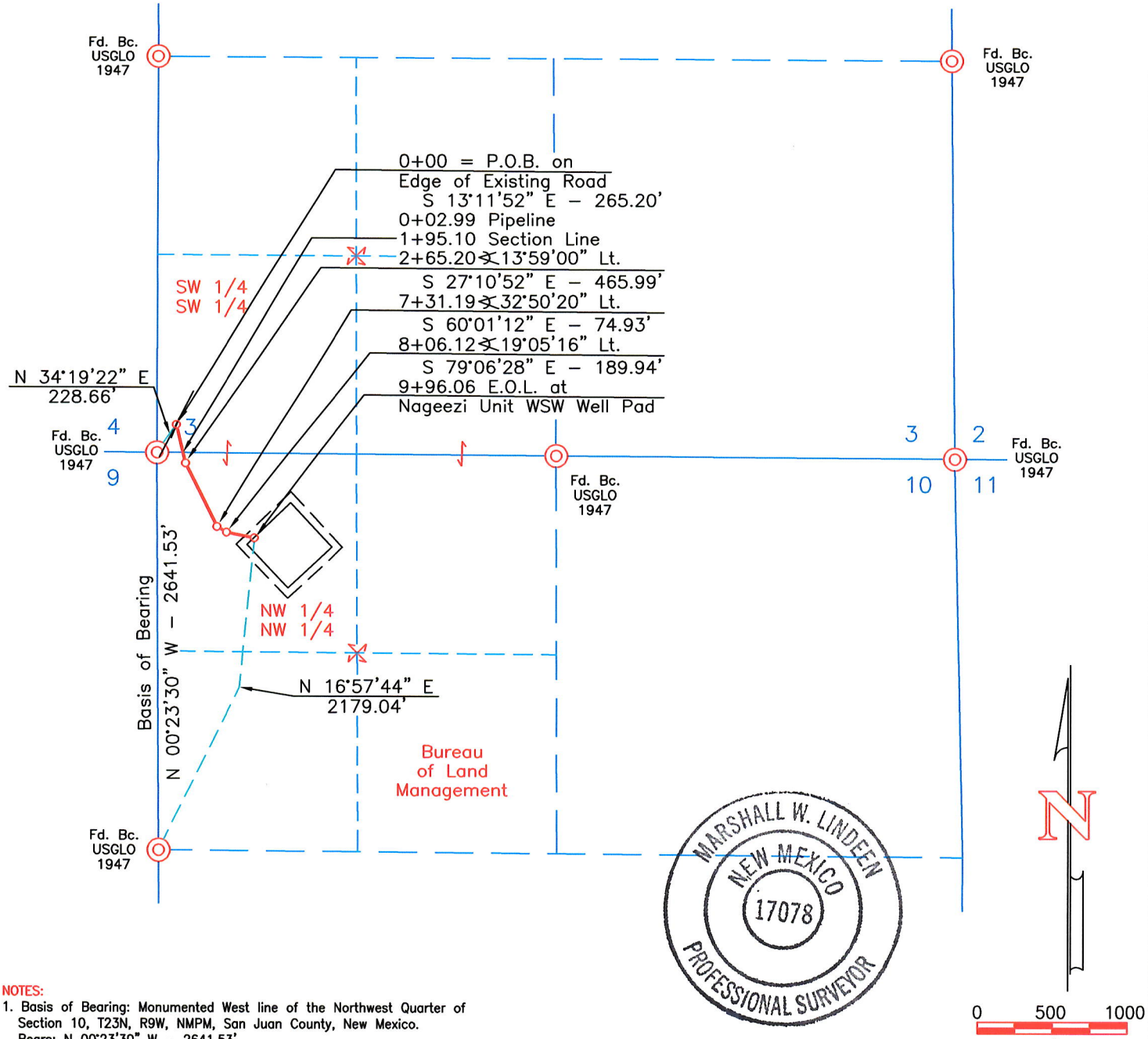
United Field Services Inc.
P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

DWG. No. : 11334-Site			Revision: 1
Drawn by: A.A.D.	Date Drawn: 10/2/20		Rev. Date:
Surveyed: 9/30/20	App by: M.W.L.		Sheet: 1

DJR Operating, LLC

Nageezi Unit WSW Access Road

SW 1/4 SW 1/4 of Sec. 3 & NW 1/4 NW 1/4
of Sec. 10, T23N, R9W, NMPM,
San Juan County, New Mexico



MARSHALL W. LINDEEN NEW MEXICO 17078 PROFESSIONAL SURVEYOR

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P.O.B. = Point of Beginning
E.O.L. = End of Line

Owner	Station	Feet/Rods
B.L.M.	0+00 To 9+96.06	996.06/60.367

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Marshall W. Lindeen, P.S. #17078 — 10-15-20 Date

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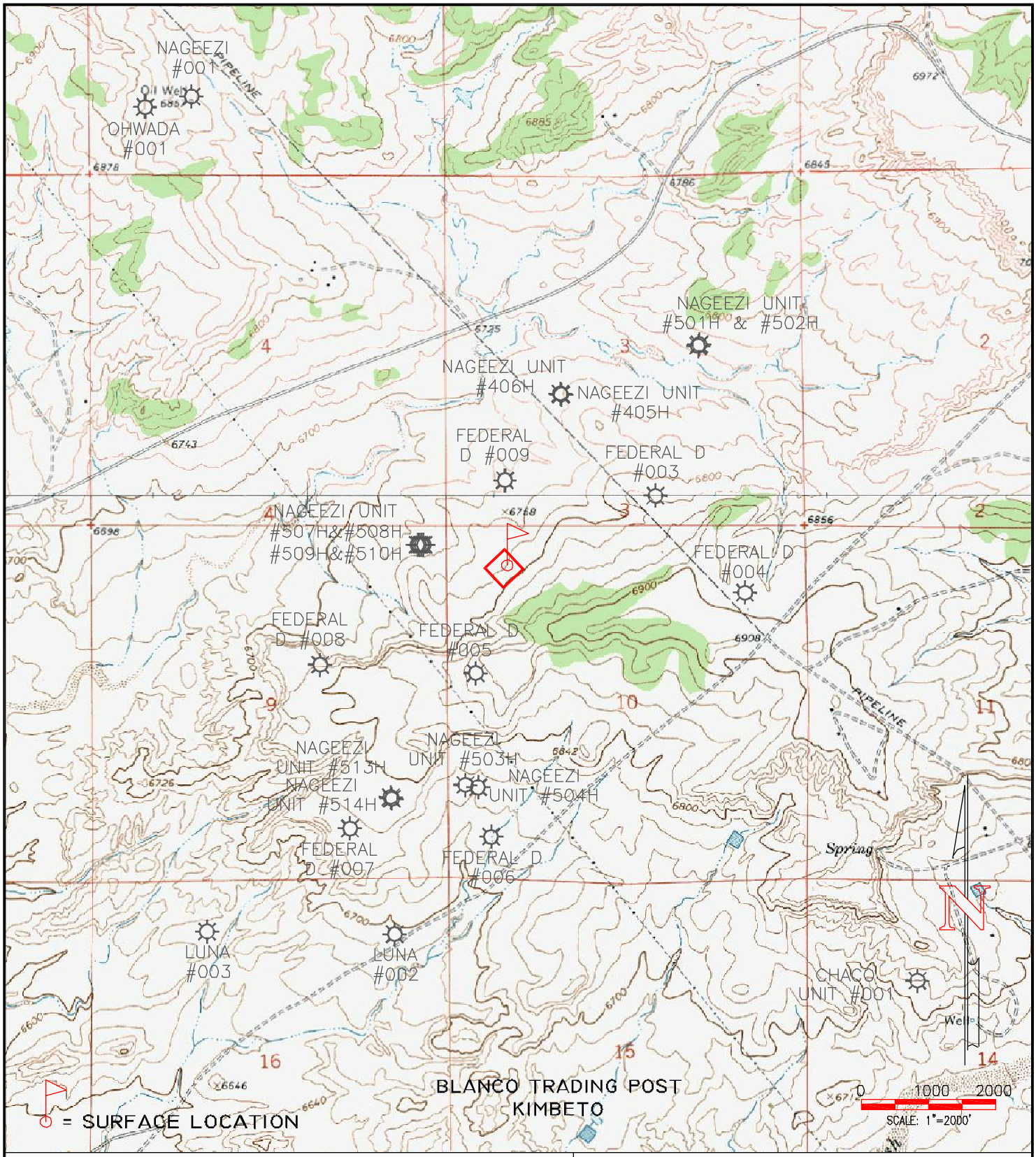
P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

DWG. No. : 11334-A03			Revision: 1
Drawn by: A.A.D.	Date Drawn: 10/2/20		Rev. Date:
Surveyed: 9/30/20	App by: M.W.L.		Sheet: 1



LEASE: NAGEEZI UNIT WSW

FOOTAGES: 556' FNL, 936' FWL, SECTION 10

TOWNSHIP: 23 N RANGE: 9 W N.M.P.M.

LAT: 36.2472204° N LONG: 107.7821891° W (NAD83)

ELEVATION: 6795'

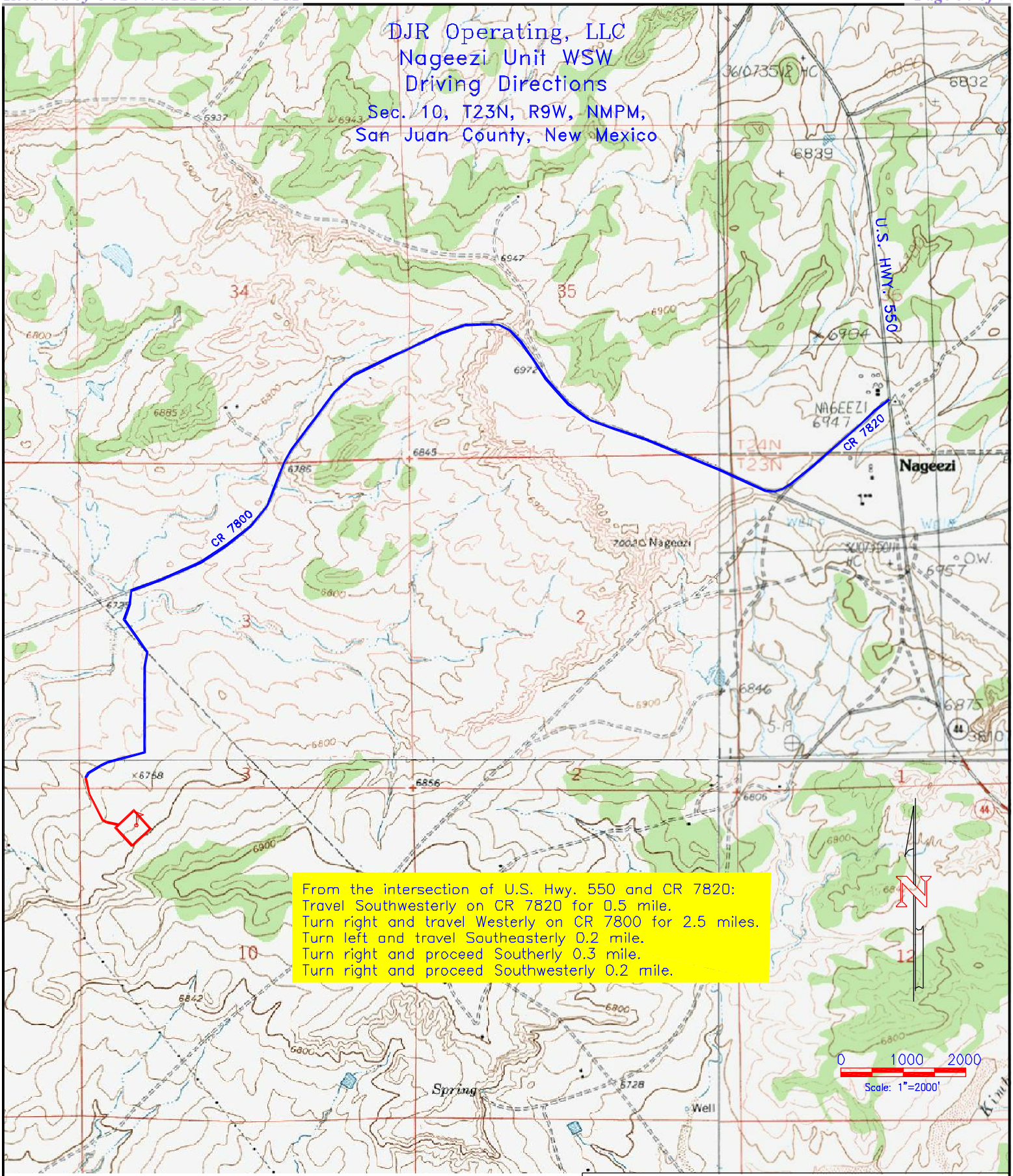
DJR Operating, LLC

UNITED FIELD SERVICES INC.

P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

DWG. NO. : 11334-T01		REVISION: 1
DRAWN BY: A.A.D.	DATE DRAWN: 10/5/20	REV. DATE:
SURVEYED: 9/30/20	APP. BY: M.W.L.	SHEET: 1

DJR Operating, LLC
Nageezi Unit WSW
Driving Directions
Sec. 10, T23N, R9W, NMPM,
San Juan County, New Mexico



From the intersection of U.S. Hwy. 550 and CR 7820:
Travel Southwesterly on CR 7820 for 0.5 mile.
Turn right and travel Westerly on CR 7800 for 2.5 miles.
Turn left and travel Southeasterly 0.2 mile.
Turn right and proceed Southerly 0.3 mile.
Turn right and proceed Southwesterly 0.2 mile.

Quadrangle Maps
Blanco Trading Post
Crow Mesa West
Lybrook NW
Kimbeto

United Field Services Inc.

