Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

2. Name of Operator

9. API Well No.
30-045-38375

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date

Title

Approved by *(Signature)*	Name *(Printed/Typed)*	Date

Title	Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 08/16/2024

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Approval Date: 08/16/2024

Additional Operator Remarks

Location of Well

0. SHL: NESE / 2413 FSL / 554 FEL / TWSP: 23N / RANGE: 9W / SECTION: 6 / LAT: 36.25527 / LONG: -107.823087 (TVD: 0 feet, MD: 0 feet)

PPP: NESE / 1790 FSL / 731 FEL / TWSP: 23N / RANGE: 9W / SECTION: 6 / LAT: 36.253562 / LONG: -107.823679 (TVD: 4371 feet, MD: 4798 feet)

PPP: SWNE / 2640 FNL / 1565 FEL / TWSP: 23N / RANGE: 9W / SECTION: 6 / LAT: 36.255933 / LONG: -107.826518 (TVD: 4408 feet, MD: 9497 feet)

PPP: SENW / 1530 FNL / 2652 FWL / TWSP: 23N / RANGE: 9W / SECTION: 6 / LAT: 36.258975 / LONG: -107.830161 (TVD: 4408 feet, MD: 9497 feet)

BHL: LOT 3 / 172 FNL / 1325 FWL / TWSP: 23N / RANGE: 9W / SECTION: 6 / LAT: 36.26274 / LONG: -107.83467 (TVD: 4408 feet, MD: 9497 feet)

BLM Point of Contact

Name: CHRISTOPHER P WENMAN
Title: Natural Resource Specialist
Phone: (505) 564-7727
Email: cwenman@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Form C-102	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
Submit Electronically Via OCD Permitting		Submittal Type: ☒ Initial Submittal ☐ Amended Report ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
30-045-38375	5860	BISTI S-GALLUP (O)

Property Code	Property Name	Well Number
336270 334695	PONDEROSA I06 2309 FEDERAL COM	125H

OGRID No.	Operator Name	Ground Level Elevation
371838	DJR OPERATING, LLC	6692'

Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal | Mineral Owner: ☐ State ☐ Fee ☒ Tribal ☒ Federal

Surface Location

UL	Section	Township	Range	Lot	Feet from N/S	Ft from E/W	Latitude	Longitude	County
I	6	23N	9W		2413' SOUTH	554' EAST	36.255270°N NAD83	107.823087°W NAD83	SAN JUAN

Bottom Hole Location

UL	Section	Township	Range	Lot	Feet from N/S	Ft from E/W	Latitude	Longitude	County
	6	23N	9W	4	172' NORTH	1325' WEST	36.262740°N NAD83	107.834670°W NAD83	SAN JUAN

Dedicated Acres:	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
SEC 6: N2/SE, S2/SE, SE/NW LOTS 2, 3 & 4 (321.54 AC.) SEC 31: SE/S, LOT 4 (80.73 AC.) = 402.27 ACRES			N	

Order Numbers: | Well setbacks are under Common Ownerships: ☐ Yes ☐ No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet from N/S	Ft from E/W	Latitude	Longitude	County
I	6	23N	9W		1790' SOUTH	731' EAST	36.253562°N NAD83	107.823679°W NAD83	SAN JUAN

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet from N/S	Ft from E/W	Latitude	Longitude	County
I	6	23N	9W		1790' SOUTH	731' EAST	36.253562°N NAD83	107.823679°W NAD83	SAN JUAN

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet from N/S	Ft from E/W	Latitude	Longitude	County
	6	23N	9W	4	172' NORTH	1325' WEST	36.262740°N NAD83	107.834670°W NAD83	SAN JUAN

Unitized Area or Area of Uniform Interest	Spacing Unit Type: ☒ Horizontal ☐ Vertical	Ground Floor Elevation:

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I futher certify that this organization has received the concent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool of formation) in which any part of the well's completed interval will be located of obtained a compulsory pooling order from the division.

Shaw-Marie Ford — Signature

9/5/2024 — Date

Shaw-Marie Ford — Printed Name

sford@enduringresources.com — E-mail Address

SURVEYOR CERTIFICATION

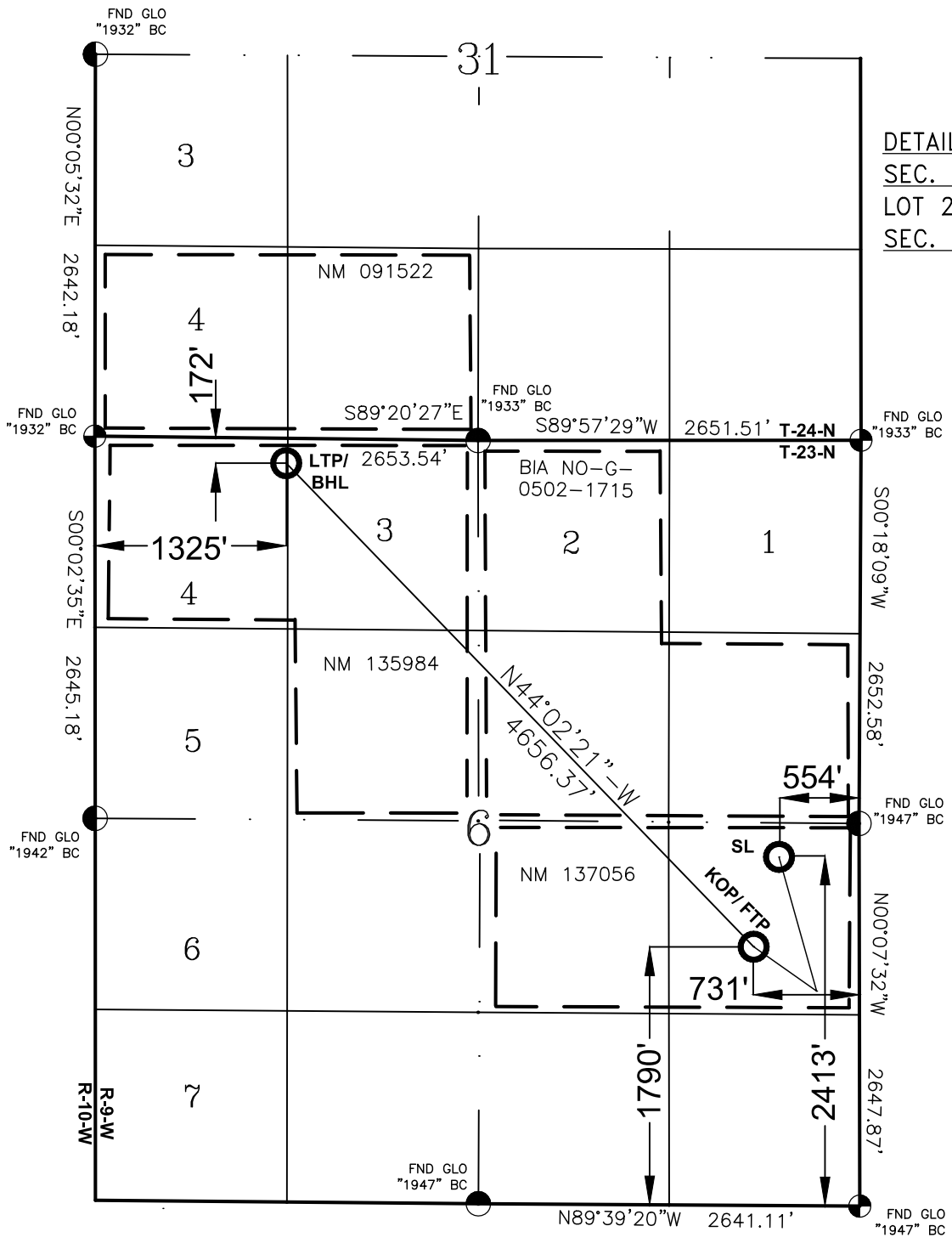
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

GLEN W. RUSSELL — Signature and Seal of Professional Surveyor:

Certificate Number	Date of Survey
15703	AUGUST 31, 2024

Note: 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.

