

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised May 13, 2020

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant DJR Operating, LLC,
whose address is 1 Road 3263, Aztec, NM 87410,
hereby requests an exception to Rule 19.15.18.12 for Thirty (30) days or until
June 25th, Yr 2021, for the following described tank battery (or LACT):
Name of Lease Lybrook I02 2308 #001H Name of Pool Nageezi Gallup, Basin Mancos
Location of Battery: Unit Letter I Section 02 Township 23N Range 08W
Number of wells producing into battery Two (2)
- B. Based upon oil production of Fourteen (14) barrels per day, the estimated * volume
of gas to be flared is 1605 MCF; Value \$148 per day.
- C. Name and location of nearest gas gathering facility:
Chaco Processing Plant
- D. Distance 15 miles Estimated cost of connection N/A. Connection exists
- E. This exception is requested for the following reasons: Please see attached "Exhibit A"

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Shaw-Marie Ford

Printed Name
& Title Shaw-Marie Ford, Regulatory Specialist

E-mail Address sford@djrlc.com

Date Telephone No. 505-716-3297

OIL CONSERVATION DIVISION

Approved Until May 24 - June 25th, 2021

By Kurt Simmons

Title NMOCD, Santa Fe

Date 05/24/2021

* Gas-Oil ratio test may be required to verify estimated gas volume.

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
LYBROOK I02-	01H	300453536500C1	NMNM29560	NMNM131072	DJR
LYBROOK I02-	01H	300453536500C2	NMNM29560	NMNM131072	DJR

Notice of Intent

Type of Submission: Notice of Intent

Type of Action Other

Date Sundry Submitted: 05/24/2021

Time Sundry Submitted: 12:40

Date proposed operation will begin: 05/25/2021

Procedure Description: The subject well has taken a frac hit from off-set operator stimulation operations. DJR is requesting to flare for 30 days or until natural gas meets pipeline specifications. Attachments include: NMOCD Form C-129 & Exhibit "A".

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Lybrook_I02_2308_01H_02H_Exhibit_A_Rev1_20210524124027.pdf
- Lybrook_I02_2308_01H_C129_20210524124027.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: MAY 24, 2021 12:40 PM

Name: DJR OPERATING LLC

Title: Regulatory Specialist

Street Address: 1 Road 3263

City: Aztec

State: NM

Phone: (505) 632-3476

Email address: sford@djrlc.com

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:



APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12
EXHIBIT "A"

Operator Conducting Stimulation Operations: LOGOS Resources, LLC
Affected Operator: DJR Operating, LLC

DJR Well Name: Lybrook I02 2308 01H
API No: 30-045-35365
Pool: Nageezi Gallup / Basin Mancos
Lease No: NMNM131072
Date of Communication: 5/22/2021

DJR Well Name: Lybrook I02 2308 02H
API No: 30-045-35492
Pool: Basin Mancos
Lease No: NMNM118132
Date of Communication: 5/22/2021

Standard bottom hole pressure – 120-180 psig (interpolated from surface)
Current bottom hole pressure – 1360+ psig (interpolated from surface)
Bottom hole fluid being recovered – none at this time. Both wells listed above are currently shut-in due to off-set Operator stimulation, expecting to flow back reservoir fluid with additional N2.
Nitrogen content in natural gas – Not available at this time, currently waiting for LOGOS to finish pumping operations.

DJR plans to return these two wells to production on May 30, 2021. Gas samples will be collected twice per week per NMAC 19.15.27.8 and will be available to the division upon request. DJR will route the natural gas into the gathering pipeline as soon as pipeline specifications are met.

DJR Operating, LLC will remit payment for the associated royalties and taxes for each well's flared gas. Taxes and royalties will be calculated as follows: 1) Gas volumes for each well will be measured and recorded using the existing sales meter on the pad; 2) Royalties and taxes will be based on current wellhead pricing; 3) Royalty and tax basis will be calculated on well-by-well basis and will remain consistent with accounting methods prior to the flaring event; 4) Royalties and taxes will be paid on shrunk gas volumes and NGL yields using the average factors from previous Enterprise statement.

Estimated value of oil and gas is calculated as follows: 1) Gross wellhead price of \$2.80/mcf, prior to transportation costs; 2) Gross wellhead price of \$63/bbl, prior to transportation costs.

Submitted to the Bureau of Land Management: BLM Form 3160-5 submitted electronically through AFMSS2 System for the two wells listed above that involve Federal or Allottee minerals. Once the BLM has approved the sundry forms, they will be forwarded to the NMOCD for their approval. Each sundry form includes the following attachments:

- NMOCD Form C-129
- Exhibit "A"

Please feel free to contact me directly at 505-716-3297 with any questions or concerns.

DJR Operating, LLC

Shaw-Marie Ford
Regulatory Specialist

1 Road 3263
Aztec, NM 87410

Phone (505)-632-3476
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State of New Mexico
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CONDITIONS

Action 29275

CONDITIONS OF APPROVAL

Operator:	DJR OPERATING, LLC	1 Road 3263	Aztec, NM87410	OGRID:	371838	Action Number:	29275	Action Type:	C-129
OCD Reviewer									Condition
ksimmons									None