P.O. Box 3651
Farmington, NM 87499
Office: (505) 334-0408

DWG. No. : 11334-Directions		Revision: 1
Drawn by: A.A.D.	Date Drawn: 10/3/20	Rev. Date:
Surveyed: 9/30/20	App by: M.W.L.	Sheet: 1

Drilling Plan: **Drill and complete a** Vertical Artesian Entrada Water Source Well

Well Information:

Name:	Nageezi WSW #1
State:	New Mexico
County:	San Juan County
Surface Location:	Lat 36.2472204 Long -107.7821891
Section:	Section 10, T23N,R9W
Elevation:	GL 6795' KB: TBD
Bottom Hole Location:	Lat 36.2472204 Long -107.7821891

Geologic and Reservoir Information

Formation Tops	Subsea	TVD	MD	O/G/W	Pressure
Ojo Alamo	6220	610	610	W	normal
Kirtland	6055	775	775	W	normal
Fruitland	5870	960	960	G/W	sub-normal
Pictured Cliffs	5500	1330	1330	G/W	sub-normal
Lewis	5390	1440	1440	G/W	normal
Chacra	4820	2010	2010	G/W	normal
Cliff House	3990	2840	2840	G/W	sub-normal
Menefee	3950	2880	2880	G/W	normal
Point Lookout	3080	3750	3750	G/W	normal
Mancos	2920	3910	3910	O/G	normal
Gallup	2180	4650	4650	O/G	normal
Greenhorn	1250	5580	5580	O/G/W	normal
Dakota	1150	5680	5680	O/G/W	normal
Todilto	120	6710	6710	G/W	normal
Entrada	60	6770	6770	W	normal
Total Depth		**7085**	7085		

Surface: Nacimiento

Oil and Gas Zones: Oil and Gas can be expected from multiple zones in the wellbore, target is the Entrada which is expected to be water bearing.

Pressure: Normal or sub-normal pressure expected (0.43 psi/ft)
Partially Evacuated Hole gradient 0.22psi/ft = TD x 0.22psi/ft = 1,559 psi
Max Bottom Hole Pressure: 3,047 psi
Maximum Surface Pressure: 1,488 psi

Temperature: Estimated BHST 165°F based on Temp gradient of 1.2°/100'

H2S Information

H2S Zones: No H2S expected

Safety: Sensors and alarms will be placed in the substructure on the rig floor, above the pits and at the shakers.

Logging, Coring and Testing

Mud Logs: If non-artesian well No mud logging or cuttings sampling is planned, if artesian well mud logger will be required to make logs and collect samples. For non-artesian well a chromatograph will be run from drill out of 10-3/4" casing to TD. If considered artesian well it will start at surface

MWD/LWD: Gamma Ray from drill out of 10-3/4" casing to TD Planned

Open Hole Logs: Triple Combo from TD to surface (as long as hole conditions allow it)

Testing: None Planned

Coring: None-Planned

Cased Hole Logs: CBL - 10-3/4" casing if an artesian well, if not no surface, CBL 7-5/8" casing from PBTD to surface.

Drilling Rig TBD based on availability

BOPE Requirements

See attached for diagram for details regarding BOPE specifications and configuration. (Exhibit A:)

- Annular preventer, or double ram, or two rams with one being blind and one being a pipe ram *
- Choke manifold (refer to Exhibit A:)
  - kill line (2 inch minimum)
  - 1 kill line valve (2 inch minimum)
  - 1 choke line valve
  - 2 chokes
  - Upper kelly cock valve with handle available
  - Safety valve and subs to fit all drill strings in use
  - Pressure gauge on choke manifold
  - 2 inch minimum choke line
  - Fill-up line above the uppermost preventer.
- Additional BOPE shall include one upper Kelly cock and one drill pipe safety valve
- 2M system accumulator shall have sufficient capacity to close all BOP's and retain 200 psi above pre-charge. Nitrogen bottles that meet manufacturer's specifications.
- BOP testing shall be conducted (a) when Initially installed, (b) whenever any seal Is broken or repaired, (c) if the time since the previous test exceeds 30 days,
- Tests will be conducted using a test plug. BOP ram preventers will be tested at low pressure 200-300psi for 5 minutes prior to working pressure for 10 minutes. The annular preventer will be tested to 50 percent of rated working pressure for 10 minutes.
- For all non-artesian casing strings below conductor shall be tested to .22 psi/ft (or 1,500 psi minimum) for 30 minutes, prior to drilling out 10-3/4" casing. If considered a artesian well the test will be extended to pressure test for 60minutes.

Fluids and Solids Control Program

Fluid Measurement: Pumps shall be equipped with stroke counters with displays into the dog-house. Slow pump speed shall be recorded daily and after muddling up, at a minimum, on drilling report. A pit volume totalizer(PVT) will be installed and the readout will be displayed in the dog-house. Gas-detecting equipment will be installed at the shakers, and readouts will be available in the dog-house and remote work stations.

Closed Loop System: A fully, closed-loop system will be utilized. The system will consist of above-ground piping and above-ground storage tanks and bins. The system will not entail any earthen pits, below-grade storage, or drying pads. All equipment will be disassembled and removed from the site when drilling operations cease. The system will be capable of storing all fluids and generated cuttings and be able to prevent uncontrolled releases of the same. The system will be operated in an efficient manner to allow the recycling and reuse of as much fluid as possible and to minimize the amount of fluids and solids that require disposal.

Fluid Disposal: Fluids that cannot be reused, recycled, or returned to the supplier will be hauled to and disposed of at an approved disposal site (Industrial Ecocystem, Inc. or Envirotech, Inc).

Solids Disposal: Drilling solids will be stored (until haul-off) on-site in separate containers with no other waste, debris, or garbage products. Waste solids will be hauled to and disposed of at an approved disposal site (Industrial Ecocystem, Inc. or Envirotech, Inc).

Detailed Drilling Plan:

Surface: Drill vertically to casing setting depth, run casing, install cement head, cement casing to surface.

0 ft(MD) to 825 ft(MD)	Hole Section Length: 825 ft
0 ft(MD) to 825 ft(MD)	Casing Required: 825ft

Note: Surface hole may be drilled, cased, and cemented with a smaller rig in advance of the drilling rig.

Fluid:

Type	MW (PPG)	FL (mL/30 min)	PV (cp)	YP (lb/100 ft^2)	pH	Comments
Fresh Water	8.4	N/C	2-8	2-12	9	Spud Mud

Hole Size: 14-3/4”

Bit/Motor: Mill Tooth or PDC, no motor (maybe add bent sub to make corrections)

MWD/Survey: No MWD, run gyro survey in 100’ stations after drilling

Logging: None

Procedure: Drill surface casing to TD. Run and cement surface casing. Install 3k API well head

Casing Specs

Surface Casing Design - Evacuated/Max SICP (collaspe & burst), 100k overpull (tension)

	Size	Weight	Grade	Conn	Collapse	Burst	Tension	Notes
Surface	10-3/4”	40.5	J-55	LT&C	1,580	3,130	420,000	
				Safety Factor	1.125	1.000	1.200	
Collapse	**Casing Depth TVD**	**MW in**	**MW out**	**Pres in**	**Pres out**	**SF - 1.125**		
	825	0	9.0	0	386	4.09		
	Casing Depth TVD	**MW in**	**MW out**	**Pres in**	**Pres out**	**SF - 1.0**		
Burst	825	9.0	0	386	0	8.11		
	Casing Depth TVD	**Mud Wt**	**Air Wt**	**Bouy Wt**	**BW +100k**	**SF - 1.2**	100k over pull	
Tension	825	9.0	33,413	28,821	128,821	3.26		
		BF						
	BF= 1 - (MW)/65.5	0.8626						

MU Torque (ft lbs) Minimum: 3,380 Optimum: 4,500 Maximum: 5,630

Casing Details: Guide shoe, 1jt casing ,single valve float collar and run casing to surface

Centralizers: 2 centralizers per jt stop-banded 10' from each collar on bottom 3 jts, 1 centralizer per 2 jts to surface

Cement:

Type	Weight (ppg)	Yield (ft^3/sk)	Water (gal/sk)	%Excess	Planned TOC (ft MD)	Total Cmt (sx)
Class G	15.8	1.174	5.15	100%	0	800

Annular Capacity: 0.5563 ft^3/ft (14-3/4" open hole – 10-3/4" casing annulus)
Calculated cement volumes assume in-gauge hole and the excess noted in table

Production: Drill to TD following directional plan, run casing, cement casing to surface.

825 ft (MD) to 7,085 ft (MD)	Hole Section Length: 6,260 ft
825 ft (MD) to 7,085 ft (MD)	Casing Required: 7,085 ft

Fluid:

Type	MW (ppg)	FL (ml/30 min)	PV (cp)	YP (lb/100 ft^2)	pH	Comments
KCL Fluid	8.8-9.5	20	8-14	8-14	9.0-9.5	

Hole Size: 9-7/8"
Bit/Motor: PDC w/mud motor
MWD/Survey: MWD with GR, inclination, and azimuth (every 100' at minimum)
Logging: GR MWD for entire section, mud log for entire section If Artesian surface casing run CBL before drilling out surface casing
Procedure: NU BOPE and test (as noted above); pressure test 10-3/4" casing to 1,500 psi for 30 minutes(for non-artesian well, if artesian well test for 60minutes). Drill vertically to TD. Steer as needed to keep well vertical. Keep DLS < 2 deg/100' and keep slide length <10' until when making steering adjustments. Take surveys every 100' at a minimum. After reaching TD make sure enough rat hole is drilled for logging tools, make wiper trip(s) as dictated by hole conditions to condition hole for logs and casing running. TOH. Run OH logs from TD to surface. Run casing as described below. Space out casing as close to TD as possible. Pump cement as detailed below. Note cement volume circulated to surface.

Casing Specs

Casing Design - Evacuation/Max Mud Wt (collaspe), Max Frac Pres (burst) & 100k overpull (tension)

Casing	Size	Weight	Grade	Conn	Collapse	Burst	Tension		Notes	
Production	7-5/8"	26.4	L-80 HC	LTC	4,320	6,020	482,000		TD (ft)	TVD (ft)
				Safety Factor	1.125	1.000	1.200		7085	7085
	Casing Depth (TVD)	MW in	MW out	Pres in	Pres out	SF - 1.125				
Collapse	7085	0.00	9.50	0	3500	1.23				
	Depth TVD	MW in	MW out	Pres in	Pres out	SF - 1.0	Frac Pres			
Burst	7085	8.40	9.50	3095	3500	1.31	5000			
				8095	Burst pressure = Hyd + frac pressure					
Tension		Mud Wt	Air Wt	Bouy Wt	BW +100k	SF - 1.2		100k over pull		
	7085	9.50	187,044	159,915	259,915	1.85				
		BF								
	BF= 1- (MW)/65.5	0.8550								

MU Torque (ft lbs): Minimum: 4,090 Optimum: 5,450 Maximum: 6,810
Casing Details: Guide shoe, 2 jt casing, single-valve float collar, casing to surface and set in 3k API wellhead

Centralizers: 2 centralizers per joint, stop-banded 10' from each collar on bottom 3 joints, 1 centralizer per joint from TD to 500' above the Entrada top, 1 centralizer per 3 joints to previous casing and then 1 per 4 joints to surface.

Cement:

	Type	Weight (ppg)	Yield (ft^3/sk)	Water (gal/sk)	% Excess	Planned TOC (ft MD)	Total Cmt (Sx)
Lead	G:POZ Blend	12.3	1.97	10.27	40%	0	541
Tail	G:POZ Blend	13.3	1.36	5.99	10%	3,810	587

Annular Capacity: 0.2025 ft^3/ft (10-3/4" casing x 7-5/8" casing annulus)
0.2148 ft^3/ft (9-7/8" open hole x 7-5/8" casing annulus)
Calculated cement volumes assume in-gauge hole and the excess noted in table

Finish Well ND BOP, NUWH with BPV and cap, RDMO.
Procedure: ND BOP, Install BPV in WH. Install cap with pressure gauge on WH. Frac Stack to be installed at later date. RDMO.

Completion and Production Plan

Completion: Run CBL from TD to surface. Pressure test 7-5/8" casing for 60 minutes. Perforate Entrada. TIH with packer and break down Entrada perforations. Swab back load water and collect formation water sample. Perform complete water analysis. Perforations may be acidized or fracture stimulated to improve inflow.

Production: Well will produce up 4-1/2" production tubing via ESP into water storage facility.

Exhibit A: Blow Out Prevention Equipment

2000 psi System

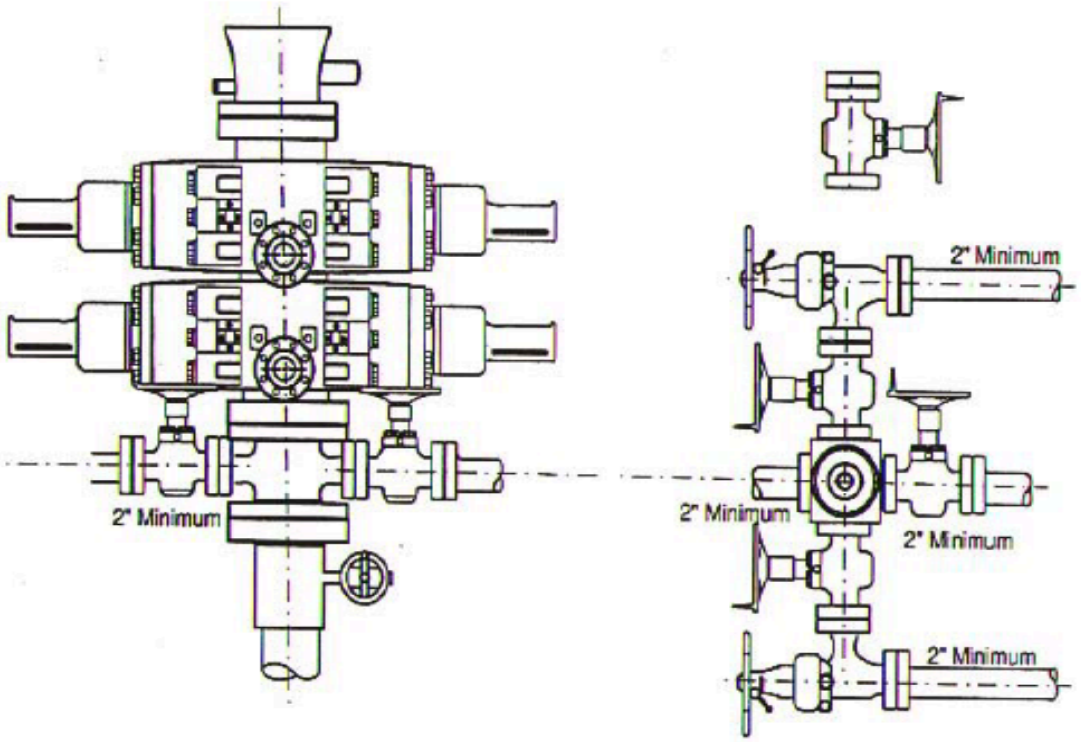


Figure 3-1

Appendix C

DJR Energy

Unit Nageezi
Well No. WSW #1
Well Name Nageezi WSW #1

Location Lat = 36.2472204
Long = -107.7821891

Casing Size	Grade	MD	TVD
10-3/4", 40.5#	J55 STC	825	825
		7085	7085

Hole Size	TOC	# of SXS
14-3/4	Sufrace	799.6
9-7/8"	TOC lead	Surface
	TOC tail	3810
	Lead	540.5
	Tail	586.1
	total sxs	1126.6