DJR OPERATING , LLC
PONDEROSA I06 2309 FEDERAL COM #125H
P I06 2309 FC



DETAIL: DEDICATED ACRES
SEC. 6: N2/SE, S2/NE, SE/NW
LOT 2, LOT 3, LOT 4, (321.54 ACRES)
SEC. 31: SE/SW, LOT 4 (80.73 ACRES)
TOTAL = 402.27 ACRES

SURFACE LOCATION (SL)
2413' FSL, 554' FEL
SEC. 6, T23N, R9W
LAT: 36.255270° N
LONG: 107.823087° W NAD83

FIRST TAKE POINT (FTP)
1790' FSL, 731' FEL
SEC. 6, T23N, R9W
LAT: 36.253562° N
LONG: 107.823679° W NAD83

BOTTOM HOLE LOCATION (BHL)
172' FNL, 1325' FWL
SEC. 6, T23N, R9W
LAT: 36.262740° N
LONG: 107.834670° W NAD83

KICK OFF POINT (KOP)
1790' FSL, 731' FEL
SEC. 6, T23N, R9W
LAT: 36.253562° N
LONG: 107.823679° W NAD83

LAST TAKE POINT (LTP)
172' FNL, 1325' FWL
SEC. 6, T23N, R9W
LAT: 36.262740° N
LONG: 107.834670° W NAD83

DJR OPERATING, LLC
PONDEROSA I06 2309 FEDERAL COM #125H
P I06-2309 FC

SURFACE LOCATION NMNM 137056
2413' FSL, 554' FEL
LOCATED IN THE NE/SE OF SEC. 6, T-23-N, R-9-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
LAT: 36.255270° N LONG: 107.823087° W NAD83

PPP1(FIRST TAKE POINT) NMNM 137056
1790' FSL, 731' FEL
LOCATED IN THE NE/SE OF SEC. 6, T-23-N, R-9-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
LAT: 36.253562° N LONG: 107.823679° W NAD83

PPP2 BIA N0-G-0502-1715
2640' FNL, 1565' FEL
LOCATED IN THE SW/NE OF SEC. 6, T-23-N, R-9-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
LAT: 36.255933° N LONG: 107.826518° W NAD83

PPP3 NM135984
1530' FNL, 2652' FWL
LOCATED IN THE SE/NW OF SEC. 6, T-23-N, R-9-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
LAT: 36.258975° N LONG: 107.830161° W NAD83

PPP4 (LAST TAKE POINT) BOTTOM HOLE LOCATION NMNM 135984
172' FNL, 1325' FWL
LOCATED IN LOT 4 OF SEC. 6, T-23-N, R-9-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
LAT: 36.262740° N LONG: 107.834670° W NAD83

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

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

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
	5860	BISTI, S-GALLUP (O)

[4] Property Code	[5] Property Name	[6] Well Number
334695	PONDEROSA 106 2309 FEDERAL COM	125H

[7] OGRID No.	[8] Operator Name	[9] Elevation
371838	DJR OPERATING, LLC	6692

[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
I	6	23-N	9-W		2413	SOUTH	554	EAST	SAN JUAN

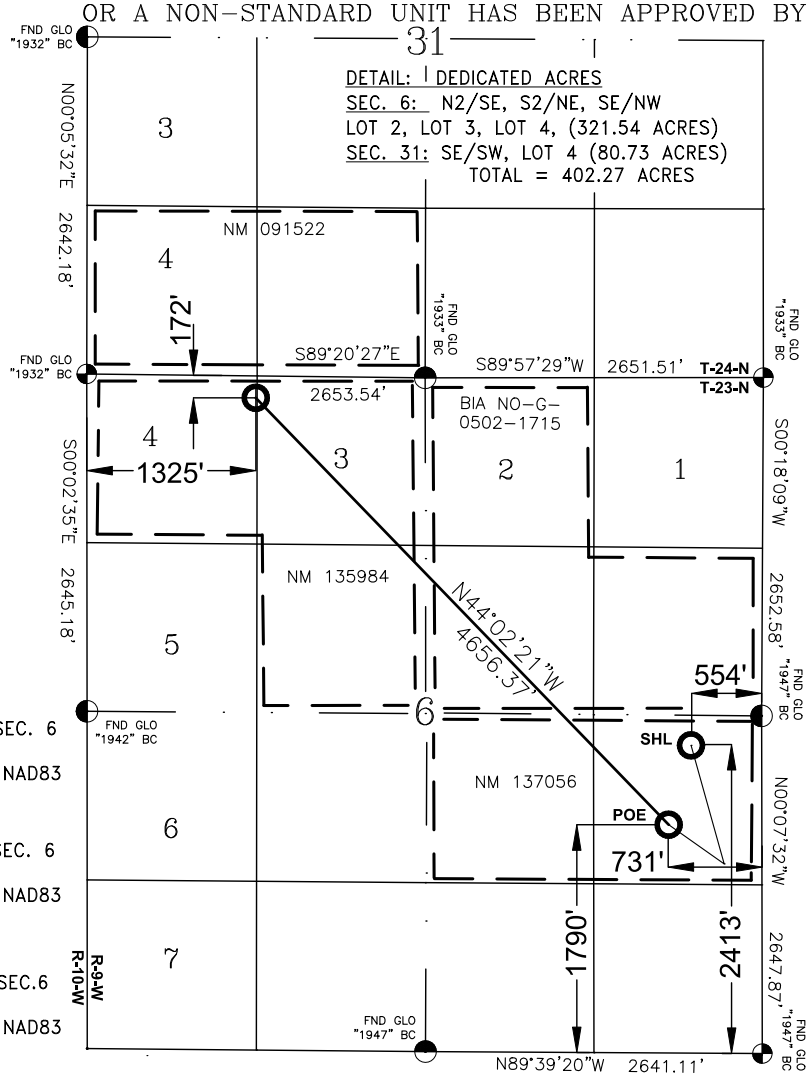
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	6	23-N	9-W		172	NORTH	1325	WEST	SAN JUAN

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
SEE DETAIL BELOW			

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



SURFACE (SHL)
2413' FSL, 554' FEL SEC. 6
LAT: 36.255270° N
LONG: 107.823087° W NAD83

POINT OF ENTRY (POE)
1790' FSL, 731' FEL SEC. 6
LAT: 36.253562° N
LONG: 107.823679° W NAD83

BOTTOM HOLE (BHL)
172' FNL, 1325' FWL SEC.6
LAT: 36.262740° N
LONG: 107.834670° W NAD83

[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 a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shaw-Marie Ford 1/12/2024
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.

JULY 31, 2023
Date of Survey

Signature and Seal of Professional Surveyor:

GLEN W. RUSSELL NEW MEXICO 15703 LICENSED PROFESSIONAL SURVEYOR

GLEN W. RUSSELL
Certificate Number 15703

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
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State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

ACREAGE DEDICATION AND UNIT BOUNDARY PLAT

☐ AMENDED REPORT

DJR OPERATING , LLC

PONDEROSA I06 2309 FEDERAL COM #125H

P I06 2309 FC

1) SE SEC. 6
LAT: 36.248637° N
LONG: 107.821179° W
NAD83

2) S/4 SEC. 6
LAT: 36.248670° N
LONG: 107.830132° W
NAD83

3) E/4 SEC. 6
LAT: 36.255907° N
LONG: 107.821211° W
NAD83

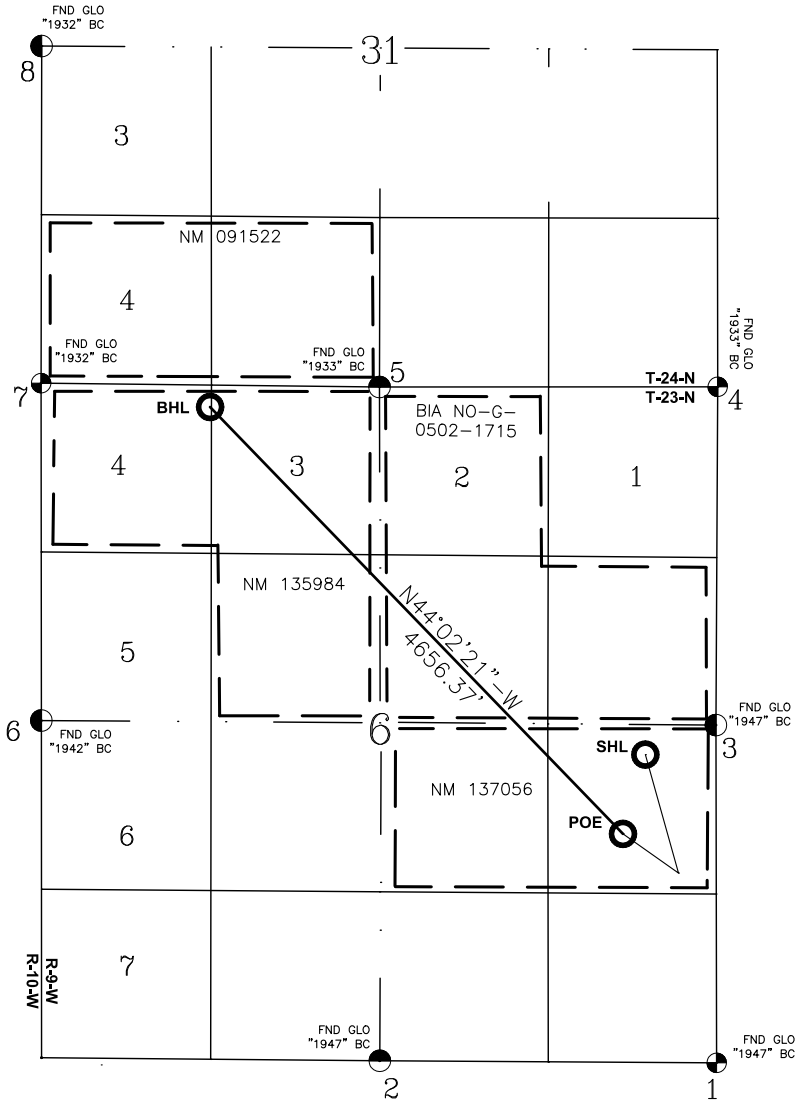
4) NE SEC. 6
LAT: 36.263191° N
LONG: 107.821176° W
NAD83

5) N/4 SEC. 6
LAT: 36.263175° N
LONG: 107.830167° W
NAD83

6) W/4 SEC. 6
LAT: 36.255985° N
LONG: 107.839143° W
NAD83

7) NW SEC. 6
LAT: 36.263248° N
LONG: 107.839164° W
NAD83

8) W/4 SEC. 31
LAT: 36.270505° N
LONG: 107.839163° W
NAD83



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LONG: 107.834670° W NAD83

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: __DJR Operating, LLC_____ **OGRID:** __371838_____ **Date:** _09_/_05_/_2024_