Ojo Alamo@	610
Kirtland@	775
Fruitland@	960
Pictured Cliffs@	1330
Lewis@	1440
Chacra@	2010
Cliff House @	2840
Menefee@	2880
Point Lookout@	3750
Mancos@	3910
Gallup@	4650
Greenhorn@	5580
Dakota@	5680
Todilto@	6710
Entrada@	6770
Total Depth@	7085

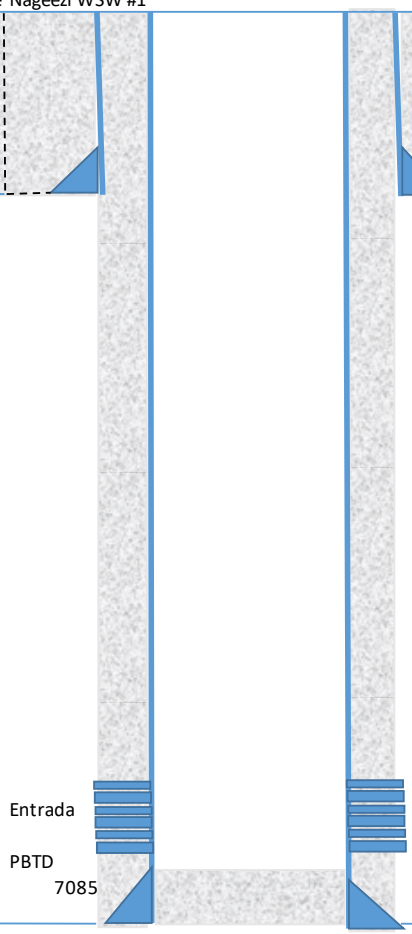


EXHIBIT D. GROUND WATER REPORT

D

Ground Bed Drilling Log

Company: WPX Energy Well: Kimbeto Wash #771H Date: 9-16-2016

Location: Sec. T NR W State: New Mexico Rig: Story #1

Ground Bed Depth: 340' Water Depth: 180' Diameter: 10"

Fuel: 92 gal. Latitude: 36.220539 Longitude: -107.807116

DEPTH	FORMATION	OTHER
0-50	Sand Stone, Shale, Sand w/ Shale w/ Sand	PVC
50-100	Sand Stone, Shale, Sand w/ Shale w/ Sand	
100-150	Sand Stone, Shale, Sand w/ Shale w/ Sand	
150-210	Sand Stone, Shale, Sand w/ Shale w/ Sand	
210-260	Sand Stone, Shale, Sand w/ Shale w/ Sand	
260-310	Sand Stone, Shale, Sand w/ Shale w/ Sand	
310-340	Sand Stone, Shale, Sand w/ Shale w/ Sand	
	Sand Stone, Shale, Sand w/ Shale w/ Sand	
	Sand Stone, Shale, Sand w/ Shale w/ Sand	
	Sand Stone, Shale, Sand w/ Shale w/ Sand	

GROUNDWATER DEPTH LOG

Company: WPX Energy	Location: Kimbeto Wash #771H Lat/Long: 36.220539 / -107.807116 Elevation:
Probe type: Powerwell Sounder	
Casing Installation Method:	Push

Required Test Depths 30', 55', & 105' unless otherwise requested

Date	Time	Depth	Comments
9-15-16	8am	30'	drilled 30'
	9am	30'	tested No water
	9:30	55'	drilled to 55'
	10:30	55'	tested No water
	11:10	105'	drilled to 105'
	12:00	105'	tested No water
	12:10		set 50' casing
	2:15	340'	TD hole
9-16-16	7:45	180'	tested water 180'

Ground Bed Drilling Log

Company: WPX Energy Well: West Lybrook UT #707H #708H #709H Date: 9-12-2016

Location: Sec 12 T23N R9W State: New Mexico Rig: Story # 1

Ground Bed Depth: 340' Water Depth: 115' Diameter: 10"

Fuel: 90 gal. Latitude: 36.23610 Longitude: -107.73353

DEPTH	FORMATION	OTHER
0-40	Sand Stone, Shale, Sand w/ Shale w/ Sand	PVC
40-80	Sand Stone, Shale, Sand w/ Shale w/ Sand	
80-140	Sand Stone, Shale, Sand w/ Shale w/ Sand	
140-200	Sand Stone, Shale, Sand w/ Shale w/ Sand	
200-270	Sand Stone, Shale, Sand w/ Shale w/ Sand	
270-300	Sand Stone, Shale, Sand w/ Shale w/ Sand	
300-340'	Sand Stone, Shale, Sand w/ Shale w/ Sand	
	Sand Stone, Shale, Sand w/ Shale w/ Sand	
	Sand Stone, Shale, Sand w/ Shale w/ Sand	
	Sand Stone, Shale, Sand w/ Shale w/ Sand	

GROUNDWATER DEPTH LOG

Company: WPX Energy Location: West Lybrook UT 707 / 708 / 709

Probe type: Power Well Sounder

Date	Time	Depth	Comments
9-12-16	8am	40'	drilled 40'
	9 am	40'	tested no water
	9:20	65'	drilled to 65'
	10:15	65'	tested no water
	11:00	115'	drilled to 115'
	12:00	90'	tested water
9-13-16	8 am	90'	water level tested
	10:30	340'	finished anode bed.

English W. W. No. 1

TN 220903

(This form is to be executed in triplicate)

WELL RECORD

SJ-1

~~Misc. 1-SJ-32~~

Date of Receipt November 17, 1953. Permit No. ~~Misc.~~ 169

Name of permitee, El Paso Natural Gas Company

Street or P. O. Box 997, City and State Farmington, N. M.

1. Well location and description: The shallow (shallow or artesian) well is located in SE ¼, NW ¼, NE ¼ of Section 1, Township 23N, Range 9W; Elevation of top of casing above sea level, 6838 feet; diameter of hole, 6 inches; total depth, 695 feet; depth to water upon completion, 630 feet; drilling was commenced 8-15 ?, 1952, and completed 8-22, 1952; name of drilling contractor .....; Address, ...; Driller's License No. .....

2. Principal Water-bearing Strata:

	Depth in Feet From	To	Thickness	Description of Water-bearing Formation
No. 1				
No. 2				
No. 3				
No. 4				
No. 5				

3. Casing Record:

Diameter in inches	Pounds per ft.	Threads per inch	Depth of Casing or Liner Top	Bottom	Feet of Casing	Type of Shoe	Perforation From	To
6					696			
4	Tubing				694			

4. If above construction replaces old well to be abandoned, give location: ¼, ¼, ¼ of Section ....., Township ....., Range .....; name and address of plugging contractor, ...

.....

date of plugging ....., 19.....; describe how well was plugged: .....

.....

.....

.....

STATE ENGINEER-Santa Fe, N. M.
RECEIVED
NOV 17 1953
PM
1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6
AM

SJ-1

~~23-4~~ ~~SJ-1~~

~~Misc 1-SJ-1~~

5. Log of Well:

Depth in Feet From	Depth in Feet To	Thickness in feet	Description of Formation

The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described well.

.....
Licensed Well Driller

Instructions

This form shall be executed, preferably typewritten, in triplicate and filed with the State Engineer's Office at Roswell, New Mexico, within 10 days after drilling has been completed. Data on water-bearing strata and on all formations encountered should be as complete and accurate as possible.

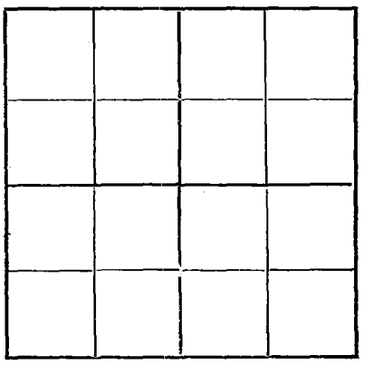
Form WR-23 STATE ENGINEER OFFICE

English W. W. No. 1

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

Section 1



(Plat of 640 acres)

(A) Owner of well El Paso Natural Gas Company

Street and Number Box 997

City Farmington State N.M.

Well was drilled under Permit No. Misc.1-SJ-1 and is located in the SE ¼ NW ¼ NE ¼ of Section 1 Twp. 23N Rge. 9W

(B) Drilling Contractor License No.

Street and Number

City State

Drilling was commenced 8-15? 19 52

Drilling was completed 8-22 19 52

Elevation at top of casing in feet above sea level 6838 Total depth of well 695

State whether well is shallow or artesian Depth to water upon completion 630

Section 2 PRINCIPAL WATER-BEARING STRATA

No.	Depth in Feet From	Depth in Feet To	Thickness in Feet	Description of Water-Bearing Formation
1				
2				
3				
4				
5				

Section 3 RECORD OF CASING

Dia in.	Pounds ft.	Threads in	Depth Top	Depth Bottom	Feet	Type Shoe	Perforations From	Perforations To
6					696			
4	Tubing				694			

Section 4 RECORD OF MUDDING AND CEMENTING

Depth in Feet From	Depth in Feet To	Diameter Hole in in.	Tons Clay	No. Sacks of Cement	Methods Used
					STATE ENGINEER-Santa Fe, N.M.
					RECEIVED
					NOV 17 1953
					3:30PM

Section 5 PLUGGING RECORD

Name of Plugging Contractor License No.

Street and Number City State

Tons of Clay used Tons of Roughage used Type of roughage

Plugging method used Date Plugged 19

Plugging approved by:

Basin Supervisor

Cement Plugs were placed as follows:

No.	Depth of Plug From	Depth of Plug To	No. of Sacks Used

FOR USE OF STATE ENGINEER ONLY

Date Received

File No. Use Location No.

Section 6

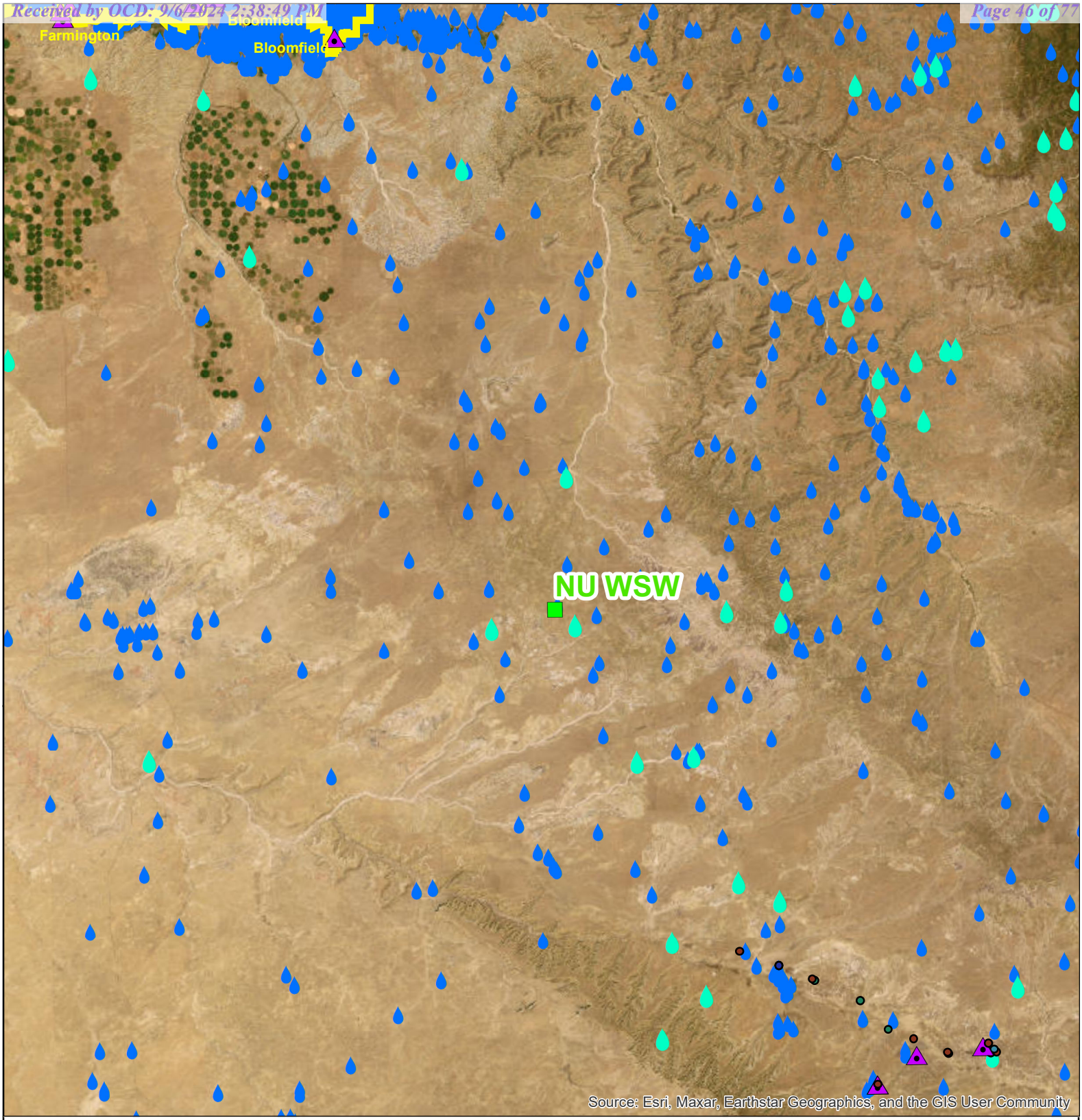
LOG OF WELL

Depth in Feet From	Depth in Feet To	Thickness in Feet	Color	Type of Material Encountered

The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described well.

Well Driller

EXHIBIT E. SITING CRITERIA MAPS



NU WSW Containment Location Map1
Siting Critieria

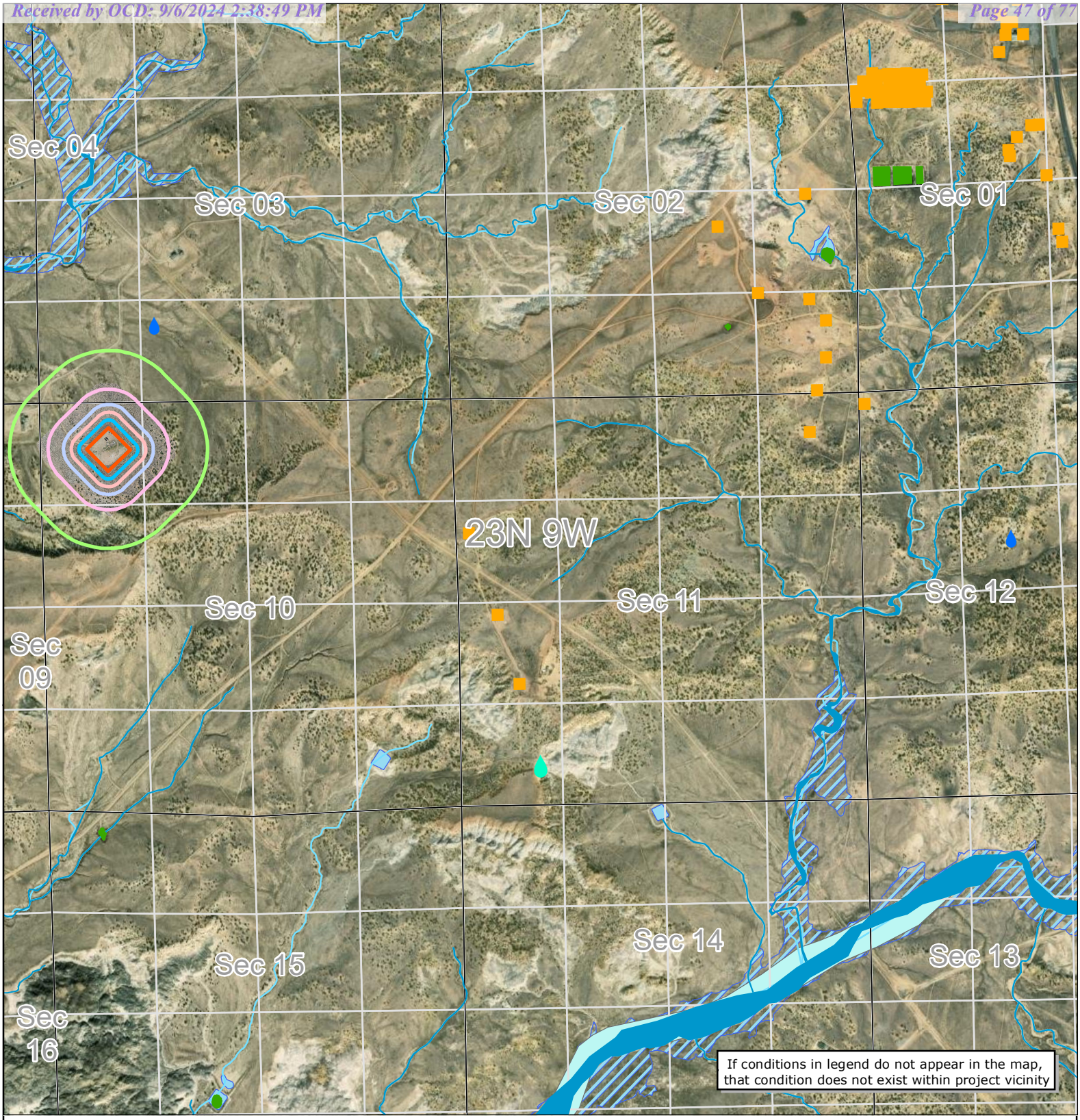
- Active Mining
- Active Mining, Active Reclamation
- Approved
- Enforcement
- No Permit
- No Response
- Pending
- Released
- Temporary Suspension
- Under Development
- OSE Water Wells
- Spring Seep
- New_Mexico_incorporated_places_April2023

ENDURING RESOURCES, LLC

0 5 10 15 20 Miles

Data Source Statement:
BLM-FFO, Enduring Resources GIS, ESRI Inc., NCE Surveys, USGS

NAD 1983 2011 StatePlane New Mexico West FIPS 3003 Ft US	Author: drogers	Date: 9/3/2024



NU WSW Containment Location Map 2
Siting Critieria

- NU WSW
- OSE_wells_AOI
- Spring Seep
- Residence
- USGS Water Courses

- 100
- 200
- 300
- 500
- 1000

- Active Mining
- Active Mining, Active Reclamation
- Approved
- Enforcement
- No Permit
- No Response
- Pending
- Released
- Temporary Suspension
- Under Development

USA_Wetlands
- Marine
- Estuary
- Marsh, Swamp, Bog, Prairie
- Riverine
- Lake, Reservoir
- Wash
- NHDWaterbody
- FEMA High Risk Flood Zone

ENDURING RESOURCES, LLC

0 1,000 2,000 3,000 4,000 5,000 Feet

Data Source Statement:
BLM-FFO, Enduring Resources GIS, ESRI Inc., NCE Surveys, USGS

NAD 1983 2011 StatePlane New Mexico West FIPS 3003 Ft US	Author: drogers	Date: 9/3/2024

EXHIBIT F. AQUATIC RESOURCES DELINEATION TECHNICAL MEMORANDUM

SWCA ENVIRONMENTAL CONSULTANTS
Sound Science. Creative Solutions.®
7770 Jefferson Street NE, Suite 410
Albuquerque, New Mexico 87109
Tel 505.254.1115 Fax 505.254.1116
www.swca.com

AQUATIC RESOURCES DELINEATION TECHNICAL MEMORANDUM

To: Casey Haga, Enduring Resources IV, LLC

From: SWCA Environmental Consultants

Date: August 30, 2024

Re: **Enduring's Nageezi Unit Water Supply Well Project in San Juan County, New Mexico, Aquatic Resources Delineation Technical Memorandum / SWCA Project No. 75253-102**

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1. INTRODUCTION

SWCA Environmental Consultants (SWCA) was retained by Enduring Resources IV, LLC (Enduring), to complete an aquatic resources delineation survey, commonly referred to as a wetland delineation, and associated technical memorandum for a recycling containment facility associated with the Nageezi Unit Water Supply Well Project (project) in San Juan County, New Mexico. The project area comprises 6 acres of land managed by the Bureau of Land Management Farmington Field Office. The project components consist of one pad and an access road (project area) (see Figure A-1 in Appendix A). A survey area that consists of the project area plus a 200-foot buffer was evaluated for aquatic resources. The approximate center point of the survey area is at latitude 36.251379°, longitude −107.780571°.

The goal of conducting this aquatic resources delineation survey is to identify the potential presence and extent of features that may be jurisdictional waters of the United States (WOTUS) under Section 404 of the Clean Water Act (CWA) of 1972, as amended (*Federal Register* 88:61964). A delineation of aquatic resources includes the identification and recording of features, if present, that may be determined to be WOTUS by the U.S. Army Corps of Engineers (USACE).

SWCA prepared this aquatic resources delineation technical memorandum, which summarizes aquatic resources desktop and field data, to support Enduring's application for permit or registration specific to 19.15.34 New Mexico Administrative Code (NMAC) via Form C-147. This technical memorandum serves as a record of existing aquatic resources that may be determined to be WOTUS, including wetlands and aquatic resources exhibiting an ordinary high-water mark (OHWM) in accordance with the USACE methods and guidance. The NMAC does not provide methods or guidance on determining watercourses or wetlands.

Regulatory considerations, survey methodology, survey results, and a summary are presented below.

2. Regulatory Considerations

Waters of the United States

On September 8, 2023, the "Revised Definition of 'Waters of the United States'" rule as amended (2023 Amended Rule) (*Federal Register* 88:61964) went into effect and is currently applicable in the State of New Mexico.

WOTUS regulations, including the current 2023 Amended Rule, do not clearly define the differences between flow duration regimes (i.e., ephemeral, intermittent, and perennial). Because the 2023 Amended Rule removes the former significant nexus test, we no longer have a tool to assess connectivity for certain features where continuous connectivity is questionable. Currently, the USACE is developing guidance for how districts will assess non-relatively permanent waters and non-adjacent wetland waters (*Federal Register* 88:61964).

In general, WOTUS include traditional navigable waters, wetlands adjacent to traditional navigable waters, and relatively permanent waters defined as tributaries and wetlands adjacent to navigable waters that have a continuous surface connection and standing or continuously flowing bodies of water (U.S. Environmental Protection Agency 2024).

Wetlands are special aquatic sites defined by the USACE as "areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions" (USACE 1987). To meet the basic definition of a wetland, an area must contain the following three parameters under normal circumstances: 1) the presence of wetland hydrology indicators showing regular inundation, 2) a dominance of hydrophytic (water-loving) vegetation, and 3) soil characteristics and indicators of frequent saturation (i.e., hydric soils) (USACE 1987).

SWCA evaluated the presence/absence and characteristics of field-delineated surface aquatic resources to develop a professional opinion of potential WOTUS jurisdiction based on the 2023 Amended Rule and current guidance received by the USACE Albuquerque District at the time this document was prepared. The USACE has the regulatory authority and discretion in determining the jurisdictional status of aquatic resources at a given site.

19.15.34 New Mexico Administrative Code

19.15.34 NMAC applies to the transportation, disposal, recycling, reuse, or the direct surface or subsurface disposition by use of water produced or used in connection with the development or production of oil or gas or both; in road construction or maintenance, or other construction; and in the generation of electricity or in other industrial processes. 19.15.34 NMAC also applies to the transportation of drilling fluids and liquid oil field waste.

A permit or registration, depending on the proposed activity, for recycling and reuse of produced water, drilling fluids, and liquid oil field waste including recycling containment is required via New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division's (NMOCD's) Form C-147.

Enduring is proposing recycling containment as part of the project, requiring compliance with 19.15.34 NMAC. As defined in 19.15.34.10(B), recycling containments may hold produced water for use in connection with drilling, completion, producing, or processing oil or gas or both. Such fluids may include fresh water, brackish water, recycled and treated water, fluids added to water to facilitate well drilling or completion, water produced with oil and gas, flowback from operations, water generated by an oil or gas

processing facility, or other waters that are gathered for well drilling or completion but may not include any hazardous waste. Form C-147 siting criteria require that a recycling containment not be located:

- where groundwater is less than 50 feet below the bottom of the containment;
- within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the OHWM);
- within 500 feet of a spring or freshwater well used for domestic or stock watering purposes in existence at the time of the initial registration;
- within incorporated municipal boundaries or within a defined municipal freshwater well field covered by a municipal ordinance adopted pursuant to Section 3-27-3 New Mexico Statutes 1978, as amended, unless the municipality specifically approves the recycling containment in writing;
- within 500 feet of a wetland; or
- within a 100-year floodplain.

Watercourse is defined in 19.15.2.7 NMAC as "a river, creek, arroyo, canyon, draw or wash or other channel having definite banks and bed with visible evidence of the occasional flow of water." Wetlands are defined in 19.15.2.7 NMAC as "areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions in New Mexico." The term "significant" is not defined in NMAC.

3. METHODOLOGY

The aquatic resources inventory included a desktop review of existing data and a field survey of the project area plus the 200-foot buffer as requested by Enduring (Haga 2024), as described below.

3.1 Existing Data Review

A desktop review of existing publicly available data prior to the aquatic resources field survey was completed to evaluate surface aquatic resources within and adjacent to the proposed project area.

Sources reviewed included the U.S. Geological Survey (USGS) National Hydrography Dataset (NHD) (USGS 2016), U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) maps (USFWS 2024), Federal Emergency Management Agency (FEMA) National Flood Hazard Layer (FEMA 2024), Natural Resources Conservation Service (NRCS) Web Soil Survey (NRCS 2024a) and hydrologic soil groups (NRCS 2024b), historic and current aerial imagery of the project area (Google Earth Pro 2024), and the USGS Watershed Boundary Dataset (USGS 2021). SWCA used the USACE's Antecedent Precipitation Tool (Version 2.0.0) (USACE 2023) to evaluate the conditions leading up to, and during, the site visit relative to normal conditions, seasonality, and typical-year considerations.

3.2 Field Survey

3.2.1 Wetlands

The presence/absence of wetlands is determined in the field using delineation methods described in the *Corps of Engineers Wetlands Delineation Manual* (USACE 1987) and the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (Version 2.0)* (Regional Supplement) (USACE 2008a). Data at each potential wetland are recorded on Regional Supplement wetland determination data forms (data sheets). Determination of wetland habitat type is based on the

classification system developed by Cowardin et al. (1979). Wetland plant indicator status is based on the 2020 National Wetland Plant List (USACE 2020) for each species and is recorded on data sheets. Soil colors are identified using Munsell Soil Color Charts (Munsell Color 2010). Wetland boundaries are delineated where the three fundamental characteristics of hydrophytic vegetation, hydric soils, and hydrology are present.

3.2.2 Non-wetland Waters

The presence and extent of non-wetland water features (e.g., streams, creeks, and ponds) was determined in the field using the guidance and methods provided in the USACE Regulatory Guidance Letter 05-05 (USACE 2005) and the USACE technical guidance, *A Field Guide to the Identification of the Ordinary High Water Mark (OHWM) in the Arid West Region of the Western United States* (USACE 2008b). An OHWM is the line on a shore or bank established by fluctuations of water and is typically identified by physical characteristics such as a clear, natural line impressed on the bank, shelving, changes in the character of soil, destruction of terrestrial vegetation, the presence of litter and debris, or other appropriate means that consider the characteristics of the surrounding areas. The spatial extent of non-wetland waters was delineated using the identified OHWM for each feature.

For stream features exhibiting an OHWM, SWCA conducted a streamflow duration assessment in the field using *User Manual for a Beta Streamflow Duration Assessment Method for the Arid West of the United States* (Mazor et al. 2023). The Streamflow Duration Assessment Method (SDAM) is a rapid, field-based method to determine flow duration class at the reach scale in the absence of long-term hydrologic data. Use of the SDAM may inform a range of activities where information on streamflow duration is useful, including certain jurisdictional determinations under the CWA; however, the SDAM is not a jurisdictional determination (Mazor et al. 2023). The method is specific to the Arid West Region and relies on five indicators to determine stream flow classification: perennial, intermittent, ephemeral, at least intermittent, and need more information. The field delineation crews recorded the status of these five indicators on a field form for every surface water feature in the survey area with an OHWM.