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Ponderosa I06 2309 FED COM 125H	TBD	I-06-23N-09W	2413' FSL x 554' FEL	162	40	65
Ponderosa I06 2309 FED COM 126H	TBD	I-06-23N-09W	2433' FSL x 561' FEL	246	61	98
Ponderosa I06 2309 FED COM 127H	TBD	I-06-23N-09W	2452' FSL x 566' FEL	372	837	149
Ponderosa I06 2309 FED COM 128H	TBD	I-06-23N-09W	2471' FSL x 572' FEL	306	690	123

IV. Central Delivery Point Name: _____Chaco Processing Plant_____ [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Ponderosa I06 2309 FED COM 125H	TBD	4/24/2025	5/1/2025	6/28/2025	7/10/2025	7/13/2025
Ponderosa I06 2309 FED COM 126H	TBD	5/2/2025	5/9/2025	6/28/2025	7/15/2025	7/18/2025
Ponderosa I06 2309 FED COM 127H	TBD	5/10/2025	5/16/2025	6/28/2025	7/20/2025	7/23/2025
Ponderosa I06 2309 FED COM 128H	TBD	5/17/2025	5/24/2025	6/28/2025	7/25/2025	7/28/2025

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Shaw-Marie Ford
Printed Name: Shaw-Marie Ford
Title: Regulatory Specialist
E-mail Address: sford@enduringresources.com
Date: 09/05/2024
Phone: 505-716-3297

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
Ponderosa I06 2309 FED COM 125H, 126H, 127H, 128H
NESE I-06-23N-09W

SEPARATION EQUIPMENT

DJR Operating, LLC (DJR) has pulled representative pressurized samples from wells in the same producing formation. DJR has utilized these samples in process simulations to determine the amount of gas anticipated in each stage of the process and utilized this information with a safety factor to size the equipment listed below:

Separation equipment will be set as follows:

- Individual 3-phase separator will be set for the individual well.
- The separator will be sized based on the anticipated volume of the well and the pressure of the lines utilized for oil, gas, and water takeaway.
- The 3-phase production separator will be equipped with a 0.75 MMBtu/hr indirect fired heater.

Heater treaters will be set as follows:

- Individual heater treaters will be set for the individual well.
- The heater treaters are sized based on the anticipated combined volume of oil and produced water predicted to come from the initial 3-phase separator.
- Oil will be separated from the produced water and the oil/produced water will be sent to its respective tanks.
- The combined oil and natural gas stream is routed to the Vapor Recovery Tower.

Vapor Recovery Equipment will be set as follows:

- The Vapor Recovery Tower has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks.
- The Vapor Recovery Unit has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks. The Vapor Recovery Unit is utilized to push the recovered gas into the sales pipeline.

Production storage tanks will be set as follows:

- The oil and produced water tanks utilize a closed vent capture system to ensure all breathing, working, and flashing losses are routed to the Vapor Recovery Tower and Vapor Recovery Unit.
- Each of the production storage tanks will be equipped with a 0.5 MMBtu/hr indirect heater.

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Phone (505) 636-9720

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NESE I-06-23N-09W

VENTING and FLARING

DJR Operating, LLC (DJR) has a natural gas system available prior to startup of completion operations. DJR utilizes a Vapor Recovery Unit System and sells all natural gas except during periods of startup, shutdown, maintenance, or malfunction for the gas capturing equipment, including the vapor recovery tower, vapor recovery unit, storage tanks, and pipelines.

Currently, DJR utilizes the following from list A-I of Section 3 for its operations to minimize flaring:

a) DJR utilizes natural gas-powered generators to power its leases where grid power isn't available.
b) When electrical grid power is unavailable, natural gas generators will be used for major equipment onsite.
c) DJR's in service compression will be natural gas powered.
d) Should liquids removal, such as dehydration be required, units will be powered by natural gas.

DJR will only flare gas during the following times:
- Scheduled maintenance for gas capturing equipment including:
  - Vapor Recovery Tower
  - Vapor Recovery Unit
  - Storage tanks
  - Pipelines
  - Emergency flaring

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OPERATIONAL PRACTICES

19.15.27.8 A. Venting and Flaring of Natural Gas

DJR Operating, LLC (DJR) understands the requirements of NMAC 19.15.27.8 which states that the venting and flaring of natural gas during drilling, completion or production that constitutes waste as defined in 19.15.2 are prohibited.

19.15.27.8 B. Venting and flaring during drilling operations

- DJR shall capture or combust natural gas if technically feasible during drilling operations using best industry practices.
- A flare stack with a 100% capacity for expected volumes will be set on location of the facility at least 100 feet from the nearest surface hole location, well heads, and storage tanks.
- In the event of an emergency, DJR will vent natural gas in order to avoid substantial impact. DJR shall report the vented or flared gas to the NMOCD.

19.15.27.8 E. Venting and flaring during completion or recompletion operations

During Completion Operations, DJR utilizes the following:

- DJR facilities are built and ready from day 1 of Flowback.
- Individual well test separators will be set to properly separate gas and liquids. Temporary test separator will be utilized initially to process volumes. In addition, separators will be tied into flowback tanks which will be tied into the gas processing equipment for sales down a pipeline. See Separation Equipment for details.
- Should the facility not yet be capable of processing gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or temporary flare to manage natural gas. This flare would meet the following requirements:
    1) An appropriately sized flare stack with an automatic igniter.
    2) DJR analyzes the natural gas samples twice per week.
    3) DJR routes the natural gas into a gathering pipeline as soon as the pipeline specifications are met.
    4) DJR provides the NMOCD with pipeline specifications and natural gas data.

DJR Operating, LLC

19.15.27.8 D. Venting and flaring during production operations

During Production Operations DJR will not vent or flare natural gas except under the following circumstances:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided:
    a. DJR does not vent after the well achieves a stabilized rate and pressure.
    b. DJR will remain present on-site during liquids unloading by manual purging and tall all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time.
    c. DJR will optimize the system to minimize natural gas venting on any well equipped with a plunger lift or auto control system.
    d. Best Management Practices will be used during downhole well maintenance.
3. During the first year of production from an exploratory well provided:
    a. DJR receives approval from the NMOCD.
    b. DJR remains in compliance with the NM gas capture requirements.
    c. DJR submits an updated C-129 form to the NMOCD.
4. During the following activities unless prohibited:
    a. Gauging or sampling a storage tank or low-pressure production vessel.
    b. Loading out liquids from a storage tank.
    c. Repair and maintenance.
    d. Normal operation of gas activated pneumatic controller or pump.
    e. Normal operation of a storage tank but not including venting from a thief hatch.
    f. Normal operation of dehydration units.
    g. Normal operations of compressors, compressor engines, turbines, valves, flanges, and connectors.
    h. During a bradenhead, packer leakage test, or production test lasting less than 24-hours.
    i. When natural gas does not meet the gathering pipeline specifications.
    j. Commissioning of pipelines, equipment, or facilities only for as long as necessary to purge introduced impurities.

19.15.27.8 E. Performance standards

1. DJR has utilized process simulations with a safety factor to design all separation and storage equipment. The equipment is routed to a Vapor Recovery System and utilizes a flare as back up for periods of startup, shutdown, maintenance, or malfunction of the VRU System.
2. DJR will install a flare that designed to handle the full volume of vapors from the facility in case of the VRU failure and it its designed with an auto ignition system.
3. Flare stacks will appropriately sized and designed to ensure proper combustion efficiency.

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a. Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.
b. Previously installed flare stacks will be retrofitted with an automatic ignitor, continuous pilot, or technology that alerts DJR of flare malfunction within 18 months after May 25, 2021.
c. Flare stacks replaced after May 25, 2021, will be equipped with an automatic ignitor or continuous pilot if located at a well or facility with average daily production of 60,000 cubic feet of natural gas or less.
d. Flare stacks will be located at least 100 feet from the well and storage tanks and securely anchored.

4. DJR will conduct an AVO inspection on all components for leaks and defects on a weekly basis.
5. DJR will make and keep records of AVO inspections which will be available to the NMOCD for at least 5 years.
6. DJR may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. DJR will resolve emergencies as promptly as possible.

19.15.27.8 F. Measurement or estimation of vented and flared natural gas

1. DJR will have meters on both the low- and high-pressure sides of the flares and the volumes will be recorded in DJR's SCADA system.
2. DJR will install equipment to measure the volume of flared natural gas that has an average daily production of 60,000 cubic feet or greater of natural gas.
3. DJR's measuring equipment will conform to the industry standards.
4. The measurement system is designed such that it cannot be bypassed except for inspections and servicing meters.
5. DJR will estimate the volume of vented or flared natural gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.
6. DJR will estimate the volume of flared and vented natural gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on Form C-116.
7. DJR will install measuring equipment whenever the NMOCD determines that metering is necessary.

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NESE I-06-23N-09W

BEST MANAGEMENT PRACTICES

DJR Operating, LLC (DJR) utilizes the following Best Management Practices to minimize venting during active and planned maintenance.