3.2.3 Mapping

A handheld GPS receiver set to submeter accuracy was used to record the spatial extent of features, geographically reference data points, and demarcate wetland and water body boundaries during the field survey. Geographic information system (GIS) software was used to analyze recorded features, calculate areas, and generate the survey area maps.

4. RESULTS

4.1 Existing Data Review Results

The project area is entirely within the Escavada Wash watershed (Hydrologic Unit Code 1408010603) (USGS 2021). The entire survey area is within FEMA Flood Zone X, an area of minimal flood hazard. The survey area did not intersect FEMA-designated 100-year flood zones (area of special flood hazards). According to the existing data review, no NWI-mapped wetlands or NHD-mapped surface water features intersect the survey area (USFWS 2024; USGS 2016) (see Figure A-1 in Appendix A).

Hydric soils are formed under conditions of saturation, flooding, or ponding long enough during the growing season to develop anaerobic conditions (NRCS 2024b) and are one of the three fundamental characteristics of wetlands unless problematic conditions exist. There are no mapped soil units in the project area that are considered hydric (Table 1).

Table 1. Mapped Soil Units in the Survey Area

Soil Map Unit Name	Soil Map Unit Number or Symbol	Hydric	Total Acres in Survey Area	Percent of Survey Area
Blancot-Notal association, gently sloping	BT	No	17.8	100%

Source: NRCS (2024a, 2024b)

Based on the results of the Antecedent Precipitation Tool (Product of 14), the project area experienced normal wetness conditions (Table 2) (USACE 2023). The survey was conducted during the dry season, and the drought index was rated as "mild drought." Any wetland hydrology indicators observed during SWCA's August 2024 field survey reflect those that would be expected in a typical year for this area.

Table 2. Antecedent Precipitation Tool Results for Survey Area

30 Days Ending	30th Percentile (inches)*	70th Percentile (inches)†	Observed (inches)‡	Wetness Condition§	Condition Value¶	Month Weight±	Product**
August 13, 2024	0.87	1.95	1.14	Normal	2	3	6
July 14, 2024	0.14	0.88	2.35	Wet	3	2	6
June 14, 2024	0.06	0.51	0.27	Normal	2	1	2
Result							**14 (Normal)**

* 30th percentile represents the lower limit of the 30-year normal range for the month.

† 70th percentile represents the upper limit of the 30-year normal range for the month.

‡ Observed: Total precipitation recorded during the month.

§ Wetness Condition: Observed value above 30-year normal range (wet), observed value less than 30-year normal range (dry).

¶ Condition Value: wet = 3, normal = 2, dry =1.

± Month Weight: first 30-day period = 3, second 30-day period = 2, third 30-day period = 1.

** Product: Antecedent Condition Calculation (condition value × month weight).

4.2 Field Results

The aquatic resources delineation survey was completed on August 13, 2024. At the time of the survey, construction of the well pad and access road had not begun.

4.2.1 Wetlands

SWCA did not observe or delineate any wetland features during the August 2024 field survey due to the lack of three-parameter wetlands within the survey area.

4.2.2 Non-wetland Waters

No potentially jurisdictional non-wetland waters containing an OHWM were identified within the survey area. Two unmapped erosional features were observed and documented in the field as isolated erosional features (EF01 and EF02) (Table 3; also see Figure A-1 in Appendix A). Photographs of these features and upland areas are provided in Appendix B.

Table 3. Erosional Features in the Survey Area

Feature ID	Aquatic Resource Type	Coincides with mapped NHD and/or NWI Feature (Yes or No)	Notes
EF01	Erosional feature (gully)	No	Some channelizing but no reliable, strong, or consistent OHWM indicators before feature dissipates to sheet flow.
EF02	Erosional feature (gully)	No	Some channelizing but no reliable, strong, or consistent OHWM indicators before feature dissipates to sheet flow.

5. Summary

Based on the regulatory considerations provided in Section 2, evaluation of the survey area and observed aquatic resources, and SWCA's understanding of the USACE Albuquerque District's current policies regarding jurisdictional determinations, it is SWCA's professional opinion that, per the 2023 Amended Rule, no features present within the survey area would be considered jurisdictional WOTUS by the USACE. Erosional features, as those observed in the survey area, are excluded from WOTUS jurisdiction (40 Code of Federal Regulations 120.2(b)(8)).

Pursuant to 19.15.34 NMAC, no OHWMs were observed within 200 feet of the project area. Therefore, no significant watercourse is likely to occur within 200 feet of the proposed recycling containment. Additionally, neither the project area nor the survey area intersect a FEMA 100-year flood zone.

The results and summary provided are based on SWCA's professional opinion. Only the USACE has final and legal authority for determining the presence of jurisdictional WOTUS and the extent of their boundaries. Only the NMOCD has final and legal authority for determining the presence of continuously flowing watercourses, significant watercourses, or wetlands and the extent of their boundaries for the purposes of permitting and/or registration applicable to 19.15.34 NMAC.

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APPENDIX A

AQUATIC RESOURCES DELINEATION FIGURE

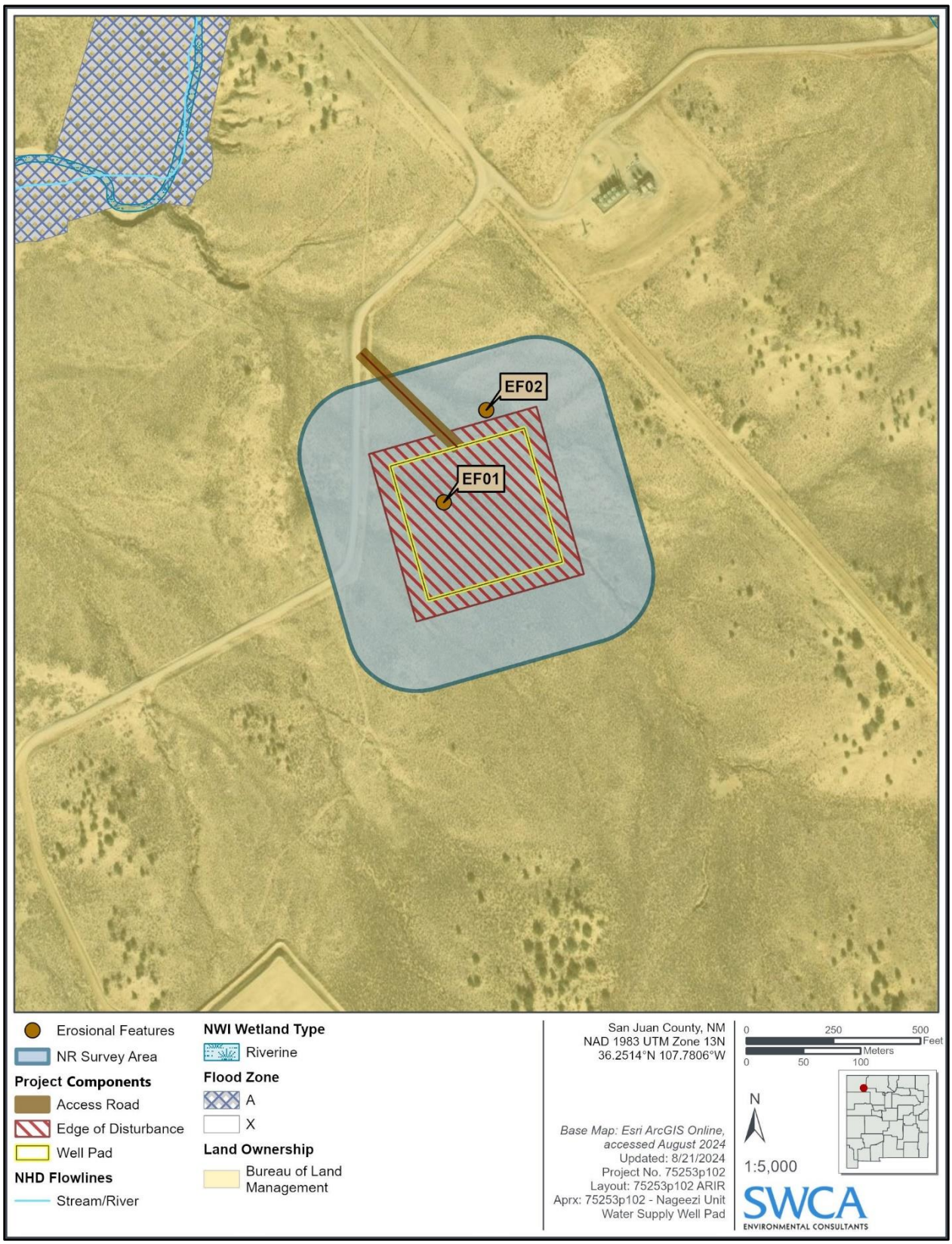


Figure A-1. Overview of desktop aquatic resources data and field-assessed aquatic resources data within the survey area.

APPENDIX B

PHOTOGRAPHS

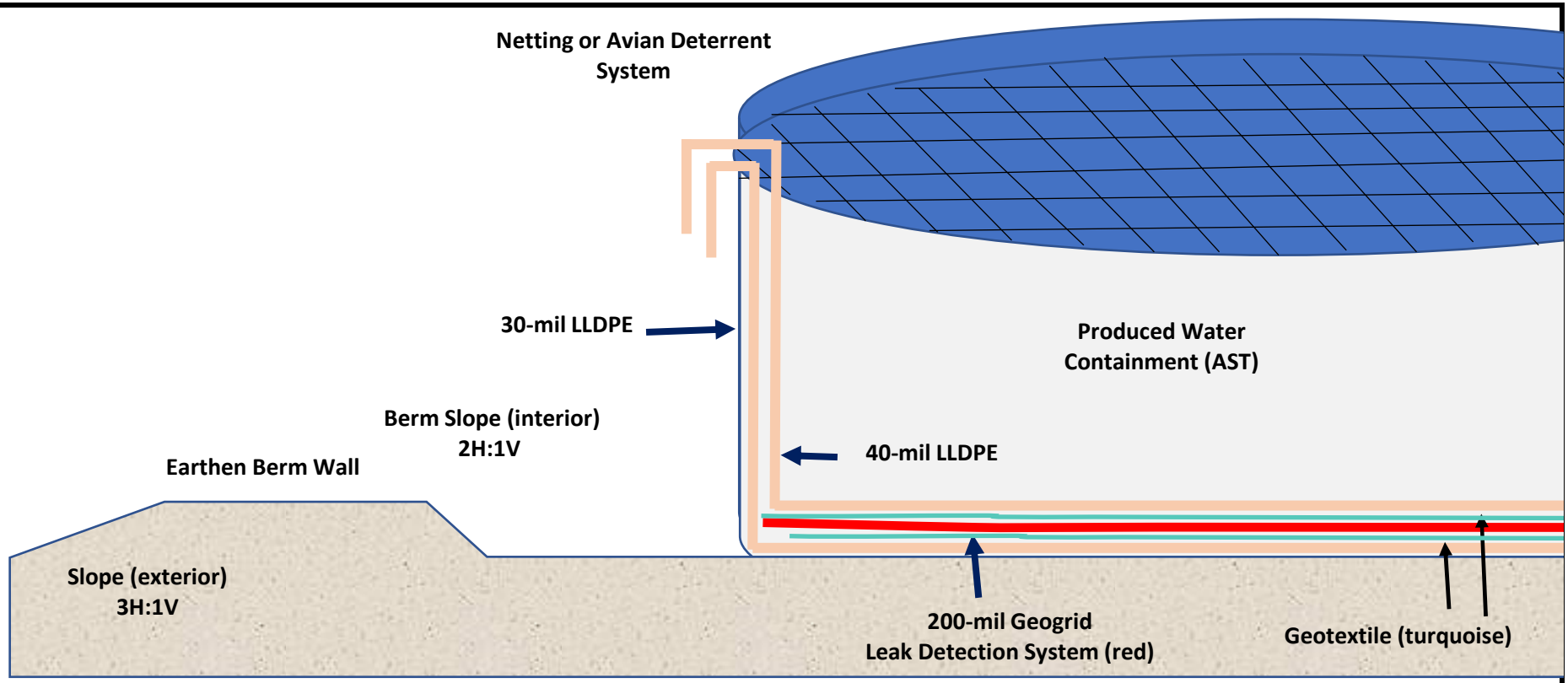
Photograph B-1. Overview of EF01, an erosional feature (gully) that does not contain an OHWM, facing upstream (southeast).

Photograph B-2. Overview of EF01, an erosional feature (gully) that does not contain an OHWM, facing downstream (northwest).

Photograph B-3. Overview of EF02, an erosional feature (gully) that does not contain an OHWM, facing upstream (southeast).

Photograph B-4. Overview of EF02, an erosional feature (gully) that does not contain an OHWM, facing downstream (northwest).

EXHIBIT G. MANUFACTURE SPECIFICATION



Description of Leak Detection System

- 40-mil LLDPE comprise primary liner and 30-mil LLDPE comprise the secondary liner
- 200-mil geogrid drainage layer lies between the primary and secondary liner per Plate 2
- Geotextile between the geogrid and each liner
- > 3-inch deep sump excavated on down slope side of AST per Sump Design Drawing
- A small hose runs from the collection sump to top of AST via tube (see Section D)
- Every week, a portable self-priming peristaltic pump connects to the leak detection system.
- The self-priming pump discharge hose runs back into the AST, on top of the primary liner
- If fluid is detected, it is tested for conductance to determine the origin of the water (i.e. produced water or condensation)

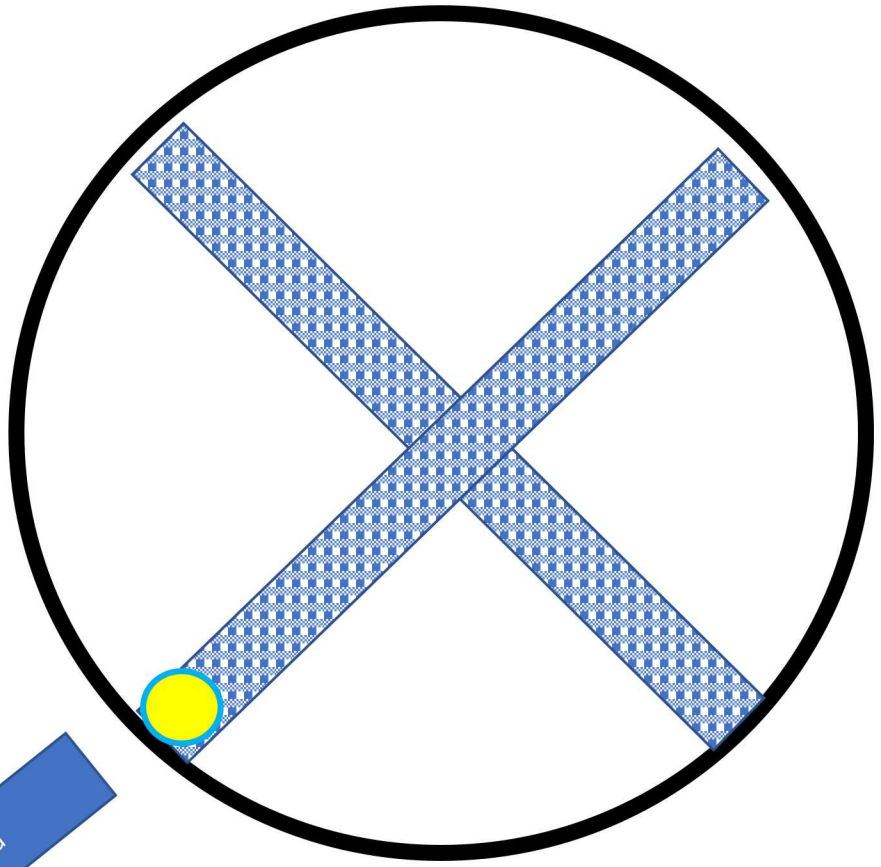
R.T. Hicks Consultants Albuquerque, NM	**Design Sketch**	**Plate 1**
	Well Water Solutions	**May-21**

Use laser level to determine slope of pad and low point of AST

200 mil geogrid placed
- above 8-oz geotextile and 30-mil secondary liner
- inside of AST after set up, before install of primary liner
- below 40-mil primary liner

8-oz geotextile is placed
- over the 30-mil LLDPE liner inside the steel AST ring
- under the 40-mil primary liner inside the AST

Sump at lowest point of the AST set up

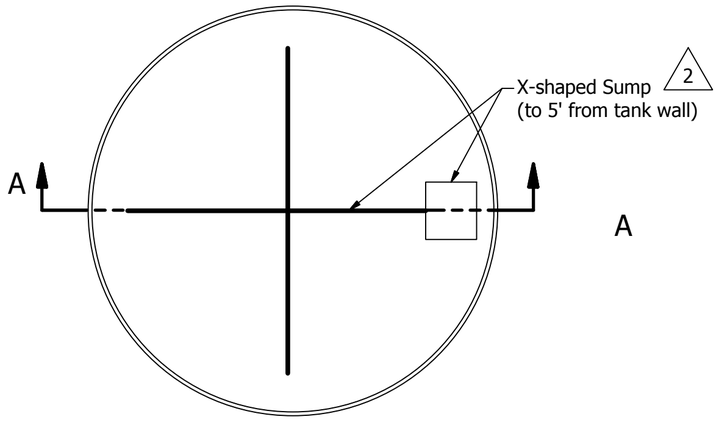


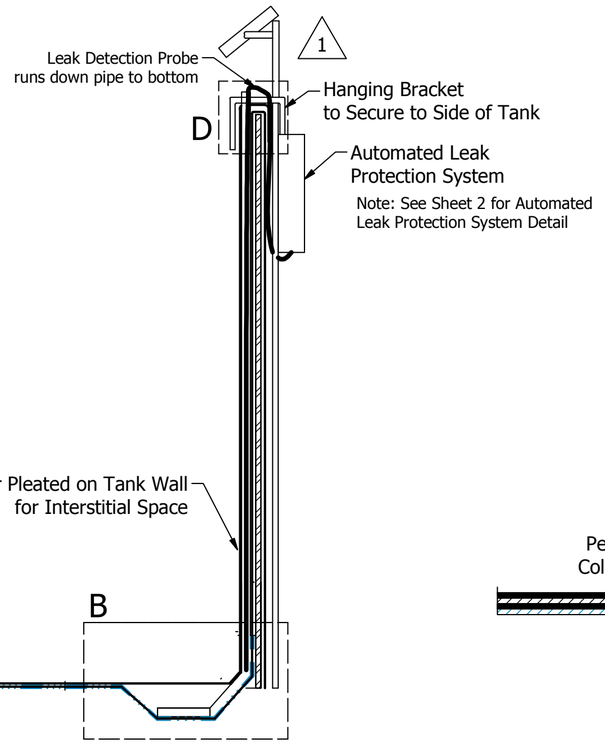
Sump Location

0 50 100

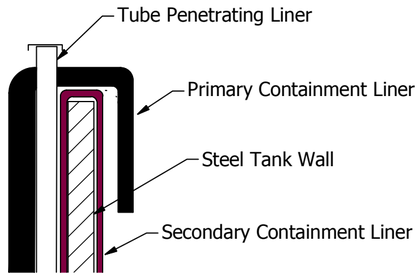
R.T. Hicks Consultants Albuquerque, NM	**Layout of Geogrid Drainage Mat**	**Plate 1**
	WWS - New Mexico Produced Water Set Up	**June 2021**

WWS DOUBLE-LINED
FRAC WATER TANK SYSTEM

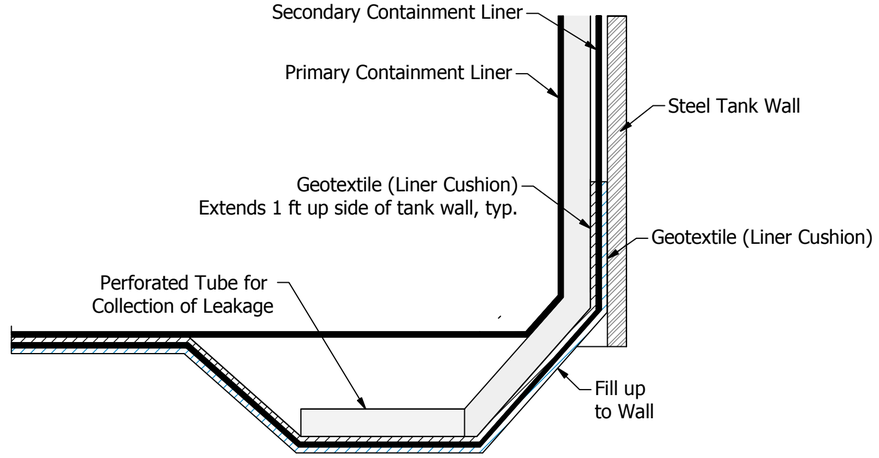




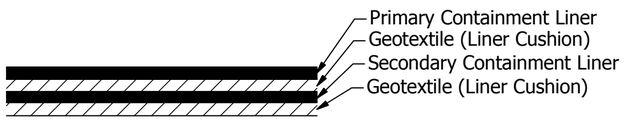
VIEW A-A
TANK DETAIL



SECTION D
TUBE DETAIL
(Automated Leak Detection
System Removed for Clarity)



SECTION B
SUMP DETAIL



SECTION C
LINER DETAIL

LUCID
DRAFTING & DESIGN LLC
sarah@luciddrafting.com 307.752.7388

REVISION HISTORY			
REV	DESCRIPTION	DATE	BY
0	INITIAL DWG	10/29/2015	SES
1	ADDED LEAK DETECTION SYSTEM	11/6/2015	SES
2	REVISED SUMP	11/6/2015	SES
3	ADDED GEOTEXTILE UNDER AND BETWEEN LINERS	11/24/15	SES

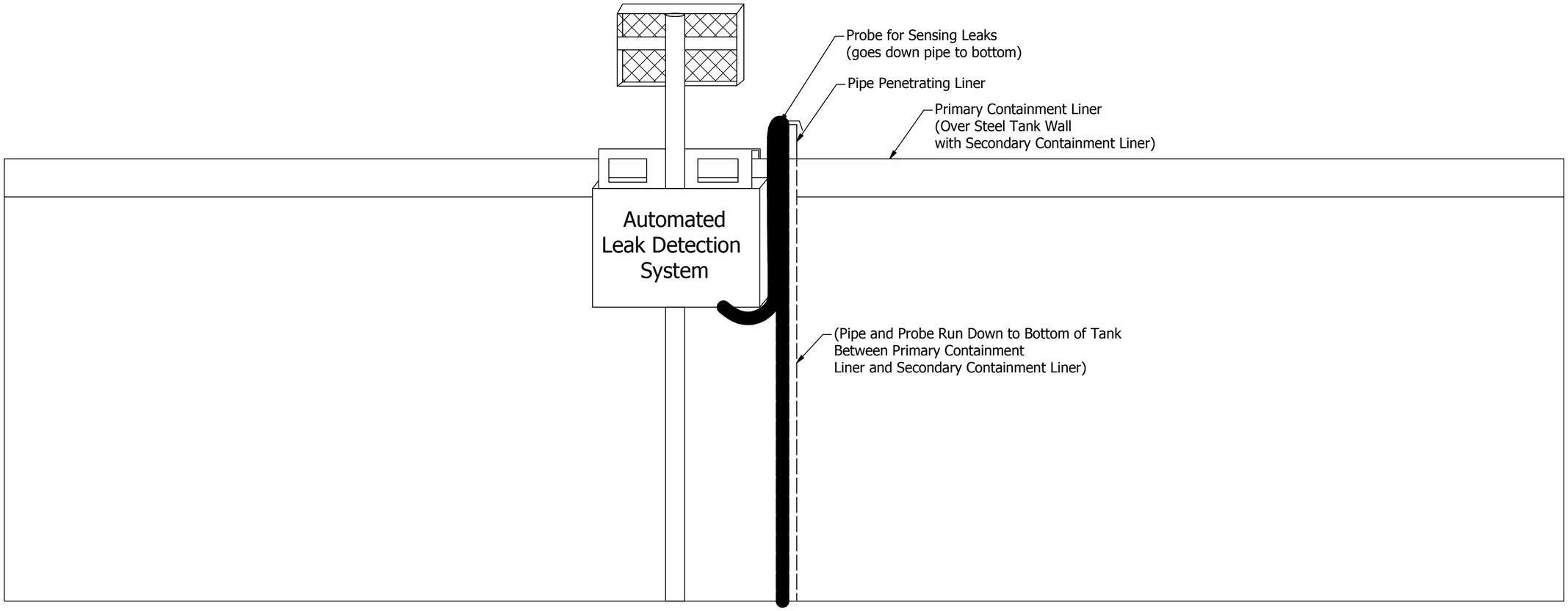
TITLE	Double-Lined Frac Tank System
CUSTOMER	
PROJECT/JOB	WWS Double-Lined Tank System
APPROVAL	
DRAFTER	SES
DATE	10/28/2015

WELL WATER SOLUTIONS AND RENTALS, INC.

SIZE	DWG NO	REV
C	LDD15-WWS-02	3

SHEET 1 OF 2

1 AUTOMATED LEAK DETECTION SYSTEM



TITLE	Double-Lined Frac Tank System
CUSTOMER	
PROJECT/JOB	WWS Double-Lined Tank System
APPROVAL	
DRAFTER	SES
DATE	10/28/2015

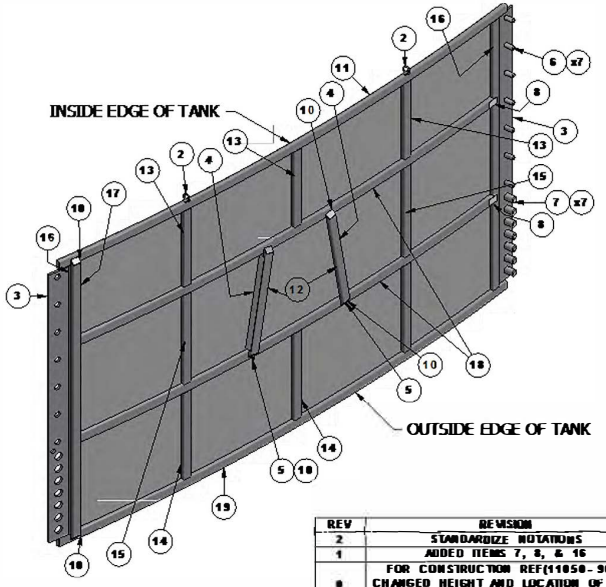
WELL WATER SOLUTIONS AND RENTALS, INC.

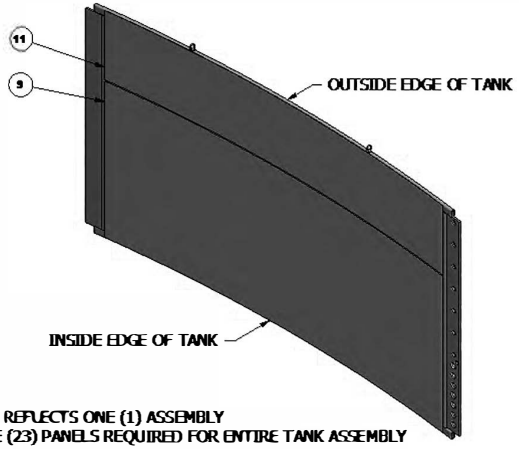
SIZE	DWG NO	REV
C	LDD15-WWS-02	3

SHEET 2 OF 2

Parts List

CK	ITEM	QTY	DESCRIPTION	WIDTH	LENGTH	MATERIAL	LENGTH (in)	WEIGHT
	1	14	BAR, ROUND, 5/8" (LOCK PIN)		6 1/2 in	A36	6.50	
	2	2	D-RING, 1/2" B38, WORKING LOAD 4000 lbs			A29/A29M - 91 1045(C-1045), MODIFIED TO WELD DOWN		2
	3	2	FBAR, 1"	10 in	131 1/2 in	A36	131.50	373
	4	2	FBAR, 10GA	3 in	43 1/8 in	A36	86.25	99
	5	2	PAD EYE, #2			CROSBY GROUP, S-264		0
	6	7	PIN, 2" DIA		4 1/2 in	KUSTOM KONCEPTS, M018	31.50	3
	7	7	PIN, 3 " DIA		4 1/2 in	KUSTOM KONCEPTS, M010	31.50	8
	8	2	PLATE, 3/16"	3 in	5 in	A36	10.00	2
	9	1	PLATE, 3/16"	96 in	240 in	A36	240.00	156
	10	6	SHEET, 10GA	2 1/2 in	3 3/4 in	A36	22.50	3
	11	1	SHEET, 10GA	42 1/2 in	240 in	A36	240.00	50
	12	2	TUBE, 4" x 2" x 1/4" (MITER BOTH ENDS)		52 in	A500B CLEAN COAT	104.00	55
	13	3	TUBE, 4" x 2" x 3/16"		37 1/4 in	A500B CLEAN COAT	74.50	43
	14	3	TUBE, 4" x 2" x 3/16"		42 3/4 in	A500B CLEAN COAT	128.25	74
	15	2	TUBE, 4" x 2" x 3/16"		44 in	A500B CLEAN COAT	88.00	50
	16	2	TUBE, 4" x 2" x 3/16"		132 in	A500B CLEAN COAT	264.00	151
	17	1	TUBE, 4" x 2" x 3/16" (MITER BOTH ENDS)		137 1/2 in	A500B CLEAN COAT	137.50	78
	18	2	TUBE, 4" x 2" x 3/16", (ROLL TO 155'-6 7/8" I.D.)		236 3/8 in	A500B CLEAN COAT	472.75	271
	19	2	TUBE, 4" x 2" x 3/16", (ROLL TO 155'-6 7/8" I.D.)		253 7/8 in	A500B CLEAN COAT	507.75	291