DJR has a closed vent capture system to route emissions from the heater treater, tanks, and vapor recovery to the vapor recovery unit with an enclosed combustion device (ECD) for backup. The system is designed such that if the vapor recovery unit is taken out of service for any reason, the vapors will be routed to the ECD for combustion.

DJR will isolate and attempt to route all vapors to the vapor recovery unit or ECD prior to opening any lines for maintenance to minimize venting from the equipment.

DJR shall notify the NMOCD of venting or flaring that exceeds 50 MCF but less than 500 MCF in volume that either resulted from an emergency or malfunction, or an event lasting over eight hours or more cumulatively within any 24-hour period from a single event by filing a form C-129 no later than 15 days following the discovery or commencement of venting or flaring.

DJR shall notify the NMOCD verbally or by e-mail within 24-hours following discovery or commencement of venting or flaring that exceeds 500 MCF in volume or otherwise qualifies as a major release as defined in 19.15.29.7 NMAC from a single event and provide the information required in form C-129 to the NMOCD no later than 15 days that verifies, updates, or corrects the verbal or e-mail notification.

DJR will install measuring equipment to conform to industry standards such as American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS) Chapter 14.10 Measurement of Flow to Flares.

DJRs measuring equipment shall not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

DJR shall report the volume of vented and flared natural gas for each well or facility at which venting or flaring occurred on a monthly basis.

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Rev 1

DJR Operating

DRILLING PLAN
Ponderosa I06 2309 Fed Com #125H
San Juan County, New Mexico

Surface Location
554-ft FEL & 2413-ft FSL
Sec 6 T23 R9
Graded Elevation 6692' MSL
RKB Elevation 6706' (14' KB)

SHL Geographical Coordinates (NAD-83)
Latitude 36.2552704° N
Longitude 107.8230866° W

Kick Off Point for Horizontal Build Curve
3830-ft MD
3679-ft TVD

Local Coordinates (from SHL)
917-ft South
266-ft East

Heel Location (Pay zone entry)
731-ft FEL & 1790-ft FSL
Sec 6 T23 R9

Heel Geographical Coordinates (NAD-83)
Latitude 36.2535619° N
Longitude 107.82367869° W

Bottom Hole Location (TD)
1325-ft FWL & 172-ft FNL
Sec 6 T23 R9

BHL Geographical Coordinates (NAD-83)
Latitude 36.26274021° N
Longitude 107.8346701° W

Well objectives
This well is planned as a 4650-ft lateral in the Mancos Silt sand.

Bottom Hole temperature and pressure
The temperature in the Mancos Silt horizontal objective is 130°F. Bottom hole pressure in the Mancos Silt is forecast to be 1985 psi.

Formation Tops (Sd = Sand; Sh = Shale; Siltstone = Slt, Coal = C; W = water; O = oil; G = gas; NP = no penetration)

Name	MD (ft)	TVD (ft)	Lithology	Pore fluid	Expected Pore Pressure (ppg)	Planned Mud Weight (ppg)
Ojo Alamo	332	332	Sd	W	8.3	8.4 – 8.8
Kirtland	422	422	Sh	-	8.3	8.4 – 8.8
Fruitland	651	651	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1082	1076	Sd	W	8.3	9.0 - 9.5
Lewis	1214	1204	Sh	-		9.0 - 9.5
Chacra	1842	1799	Sd	-	8.3	9.0 - 9.5
Menefee	2612	2527	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3657	3516	Sd	-	8.3	9.0 - 9.5
Mancos	3807	3657	Sh	-		9.0 - 9.5
Mancos Silt	4185	4023	Slt	O/G	6.6	9.0 - 9.5
Gallup A	NP	NP	Slt	O/G	6.6	9.0 - 9.5
Gallup B	NP	NP	Sd	O/G	6.6	8.8 -9.0
Gallup C	NP	NP	Sd	O/G	6.6	8.8 -9.0
Target	4842	4373	Sd	O/G	6.6	8.8 -9.0

Casing Program

Casing OD	Hole Size	Weight (#/ft)	Grade	Coupling	MD Top	MD Bottom	TVD Top	TVD Bottom	Top of Cement
9-5/8"	12-1/4"	36	K-55	STC	surf	380	surf	380	surface
7"	8-3/4"	26	K-55	LTC	surf	4798	surf	4371	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	4557	9497	4299	4408	4557

Note: all casing will be new

Rev 1

DJR Operating

Casing Design Load Cases

	Description	Casing String 9-5/8" Surface	7" Intermediate	4-1/2" Production Liner
Collapse	Full internal evacuation[1]	✓	✓	✓
	Cementing	✓	✓	✓
Burst	Pressure test	✓[2]	✓[2]	✓
	Gas kick		✓[3]	
	Fracture at shoe, 1/3 BHP at surface		✓[4]	
	Injection down casing			✓[5]
Axial	Dynamic load on casing coupling[6]	✓	✓	✓
Axial	Overpull[7]	✓	✓	✓

Note #

1 Fluid level at shoe, air column to surface, pore pressure outside
2 Tested to 80% of minimum internal yield with freshwater inside, pore pressure outside
3 50 bbl kick at TD, 0.50 ppg intensity, 4" drill pipe, 9.0 ppg mud, fracture gradient at shoe
4 2060 psi BHP, 687 psi surface pressure, 12.5 ppg EMW shoe integrity
5 Surface stimulation pressure of 8000 psi on 8.3 ppg fluid column. Stimulation will be down frac string, so load does not apply to 7" intermediate casing.
6 Shock load from abrupt pipe deceleration, evaluated against coupling rating
7 Overpull values as follows: Surface casing 20,000 lbs, Intermediate & Production 100,000 lbs

Casing Design Factors

Casing string	Casing OD	Design Factors Burst	Collapse	Axial	Triaxial
Surface	9-5/8"	1.25	13.38	8.16	1.56
Intermediate	7"	1.25	1.50	1.68	1.34
Production liner	4-1/2"	1.37	3.68	1.88	1.69

Cement Design

9-5/8" Surface Casing	Lead
Name	Redi-Mix
Type	I-II
Planned top	Surface
Density (ppg)	14.50
Yield (cf/sx)	1.61
Mix water (gal/sx)	7.41
Volume (sx)	114
Volume (bbls)	33
Volume (cu. ft.)	185
Excess %	50

7" Intermediate Casing	Lead	Tail
	American	American
Type	I/II	Poz/G
Planned top	Surface	3807-ft
Density (ppg)	12.30	13.50
Yield (cf/sx)	2.32	1.51
Mix water (gal/sx)	13.22	7.13
Volume (sx)	423	105
Volume (bbls)	175	28
Volume (cu.ft.)	981	158
Excess %	78	0

4-1/2" Production Liner

	American
Type	Poz/G
Planned top	4557-ft
Density (ppg)	13.3
Yield (cf/sx)	1.52
Mix water (gal/sx)	7.52
Volume (sx)	426
Volume (bbls)	115
Volume (cu.ft)	648
Excess %	40

Wellhead & Pressure Control
The well head will be an 11" 5M multi-bowl system. A 3M BOPE conforming to Onshore Order #2 will be installed on the surface casing. The BOP and accumulator will meet API 16D and 16E respectively.

A PVT mud monitoring system and a trip tank will be rigged up and operational for all hole intervals. An electronic geolograph will be employed to monitor and record drilling data (ROP, WOB, SPM, Pressure, RPM and torque).

Mud Program
Surface hole will be drilled with a fresh water, native mud system. In intermediate hole, a low weight 7% KCl LSND drilling fluid will be used, with KCl providing chemical stability for the young shales and clays present in the interval. In production hole a LSND system with polymer and lubricant additives is programmed. Sufficient drill water and mud additives will be on hand to maintain adequate pit volumes and maintain well control.

Hole Section	Fluid type	Interval (MD)	Density (ppg)	Funnel Viscosity	Yield Point	Fluid Loss (cc/30 min)
Surface	Fresh water spud mud	0 – 380	8.4 – 8.8	32 – 44	2 – 12	NC
Intermediate	7% KCl Low solids, non-dispersed	380 – 4798	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	4798 – 9497	8.8 – 9.2	34 – 38	6 – 8	6 – 8

Cores, tests and logs
Wellbore surveying: Drift (inclination only) surveys will be obtained in surface hole. MWD directional surveys will be taken in intermediate and production hole.

Logging while drilling: None in surface hole. MWD GR in intermediate and production hole.

Mud logging: a two-person mud logging unit with C1 – C4 gas analysis will be operational in intermediate and production hole.

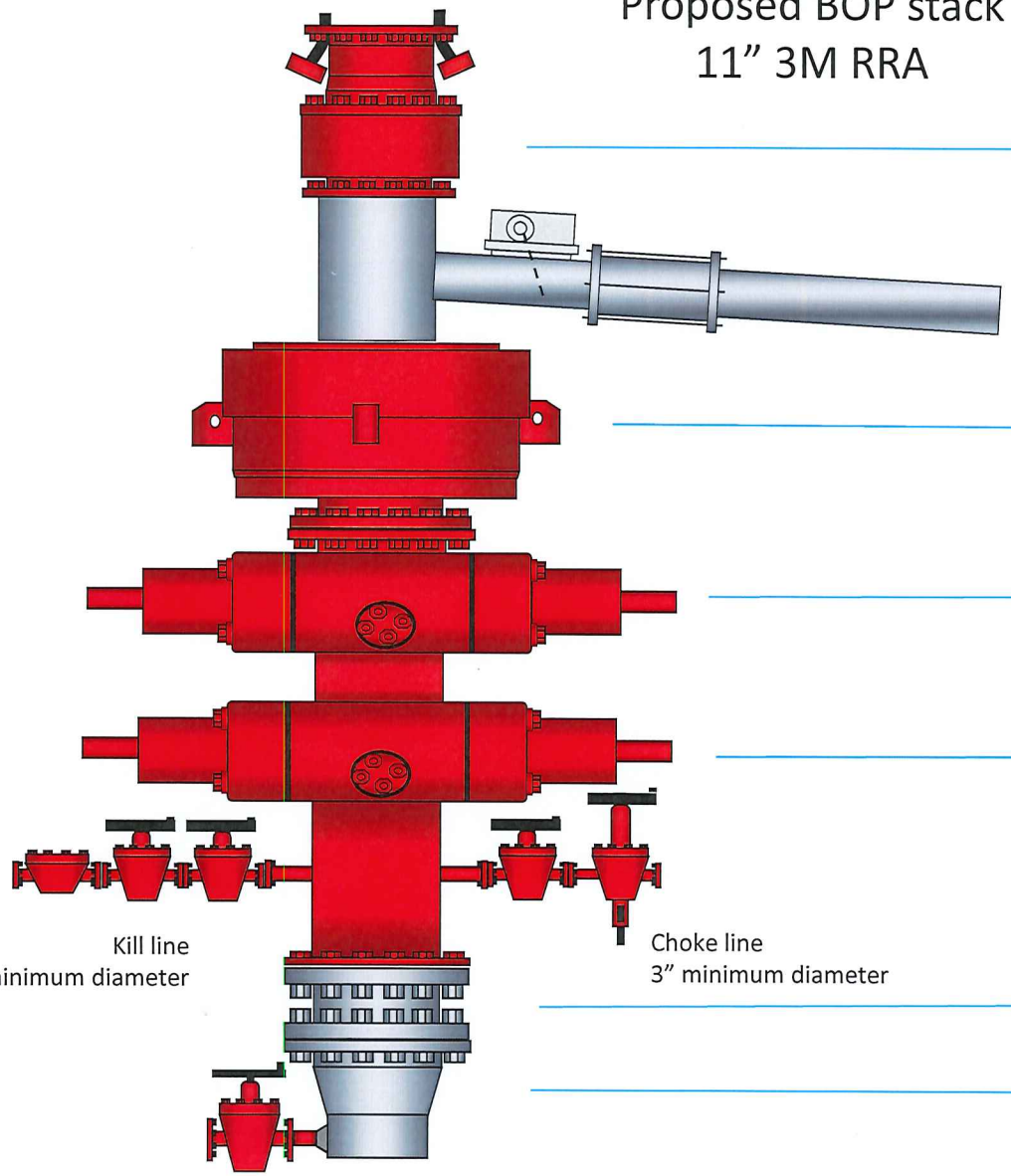
Electric logging: No open hole electric logs are programmed. A cased hole GR/CCL will be run during completions for perforating depth control.

Cuttings and drilling fluids management
A closed loop, steel tank-based circulating system will be used. In addition to the rig solids control equipment, a dewatering centrifuge and chemical flocculation system will be operational to strip solids from the whole mud. All solids will be collected in 3-sided bins and will then be put into transports with a bucket loader. Drying agents will be used if necessary. The solids will be taken to a licensed commercial disposal facility. Whole mud will be dewatered back to drill water and used as make up for subsequent wells or hauled off for disposal. A diagram of the closed loop system is included.

Completion
It is envisioned that this well will be completed with a multi-stage sand frac, using the plug and perf technique. After drilling out the plugs, the current plan is to install a 2-7/8" plunger-assisted gas lift tubing string. The stimulation and completion plan will be sundried at a later date.

Proposed BOP stack
11" 3M RRA

DJR Operating



Low pressure rotating head

Flowline

3M Annular preventer

3M Pipe rams

3M Blind rams

Double gate with integral choke/kill outlets

Kill line
2" minimum diameter

Choke line
3" minimum diameter

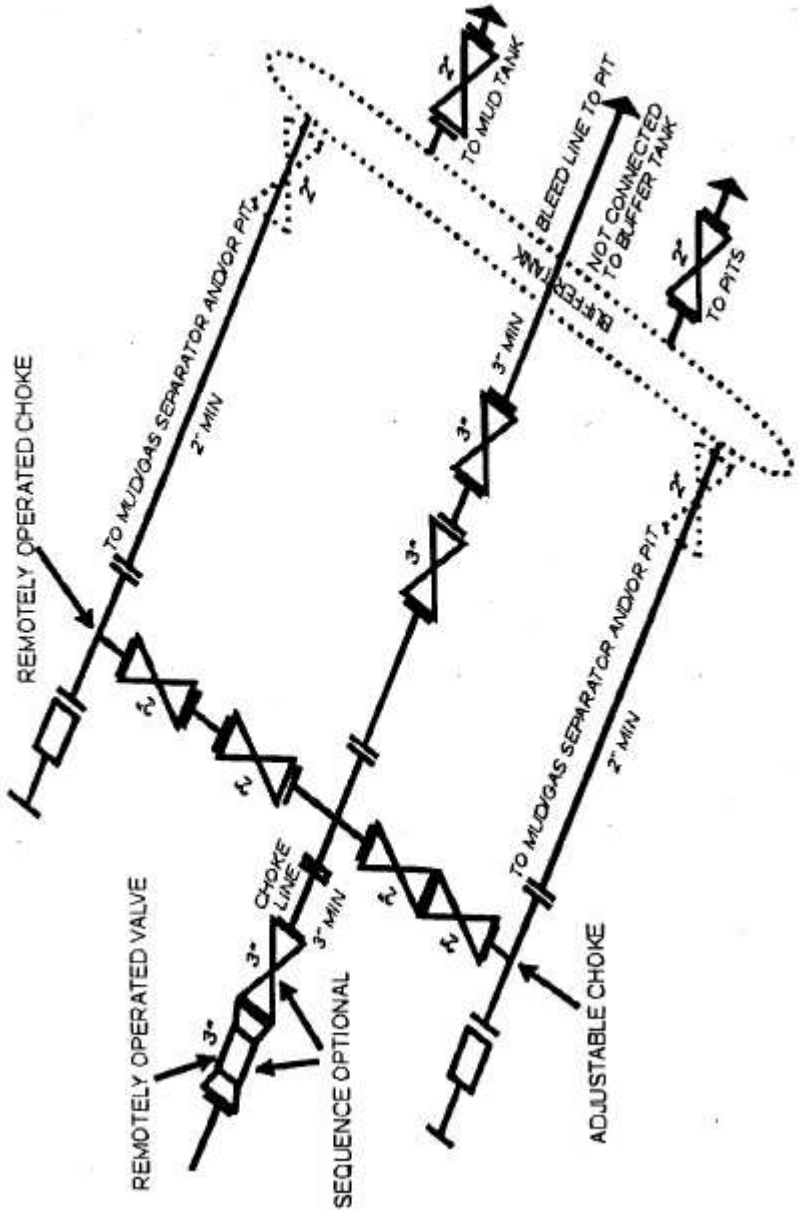
Tie-down flange
(moves with BOP)

11" 5M Multi-bowl casing head

DJR Operating

Choke Manifold

Actual system to conform with Onshore Order 2



DJR Operating

Company: DJR Operating
Project: Ponderosa Unit
Site: I06 2309
Well: Ponderosa I06 2309 Fed Com #125H
Wellbore: Original Drilling
Design: APD Rev 1

PROJECT DETAILS: Ponderosa Unit

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Western Zone
System Datum: Mean Sea Level
Local North: True

LONESTAR CONSULTING

WELL DETAILS: Ponderosa I06 2309 Fed Com #125H

GL 6692' & RKB 14' @ 6706ft

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
0	0	1912217.22	2726112.72	36.25527040	-107.82308660	1

Plan: APD Rev 1 (Ponderosa I06 2309 Fed Com #125H/Original Drilling)

Created By: Janie Collins Date: 16:59, August 08 2023

Azimuths to True North
Magnetic North: 10.05°
Magnetic Field
Strength: 50617.6nT
Dip Angle: 63.08°
Date: 12/31/2019
Model: IGRF2005-10

DESIGN TARGET DETAILS

me	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
125H Heel	4373	-622	-175	1911595.27	2725938.22	36.25356190	-107.82367869
125H Toe	4408	2719	-3415	1914936.25	2722697.60	36.26274021	-107.83467005