NOTES:
-THIS DRAWING REFLECTS ONE (1) ASSEMBLY
-TWENTY THREE (23) PANELS REQUIRED FOR ENTIRE TANK ASSEMBLY

REV	REVISION	DATE	BY
2	STANDARDIZE NOTATIONS	1/17/2012	JDV
1	ADDED ITEMS 7, 8, & 16	12/09/11	DSG
0	FOR CONSTRUCTION REF(11050-901) CHANGED HEIGHT AND LOCATION OF PINS REF(11078-40-901)	9/1/2011	CJD

FabTech
A NALCO COMPANY
4500 33 Mile Road
Casper, WY 82601
(307)472-9740

Unless otherwise stated SHARP EDGES BROKEN
Tolerance for non-toleranced dimensions:

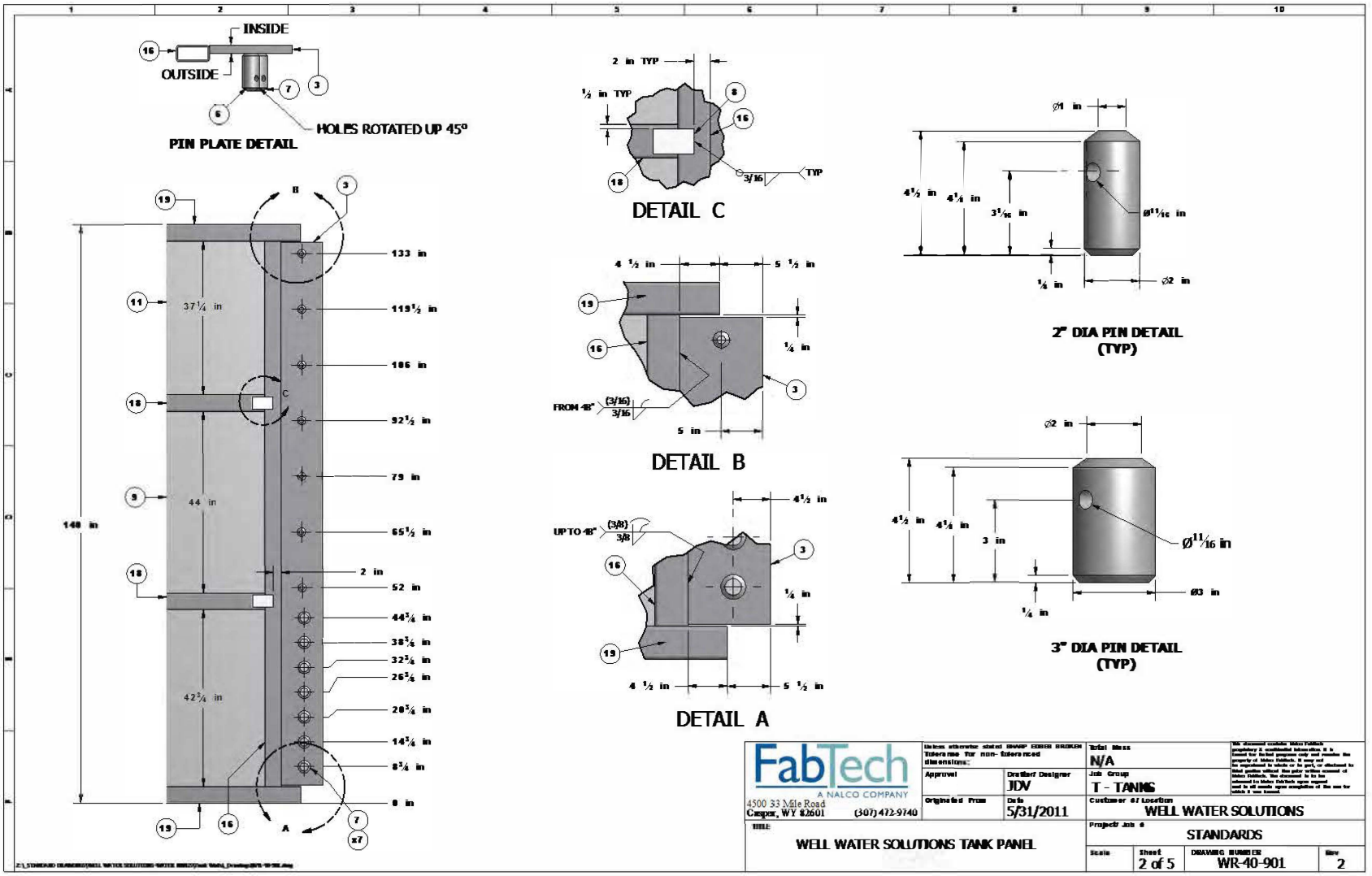
Approval | Drafted Designer: JDV | Originated From | Date: 5/31/2011

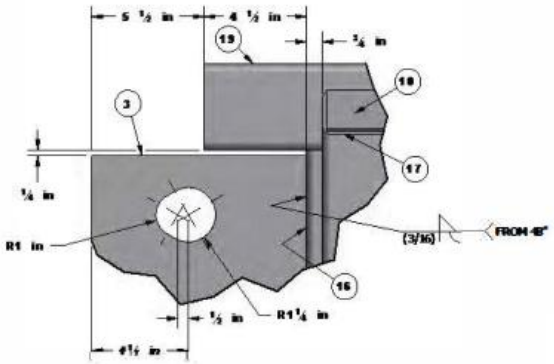
Total Mass: N/A
Job Group: T - TANKS
Customer or End Item: WELL WATER SOLUTIONS

TITLE: WELL WATER SOLUTIONS TANK PANEL

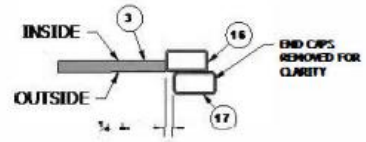
Project Job #: STANDARDS

Scale | Sheet: 1 of 5 | DRAWING NUMBER: WR-40-901 | Rev: 2

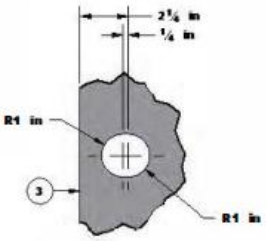

INSIDE
OUTSIDE
HOLES ROTATED UP 45°
PIN PLATE DETAIL
2 in TYP
½ in TYP
3/16 TYP
DETAIL C
4 ½ in
5 ½ in
¼ in
FROM 45°
(3/16)
3/16
5 in
DETAIL B
UP TO 45°
(3/8)
3/8
4½ in
4 ½ in
5 ½ in
DETAIL A
Ø1 in
4½ in
4¼ in
3 15/16 in
Ø11/16 in
¼ in
Ø2 in
2" DIA PIN DETAIL
(TYP)
Ø2 in
4½ in
4¼ in
3 in
Ø11/16 in
¼ in
Ø3 in
3" DIA PIN DETAIL
(TYP)
140 in
37¼ in
44 in
42¾ in
133 in
119½ in
106 in
92½ in
79 in
65½ in
2 in
52 in
44¾ in
38⅛ in
32¾ in
26¾ in
20¾ in
14¾ in
8¾ in
0 in
FabTech
A NALCO COMPANY
4500 33 Mile Road
Casper, WY 82601
(307) 472-9740
Drafted/ Designer
JDV
Date
5/31/2011
Total Mass
N/A
Job Group
T - TANKS
Customer or Location
WELL WATER SOLUTIONS
Project/ Job #
STANDARDS
WELL WATER SOLUTIONS TANK PANEL
Sheet
2 of 5
DRAWING NUMBER
WR-40-901
Rev
2



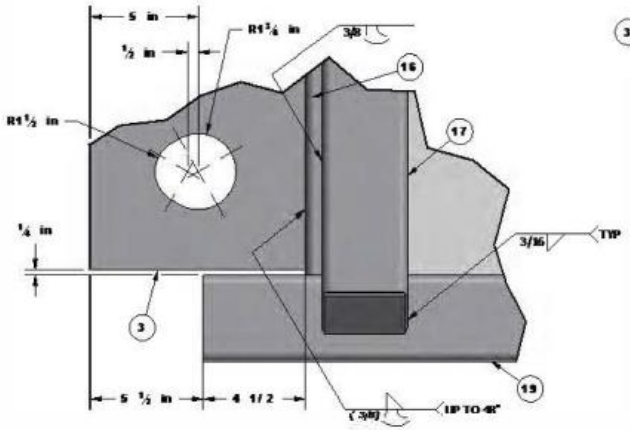
DETAIL E
(x7 TYP)



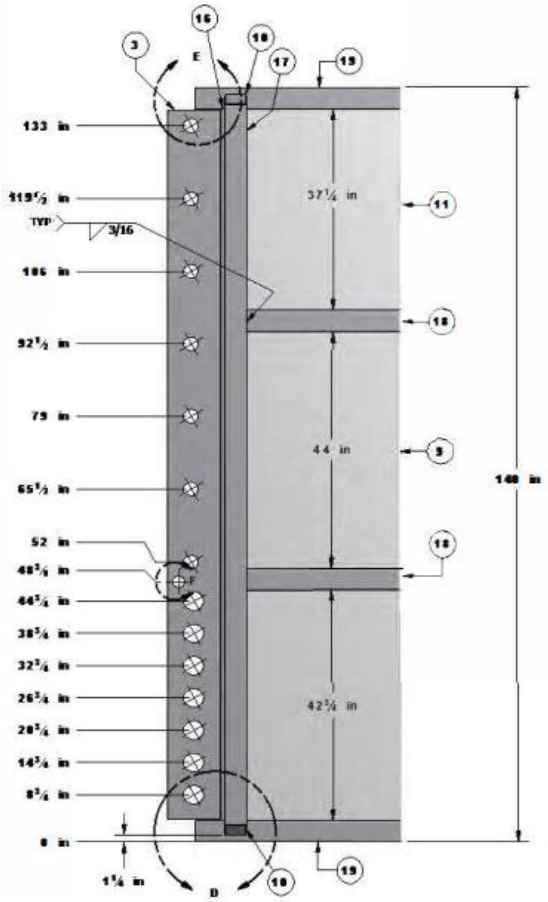
PIN-HOLE PLATE
DETAIL



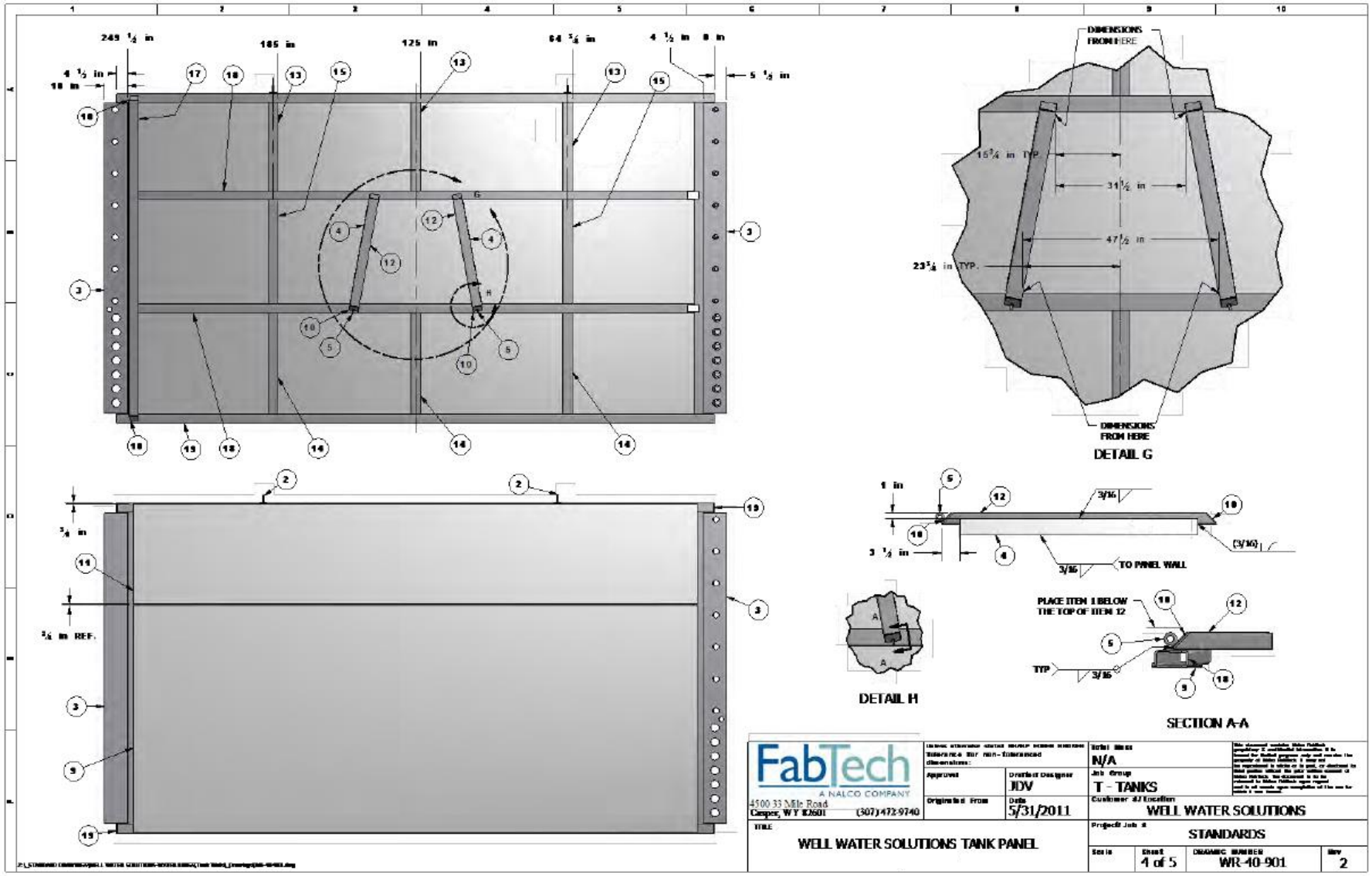
DETAIL F
(x1 TYP)



DETAIL D
(x7 TYP)



FabTech A NALCO COMPANY 4500 33 Mile Road Casper, WY 82601 (307) 472-9740	Approval	Drafted/Designer: JDV	Total Mass: N/A
			Job Group: T - TANKS
	Originated From	Date: 5/31/2011	Customer & Location: WELL WATER SOLUTIONS
Title: WELL WATER SOLUTIONS TANK PANEL			Project/Job #: STANDARDS
		Scale	Sheet: 3 of 5
			Drawing Number: WR-40-901
			Rev: 2


249 ½ in
185 in
125 in
64 ⅝ in
4 ½ in
8 in
4 ½ in
18 in
5 ½ in
DIMENSIONS FROM HERE
15¾ in TYP.
31½ in
47½ in
23⅝ in TYP.
DIMENSIONS FROM HERE
DETAIL G
1 in
3 ½ in
3/16
3/16
TO PANEL WALL
PLACE ITEM 1 BELOW THE TOP OF ITEM 12
TYP
3/16
DETAIL H
SECTION A-A
¾ in
¾ in REF.
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A NALCO COMPANY
4500 33 Mile Road
Casper, WY 82601
(307) 472-9740
Approved
Drafted Designer
JDV
Originated From
Date
5/31/2011
Job Group
T - TANKS
Customer ID / Location
WELL WATER SOLUTIONS
STANDARDS
TITLE
WELL WATER SOLUTIONS TANK PANEL
Scale
Sheet
4 of 5
DRAWING NUMBER
WR-40-901
Rev
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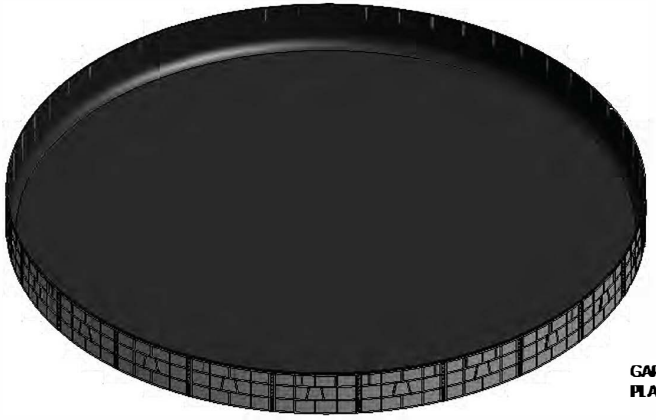
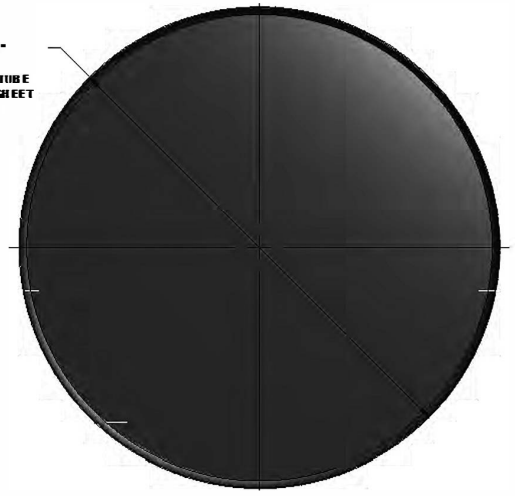
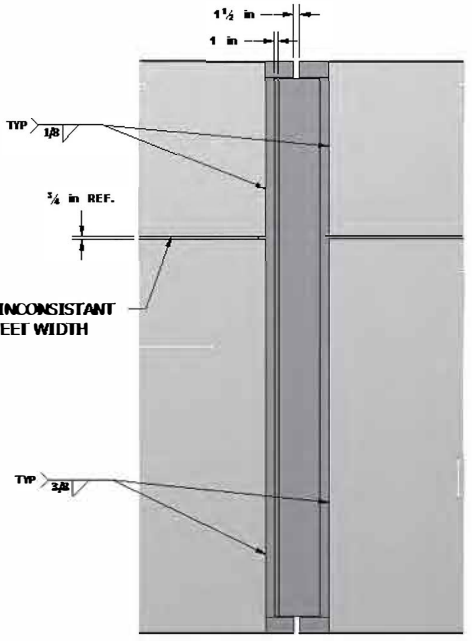
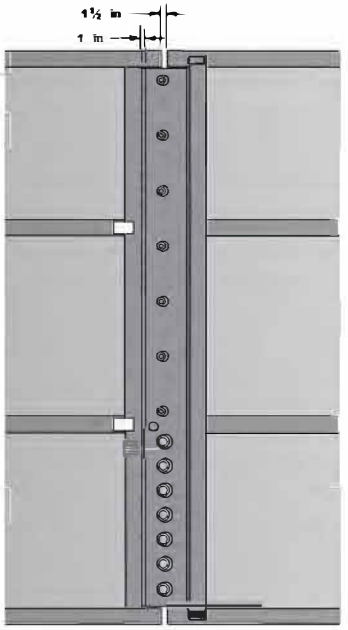






SEAM DETAIL
(INSIDE-OUT)



SEAM DETAIL
(OUTSIDE-IN)

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Casper, WY 82601 (307) 472-9740

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Project Job #: STANDARDS

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Scale | Sheet: 5 of 5 | DRAWING NUMBER: WR-40-901 | Rev: 2

TANK SIZE CHART

TANK SIZE BBLS	PANEL COUNT	INSIDE DIAMETER (FEET)	VOLUME BBLS	BBLS/INCH	SECONDARY CONTAINMENT (ADD 2 PANELS)	SECONDARY CONTAINMENT DIAMETER	TOTAL FEET OF CONTAINMENT
6,000	9	60' 2"	6,090	43.5	11	75'	234'
10,000	12	81' 2"	10,753	76.8	14	95'	298'
13,000	13	87' 10-5/8"	12,609	90.1	15	101'	318'
17,000	15	101.4285	16,800	120	17	115'	361'
20,000	16	108' 2"	19,115	136.53	18	122'	384'
22,000	17	114' 11-7/16"	21,564	154.03	19	135'	426'
27,000	19	128' 6-1/4"	26,954	192.53	21	142'	446"
30,000	20	135' 3-3/8"	29,867	213.35	22	149'	468'
33,000	21	142' 0-9/16"	32,928	235.2	23	156'	489'
36,000	22	148' 9-11/16"	36,139	258.14	24	163'	510'
40,000	23	155' 6-7/8"	39,499	282.14	25	170'	532'
43,000	24	162' 4-1/16"	43,008	307.2	26	176'	553'
47,000	25	169' 1-3/16"	46,667	333.34	27	183'	574'
50,000	26	175' 10-5/16"	50,475	360.54	28	190'	595'
55,000	27	182' 7-9/16"	54,433	388.8	29	196'	617'
60,000	28	189' 4-11/16"	58,539	418.14	30	203'	638'
62,500	29	196' 1/16"	62,500	446.43	31	210'	658'
67,000	30	202' 10 6/16"	66,885	477.75	32	216'	678'
72,000	31	209' 7-7/16"	71,705	512.18	33	223'	701'
77,000	32	216' 4-9/16"	76,405	545.75	34	230'	722'
81,000	33	223' 1-11/16"	81,254	580.39	35	237'	744'

EXHIBIT H. VARIANCE REQUESTS

ENDURING RESOURCES IV LLC
6300 S Syracuse Way Centennial, CO 80111
Field Office: 505.636.9720 | Main Office: 303.573.1222

Enduring Resources IV, LLC Nageezi Unit Water Supply Well Pad
Recycling Containment and Recycling Facility Variance Request for
19.15.34 NMAC

New Mexico Oil Conservation Division
Attn: Victoria Venegas

Enduring Resources is requesting variances to the below listed items as outlined in 19.15.34 NMAC. This Recycling Containment/Facility will consist of self-contained free-standing structures instead of a lined earthen pit. The variances requested below will provide equal or better protection of fresh water, public health, and the environment.

Variance Requests:

Inside/Outside Levee Slopes: Enduring Resources requests a variance to NMAC 19.15.34.12 (A)(2) which applies to a lined earthen pit. The containment is an AST not an in-ground pond; therefore, will not have inside/outside levee slopes. The AST is a self-contained free-standing structure that will provide equal or better protection than the requirements listed in 19.15.34.12 (A)(2) NMAC.

Liner Anchoring: Enduring Resources requests a variance to NMAC 19.15.34.12 (A)(3) which applies to a lined earthen pit. This statute is not applicable to a circular steel AST with liners clamped to the top of the steel containment panels. We believe this will provide equal or better protection than the requirements listed in 19.15.34.12 (A)(3) NMAC.

Primary Liner: Enduring Resources requests a variance to NMAC 19.15.34.12 (A)(4) which applies to the thickness of the primary liner. Enduring Resources proposes the use of a 40-mil LLDPE primary liner and 30-mil LLPDE secondary liner provided by Water Well Solutions and Rentals, Inc. The proposed variance will provide equal or better protection of fresh water, public health and the environment, as the proposed liner meets all other the requirements of NMAC 19.15.34.12 (A)(4) and meets or exceeds the EPA SW-846 method 9090A or subsequent relevant publication.

Thank you,

Dave Brown
Regulatory Manager
Enduring Resources, LLC.
303.887.3695 – Office
505.636.9731 – Cell

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Wednesday, September 11, 2024 9:53 AM
To: Heather Huntington
Subject: 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226]
Attachments: C-147 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] 09.11.2024.pdf

3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226]

Good morning Ms. Huntington.
NMOCD has reviewed the recycling containment permit application and related documents, submitted by [371838] DJR OPERATING, LLC on September 06, 2024, Application ID 381077, for 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] in M-25-24N-09W, San Juan County, New Mexico. [371838] DJR OPERATING, LLC requested variances from 19.15.34 NMAC for 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226].

The following variances have been approved:

- The variance to 19.15.34.12.A.(2) NMAC for the no side-slope requirement for the AST containment with vertical walls is approved.
- The variance to 19.15.34.12.A.(3) NMAC for the liners to be anchored to the top of the AST steel walls and no anchor trenches is approved.
- The variance to 19.15.34.12.A.(4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner is approved. [371838] DJR OPERATING, LLC proposes the use of a 40-mil LLDP E primary liner and 30-mil LLPDE secondary liner provided by Water Well Solutions and Rentals, Inc.

The form C-147 and related documents for 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] is approved with the following conditions of approval:

- The purpose of this permit is for oil and gas activities regulated under the NMAC 19.15.34.3 STATUTORY AUTHORITY: 19.15.34 NMAC is adopted pursuant to the Oil and Gas Act, Paragraph (15) of Section 70-2-12(B) NMSA 1978, which authorizes the division to regulate the disposition of water produced or used in connection with the drilling for or producing of oil and gas or both and Paragraph (21) of Section 70-2-12(B) NMSA 1978 which authorizes the regulation of the disposition of nondomestic wastes from the exploration, development, production or storage of crude oil or natural gas.
- 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] is approved for five years of operation from the date of permit application of September 06, 2024.
- 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] permit expires on September 06, 2029. If [371838] DJR OPERATING, LLC wishes to extend operations past five years, an annual permit extension request must be submitted using an OCD form C-147 through OCD Permitting by August 06, 2029.
- 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] consists of two (2) 43,000 barrel (bbl) above ground storage tanks (AST). The recycling facility will consist of up to thirty 400 bbl vertical frac tanks with a consolidated volume of 12,000 bbl. [371838] DJR OPERATING, LLC must submit a “recycling facility” modification in the event the number of frac tanks exceeds the approved number of thirty (30) 400 bbl vertical frac tanks.

- Water reuse and recycling from 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] is limited to wells owned or operated by [371838] DJR OPERATING, LLC per 19.15.34.15(A)(2) NMAC.
- [371838] DJR OPERATING, LLC shall construct, operate, maintain, close, and reclaim 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] in compliance with NMAC 19.15.34 NMAC.
- [371838] DJR OPERATING, LLC shall notify OCD, through OCD Permitting when construction of 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] commences.
- [371838] DJR OPERATING, LLC shall notify NMOCD through OCD Permitting when recycling operations commence and cease at 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226].
- A minimum of 3-feet freeboard must be maintained at 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operations of the 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] is considered ceased and a notification of cessation of operations should be sent electronically to OCD Permitting. A request to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form through OCD Permitting. If after that 6-month extension period, the 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] is not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements.
- [371838] DJR OPERATING, LLC shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on OCD form C-148 via OCD Permitting even if there is zero activity.
- [371838] DJR OPERATING, LLC shall inspect the recycling containment and associated leak detection systems weekly while it contains fluids. The operator shall maintain a current log of such inspections and make the log available for review by the division upon request according to 19.15.34.13.A.
- [371838] DJR OPERATING, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field waste at 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226].
- Per 19.15.34.14.G The re-vegetation and reclamation obligations imposed by federal, state trust land or tribal agencies on lands managed by those agencies shall supersede these provisions and govern the obligations of any operator subject to those provisions, provided that the other requirements provide equal or better protection of fresh water, human health and the environment.

Please reference number 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] in all future communications.
Regards,

Victoria Venegas ● Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov
https://www.emnrd.nm.gov/ocd/

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1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 381390

CONDITIONS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 381390
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	NMOCD has reviewed the recycling containment permit application and related documents, submitted by [371838] DJR OPERATING, LLC on September 06, 2024, Application ID 381077, for 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] in M-25-24N-09W, San Juan County, New Mexico. • [371838] DJR OPERATING, LLC shall construct, operate, maintain, close, and reclaim 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226] in compliance with NMAC 19.15.34 NMAC. • [371838] DJR OPERATING, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field waste at 3RF-76 - NAGEEZI UNIT WATER SUPPLY WELL PAD FACILITY [fVV2425450226].	9/11/2024