SECTION DETAILS

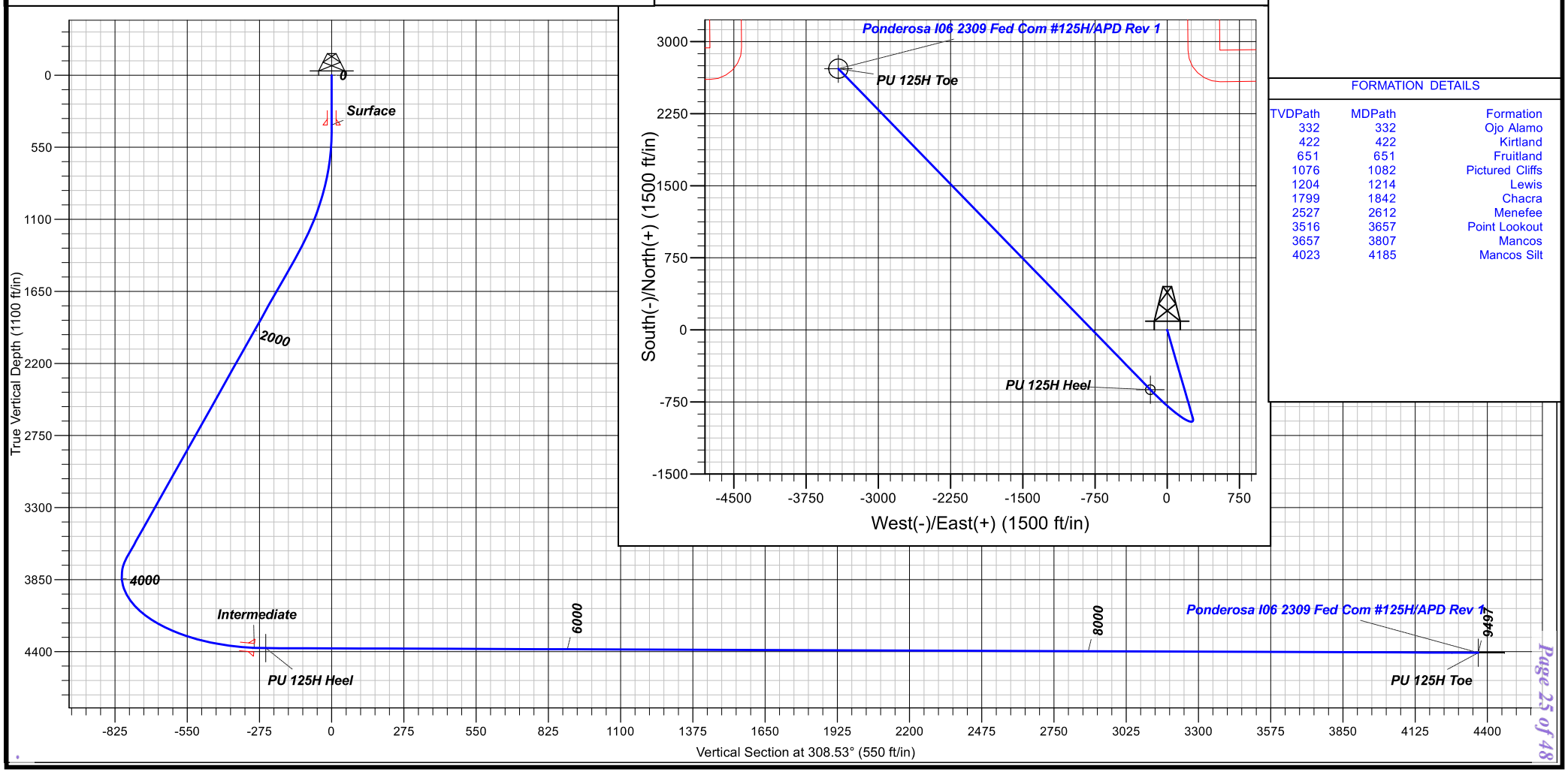
MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSect
0	0.00	0.00	0	0	0	0.00	0.00	0
425	0.00	0.00	425	0	0	0.00	0.00	0
1374	18.99	163.82	1357	-150	43	2.00	163.82	-127
3830	18.99	163.82	3679	-917	266	0.00	0.00	-779
4842	89.57	315.88	4373	-622	-175	10.50	150.79	-251
9497	89.57	315.88	4408	2719	-3415	0.00	0.00	4365

CASING DETAILS

TVD	MD	Name
380	380	Surface
4371	4798	Intermediate

FORMATION DETAILS

TVDPath	MDPath	Formation
332	332	Ojo Alamo
422	422	Kirtland
651	651	Fruitland
1076	1082	Pictured Cliffs
1204	1214	Lewis
1799	1842	Chacra
2527	2612	Menefee
3516	3657	Point Lookout
3657	3807	Mancos
4023	4185	Mancos Silt



DJR Operating

Ponderosa Unit
I06 2309
Ponderosa I06 2309 Fed Com #125H - Slot 1

Original Drilling

Plan: APD Rev 1

Standard Planning Report

08 August, 2023

DJR Operating

Lonestar Consulting, LLC
Planning Report

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Project:	Ponderosa Unit	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site:	I06 2309	**North Reference:**	True
Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Project	Ponderosa Unit		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Western Zone		

Site	I06 2309				
Site Position:		**Northing:**	1,912,217.22 usft	**Latitude:**	36.25527040
From:	Lat/Long	**Easting:**	2,726,112.72 usft	**Longitude:**	-107.82308660
Position Uncertainty:	0 ft	**Slot Radius:**	13.20 in		

Well	Ponderosa I06 2309 Fed Com #125H - Slot 1					
Well Position	**+N/-S**	0 ft	**Northing:**	1,912,217.22 usft	**Latitude:**	36.25527040
	+E/-W	0 ft	**Easting:**	2,726,112.72 usft	**Longitude:**	-107.82308660
Position Uncertainty		0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	6692 ft
Grid Convergence:		0.01 °				

Wellbore	Original Drilling			
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	12/31/2009	10.02	63.08	50,617.56034623

Design	APD Rev 1			
Audit Notes:				
Version:	**Phase:**	PLAN	**Tie On Depth:**	0

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	0	0	0	308.53

Plan Survey Tool Program **Date** 8/8/2023

	Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks
1	0	9497	APD Rev 1 (Original Drilling)	MWD+IGRF	
				OWSG MWD + IGRF or WMM	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00	
425	0.00	0.00	425	0	0	0.00	0.00	0.00	0.00	
1374	18.99	163.82	1357	-150	43	2.00	2.00	0.00	163.82	
3830	18.99	163.82	3679	-917	266	0.00	0.00	0.00	0.00	
4842	89.57	315.88	4373	-622	-175	10.50	6.97	15.02	150.79	PU 125H Heel
9497	89.57	315.88	4408	2719	-3415	0.00	0.00	0.00	0.00	PU 125H Toe

DJR Operating

Lonestar Consulting, LLC

Planning Report

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Project:	Ponderosa Unit	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site:	I06 2309	**North Reference:**	True
Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0	0.00	0.00	0	0	0	0	0.00	0.00	0.00
100	0.00	0.00	100	0	0	0	0.00	0.00	0.00
200	0.00	0.00	200	0	0	0	0.00	0.00	0.00
300	0.00	0.00	300	0	0	0	0.00	0.00	0.00
400	0.00	0.00	400	0	0	0	0.00	0.00	0.00
425	0.00	0.00	425	0	0	0	0.00	0.00	0.00
500	1.50	163.82	500	-1	0	-1	2.00	2.00	0.00
600	3.50	163.82	600	-5	1	-4	2.00	2.00	0.00
700	5.50	163.82	700	-13	4	-11	2.00	2.00	0.00
800	7.50	163.82	799	-24	7	-20	2.00	2.00	0.00
900	9.50	163.82	898	-38	11	-32	2.00	2.00	0.00
1000	11.50	163.82	996	-55	16	-47	2.00	2.00	0.00
1100	13.50	163.82	1094	-76	22	-65	2.00	2.00	0.00
1200	15.50	163.82	1191	-100	29	-85	2.00	2.00	0.00
1300	17.50	163.82	1286	-127	37	-108	2.00	2.00	0.00
1374	18.99	163.82	1357	-150	43	-127	2.00	2.00	0.00
1400	18.99	163.82	1381	-158	46	-134	0.00	0.00	0.00
1500	18.99	163.82	1476	-189	55	-161	0.00	0.00	0.00
1600	18.99	163.82	1570	-220	64	-187	0.00	0.00	0.00
1700	18.99	163.82	1665	-251	73	-214	0.00	0.00	0.00
1800	18.99	163.82	1760	-283	82	-240	0.00	0.00	0.00
1900	18.99	163.82	1854	-314	91	-267	0.00	0.00	0.00
2000	18.99	163.82	1949	-345	100	-293	0.00	0.00	0.00
2100	18.99	163.82	2043	-376	109	-320	0.00	0.00	0.00
2200	18.99	163.82	2138	-408	118	-346	0.00	0.00	0.00
2300	18.99	163.82	2232	-439	127	-373	0.00	0.00	0.00
2400	18.99	163.82	2327	-470	136	-400	0.00	0.00	0.00
2500	18.99	163.82	2421	-501	145	-426	0.00	0.00	0.00
2600	18.99	163.82	2516	-533	155	-453	0.00	0.00	0.00
2700	18.99	163.82	2611	-564	164	-479	0.00	0.00	0.00
2800	18.99	163.82	2705	-595	173	-506	0.00	0.00	0.00
2900	18.99	163.82	2800	-626	182	-532	0.00	0.00	0.00
3000	18.99	163.82	2894	-658	191	-559	0.00	0.00	0.00
3100	18.99	163.82	2989	-689	200	-585	0.00	0.00	0.00
3200	18.99	163.82	3083	-720	209	-612	0.00	0.00	0.00
3300	18.99	163.82	3178	-751	218	-639	0.00	0.00	0.00
3400	18.99	163.82	3273	-783	227	-665	0.00	0.00	0.00
3500	18.99	163.82	3367	-814	236	-692	0.00	0.00	0.00
3600	18.99	163.82	3462	-845	245	-718	0.00	0.00	0.00
3700	18.99	163.82	3556	-876	254	-745	0.00	0.00	0.00
3800	18.99	163.82	3651	-908	263	-771	0.00	0.00	0.00
3830	18.99	163.82	3679	-917	266	-779	0.00	0.00	0.00
3900	13.07	179.81	3746	-936	269	-794	10.50	-8.48	22.90
4000	9.20	232.95	3845	-952	263	-799	10.50	-3.86	53.14
4100	14.74	278.27	3943	-955	244	-786	10.50	5.54	45.32
4200	23.84	294.61	4037	-945	213	-755	10.50	9.10	16.34
4300	33.74	302.01	4125	-922	171	-708	10.50	9.89	7.41
4400	43.89	306.32	4202	-886	119	-645	10.50	10.15	4.31
4500	54.15	309.28	4268	-840	60	-570	10.50	10.26	2.95
4600	64.47	311.54	4319	-784	-6	-484	10.50	10.32	2.27
4700	74.82	313.45	4354	-721	-75	-391	10.50	10.35	1.90
4800	85.18	315.17	4371	-652	-145	-293	10.50	10.36	1.72
4842	89.57	315.88	4373	-622	-175	-251	10.50	10.37	1.67

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Project:	Ponderosa Unit	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site:	I06 2309	**North Reference:**	True
Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4900	89.57	315.88	4373	-581	-215	-194	0.00	0.00	0.00
5000	89.57	315.88	4374	-509	-284	-95	0.00	0.00	0.00
5100	89.57	315.88	4375	-437	-354	5	0.00	0.00	0.00
5200	89.57	315.88	4376	-365	-424	104	0.00	0.00	0.00
5300	89.57	315.88	4376	-293	-493	203	0.00	0.00	0.00
5400	89.57	315.88	4377	-222	-563	302	0.00	0.00	0.00
5500	89.57	315.88	4378	-150	-632	401	0.00	0.00	0.00
5600	89.57	315.88	4379	-78	-702	501	0.00	0.00	0.00
5700	89.57	315.88	4379	-6	-772	600	0.00	0.00	0.00
5800	89.57	315.88	4380	66	-841	699	0.00	0.00	0.00
5900	89.57	315.88	4381	137	-911	798	0.00	0.00	0.00
6000	89.57	315.88	4382	209	-980	897	0.00	0.00	0.00
6100	89.57	315.88	4382	281	-1050	996	0.00	0.00	0.00
6200	89.57	315.88	4383	353	-1120	1096	0.00	0.00	0.00
6300	89.57	315.88	4384	424	-1189	1195	0.00	0.00	0.00
6400	89.57	315.88	4385	496	-1259	1294	0.00	0.00	0.00
6500	89.57	315.88	4385	568	-1329	1393	0.00	0.00	0.00
6600	89.57	315.88	4386	640	-1398	1492	0.00	0.00	0.00
6700	89.57	315.88	4387	712	-1468	1591	0.00	0.00	0.00
6800	89.57	315.88	4388	783	-1537	1691	0.00	0.00	0.00
6900	89.57	315.88	4388	855	-1607	1790	0.00	0.00	0.00
7000	89.57	315.88	4389	927	-1677	1889	0.00	0.00	0.00
7100	89.57	315.88	4390	999	-1746	1988	0.00	0.00	0.00
7200	89.57	315.88	4391	1071	-1816	2087	0.00	0.00	0.00
7300	89.57	315.88	4391	1142	-1885	2187	0.00	0.00	0.00
7400	89.57	315.88	4392	1214	-1955	2286	0.00	0.00	0.00
7500	89.57	315.88	4393	1286	-2025	2385	0.00	0.00	0.00
7600	89.57	315.88	4394	1358	-2094	2484	0.00	0.00	0.00
7700	89.57	315.88	4394	1429	-2164	2583	0.00	0.00	0.00
7800	89.57	315.88	4395	1501	-2234	2682	0.00	0.00	0.00
7900	89.57	315.88	4396	1573	-2303	2782	0.00	0.00	0.00
8000	89.57	315.88	4397	1645	-2373	2881	0.00	0.00	0.00
8100	89.57	315.88	4397	1717	-2442	2980	0.00	0.00	0.00
8200	89.57	315.88	4398	1788	-2512	3079	0.00	0.00	0.00
8300	89.57	315.88	4399	1860	-2582	3178	0.00	0.00	0.00
8400	89.57	315.88	4400	1932	-2651	3277	0.00	0.00	0.00
8500	89.57	315.88	4400	2004	-2721	3377	0.00	0.00	0.00
8600	89.57	315.88	4401	2076	-2790	3476	0.00	0.00	0.00
8700	89.57	315.88	4402	2147	-2860	3575	0.00	0.00	0.00
8800	89.57	315.88	4403	2219	-2930	3674	0.00	0.00	0.00
8900	89.57	315.88	4403	2291	-2999	3773	0.00	0.00	0.00
9000	89.57	315.88	4404	2363	-3069	3873	0.00	0.00	0.00
9100	89.57	315.88	4405	2434	-3139	3972	0.00	0.00	0.00
9200	89.57	315.88	4406	2506	-3208	4071	0.00	0.00	0.00
9300	89.57	315.88	4407	2578	-3278	4170	0.00	0.00	0.00
9400	89.57	315.88	4407	2650	-3347	4269	0.00	0.00	0.00
9497	89.57	315.88	4408	2719	-3415	4365	0.00	0.00	0.00

DJR Operating

Lonestar Consulting, LLC
Planning Report

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Project:	Ponderosa Unit	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site:	I06 2309	**North Reference:**	True
Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PU 125H Heel - plan hits target center - Circle (radius 50)	0.00	0.00	4373	-622	-175	1,911,595.27	2,725,938.22	36.25356190	-107.82367869
PU 125H Toe - plan hits target center - Circle (radius 100)	0.00	0.00	4408	2719	-3415	1,914,936.25	2,722,697.60	36.26274021	-107.83467005

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
380	380	Surface	9.62	12.25
4798	4371	Intermediate	7.00	8.75

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
332	332	Ojo Alamo		0.00	0.00
422	422	Kirtland		0.00	0.00
651	651	Fruitland		0.00	0.00
1082	1076	Pictured Cliffs		0.00	0.00
1214	1204	Lewis		0.00	0.00
1842	1799	Chacra		0.00	0.00
2612	2527	Menefee		0.00	0.00
3657	3516	Point Lookout		0.00	0.00
3807	3657	Mancos		0.00	0.00
4185	4023	Mancos Silt		0.00	0.00

DJR Operating

Ponderosa Unit
I06 2309
Ponderosa I06 2309 Fed Com #125H

Original Drilling
APD Rev 1

Anticollision Report

08 August, 2023

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Reference APD Rev 1

Filter type:	NO GLOBAL FILTER: Using user defined selection & filtering criteria		
Interpolation Method:	Stations	**Error Model:**	ISCWSA
Depth Range:	Unlimited	**Scan Method:**	Closest Approach 3D
Results Limited by:	Maximum centre distance of 15,000ft	**Error Surface:**	Pedal Curve
Warning Levels Evaluated at:	2.00 **Sigma**	**Casing Method:**	Not applied

Survey Tool Program **Date** 8/8/2023

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0	9497	APD Rev 1 (Original Drilling)	MWD+IGRF	OWSG MWD + IGRF or WMM

Summary

Site Name Offset Well - Wellbore - Design	Reference Measured Depth (ft)	Offset Measured Depth (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Separation Factor	Warning
I06 2309						
Ponderosa I06 2309 Com #127H - Original Drilling - APD	425	425	40	37	14.399	CC
Ponderosa I06 2309 Com #127H - Original Drilling - APD	500	501	40	37	12.211	ES
Ponderosa I06 2309 Com #127H - Original Drilling - APD	800	803	48	43	8.945	SF
Ponderosa I06 2309 Fed Com #126H - Original Drilling -	425	425	20	18	7.318	CC
Ponderosa I06 2309 Fed Com #126H - Original Drilling -	1000	1004	21	15	3.158	ES
Ponderosa I06 2309 Fed Com #126H - Original Drilling -	4400	4330	114	71	2.658	SF
Ponderosa I06 2309 Fed Com #128H - Original Drilling -	425	425	60	57	21.555	CC
Ponderosa I06 2309 Fed Com #128H - Original Drilling -	500	501	60	57	18.257	ES
Ponderosa I06 2309 Fed Com #128H - Original Drilling -	9497	9308	762	555	3.668	SF

Offset Design: I06 2309 - Ponderosa I06 2309 Com #127H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF **Rule Assigned:** **Offset Well Error:** 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
0	0	0	0	0	0	-17.58	38	-12	40				
100	100	100	100	0	0	-17.58	38	-12	40	40	0.46	86.955	
200	200	200	200	1	1	-17.58	38	-12	40	39	1.18	34.095	
300	300	300	300	1	1	-17.58	38	-12	40	38	1.90	21.205	
400	400	400	400	1	1	-17.58	38	-12	40	38	2.61	15.387	
425	425	425	425	1	1	-17.58	38	-12	40	37	2.79	14.399	CC
500	500	501	501	2	2	179.53	38	-11	40	37	3.31	12.211	ES
600	600	602	602	2	2	-176.45	35	-8	42	38	3.99	10.414	
700	700	703	702	2	2	-169.81	31	-1	44	39	4.68	9.387	
800	799	803	802	3	3	-161.58	25	9	48	43	5.41	8.945	SF
900	898	904	901	3	3	-153.04	17	21	55	49	6.18	8.954	
1000	996	1003	1000	4	4	-145.21	6	37	65	58	7.01	9.289	
1100	1094	1103	1096	4	4	-138.99	-5	54	78	70	7.91	9.853	
1200	1191	1201	1193	5	4	-135.79	-17	72	94	85	8.85	10.598	
1300	1286	1299	1289	5	5	-134.71	-28	90	112	102	9.82	11.429	
1374	1357	1372	1360	6	5	-134.77	-37	103	128	117	10.56	12.079	
1400	1381	1397	1384	6	5	-134.96	-40	107	133	122	10.81	12.303	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Com #127H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
1500	1476	1495	1480	6	6	-135.57	-51	125	155	143	11.82	13.075	
1600	1570	1593	1575	7	6	-136.03	-63	142	176	163	12.84	13.712	
1700	1665	1690	1670	8	7	-136.38	-74	160	197	184	13.86	14.245	
1800	1760	1788	1766	8	8	-136.67	-86	178	219	204	14.90	14.696	
1900	1854	1886	1861	9	8	-136.91	-97	195	240	225	15.94	15.082	
2000	1949	1983	1956	10	9	-137.11	-109	213	262	245	16.99	15.416	
2100	2043	2081	2052	10	9	-137.28	-120	230	283	265	18.05	15.708	
2200	2138	2179	2147	11	10	-137.42	-132	248	305	286	19.10	15.964	
2300	2232	2276	2242	12	10	-137.54	-143	266	326	306	20.17	16.190	
2400	2327	2374	2338	13	11	-137.65	-155	283	348	327	21.23	16.392	
2500	2421	2472	2433	13	11	-137.75	-166	301	369	347	22.30	16.573	
2600	2516	2569	2529	14	12	-137.84	-178	319	391	368	23.36	16.736	
2700	2611	2667	2624	15	12	-137.91	-189	336	413	388	24.43	16.883	
2800	2705	2765	2719	15	13	-137.98	-201	354	434	409	25.50	17.018	
2900	2800	2862	2815	16	13	-138.05	-212	371	456	429	26.58	17.140	
3000	2894	2960	2910	17	14	-138.10	-224	389	477	449	27.65	17.252	
3100	2989	3057	3005	18	14	-138.16	-235	407	499	470	28.73	17.355	
3200	3083	3155	3101	18	15	-138.20	-247	424	520	490	29.80	17.451	
3300	3178	3253	3196	19	15	-138.25	-258	442	542	511	30.88	17.539	
3400	3273	3350	3292	20	16	-138.29	-270	459	563	531	31.96	17.620	
3500	3367	3448	3387	20	17	-138.33	-281	477	585	552	33.04	17.696	
3600	3462	3546	3482	21	17	-138.36	-293	495	606	572	34.11	17.767	
3700	3556	3643	3578	22	18	-138.40	-304	512	628	592	35.19	17.833	
3800	3651	3741	3673	23	18	-138.43	-316	530	649	613	36.27	17.895	
3830	3679	3771	3702	23	18	-138.43	-319	535	656	619	36.60	17.913	
3850	3698	3790	3721	23	18	-142.10	-322	539	660	623	36.82	17.922	
3900	3746	3839	3768	23	19	-154.85	-328	547	669	632	37.36	17.913	
3950	3795	3888	3816	23	19	-176.21	-333	556	677	639	37.90	17.864	
4000	3845	3936	3863	24	19	153.09	-339	565	684	645	38.44	17.781	
4050	3894	3983	3909	24	19	126.17	-344	573	689	650	38.98	17.672	
4100	3943	4028	3953	24	20	110.47	-350	581	693	654	39.50	17.545	
4150	3991	4072	3996	24	20	102.24	-355	589	697	657	40.00	17.411	
4200	4037	4114	4037	24	20	97.94	-360	597	700	659	40.48	17.282	
4250	4082	4153	4075	24	20	95.76	-365	604	703	662	40.92	17.173	
4300	4125	4189	4110	24	21	94.75	-369	610	706	665	41.32	17.096	
4350	4165	4222	4142	23	21	94.36	-373	616	711	669	41.66	17.064	
4400	4202	4251	4171	23	21	94.23	-376	622	717	675	41.94	17.090	
4450	4237	4277	4197	23	21	94.13	-379	626	724	682	42.14	17.183	
4500	4268	4299	4218	23	21	93.86	-382	630	733	691	42.27	17.352	
4550	4295	4317	4235	23	21	93.30	-384	634	745	703	42.32	17.602	
4600	4319	4331	4249	23	21	92.34	-385	636	759	716	42.30	17.935	
4650	4338	4340	4258	23	21	90.92	-387	638	775	732	42.21	18.351	
4700	4354	4345	4262	22	21	89.01	-387	639	793	751	42.05	18.848	
4750	4365	4345	4263	22	21	86.60	-387	639	813	771	41.84	19.419	
4800	4371	4341	4259	22	21	83.74	-387	638	834	793	41.59	20.057	
4842	4373	4334	4252	22	21	81.00	-386	637	853	812	41.35	20.641	
4900	4373	4322	4240	22	21	80.14	-384	634	882	841	41.01	21.497	
5000	4374	4302	4221	23	21	78.65	-382	631	937	896	40.47	23.144	
5100	4375	4282	4201	23	21	77.18	-380	627	998	958	39.98	24.963	
5200	4376	4261	4181	25	21	75.72	-377	623	1065	1025	39.56	26.922	
5300	4376	4241	4161	26	21	74.27	-375	620	1137	1097	39.20	28.992	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Com #127H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
5400	4377	4221	4141	27	21	72.85	-373	616	1212	1173	38.90	31.150	
5500	4378	4200	4122	29	21	71.43	-370	613	1290	1251	38.64	33.380	
5600	4379	4180	4102	31	21	70.04	-368	609	1371	1332	38.43	35.668	
5700	4379	4160	4082	33	20	68.67	-365	605	1454	1415	38.25	38.003	
5800	4380	4140	4062	35	20	67.32	-363	602	1538	1500	38.10	40.376	
5900	4381	4119	4042	37	20	66.00	-361	598	1624	1586	37.97	42.780	
6000	4382	4099	4023	39	20	64.69	-358	594	1712	1674	37.86	45.211	
6100	4382	4079	4003	41	20	63.41	-356	591	1800	1763	37.77	47.664	
6200	4383	4059	3983	43	20	62.16	-353	587	1890	1852	37.69	50.136	
6300	4384	4038	3963	45	20	60.93	-351	583	1980	1942	37.63	52.623	
6400	4385	4018	3943	47	20	59.73	-349	580	2071	2033	37.57	55.124	
6500	4385	3998	3924	50	20	58.55	-346	576	2162	2125	37.52	57.635	
6600	4386	3977	3904	52	19	57.40	-344	572	2255	2217	37.48	60.156	
6700	4387	3957	3884	54	19	56.27	-341	569	2347	2310	37.44	62.685	
6800	4388	3937	3864	56	19	55.17	-339	565	2440	2403	37.41	65.220	
6900	4388	3917	3844	59	19	54.10	-337	561	2533	2496	37.39	67.761	
7000	4389	3896	3825	61	19	53.05	-334	558	2627	2590	37.37	70.306	
7100	4390	3876	3805	63	19	52.02	-332	554	2721	2684	37.35	72.855	
7200	4391	3856	3785	66	19	51.03	-330	550	2815	2778	37.34	75.406	
7300	4391	3836	3765	68	19	50.05	-327	547	2910	2872	37.33	77.958	
7400	4392	3815	3745	70	19	49.10	-325	543	3005	2967	37.32	80.512	
7500	4393	3795	3726	73	18	48.18	-322	539	3099	3062	37.31	83.067	
7600	4394	3775	3706	75	18	47.28	-320	536	3195	3157	37.31	85.621	
7700	4394	3754	3686	77	18	46.40	-318	532	3290	3252	37.31	88.174	
7800	4395	3734	3666	80	18	45.54	-315	528	3385	3348	37.31	90.726	
7900	4396	3714	3646	82	18	44.71	-313	525	3481	3443	37.32	93.276	
8000	4397	3694	3627	85	18	43.90	-310	521	3576	3539	37.32	95.824	
8100	4397	3673	3607	87	18	43.11	-308	518	3672	3635	37.33	98.370	
8200	4398	3653	3587	89	18	42.34	-306	514	3768	3731	37.34	100.912	
8300	4399	3633	3567	92	18	41.59	-303	510	3864	3827	37.35	103.451	
8400	4400	3612	3547	94	17	40.86	-301	507	3960	3923	37.37	105.986	
8500	4400	3592	3528	97	17	40.15	-298	503	4056	4019	37.38	108.517	
8600	4401	3572	3508	99	17	39.46	-296	499	4153	4115	37.40	111.043	
8700	4402	3552	3488	101	17	38.78	-294	496	4249	4212	37.41	113.565	
8800	4403	3531	3468	104	17	38.12	-291	492	4345	4308	37.43	116.081	
8900	4403	3511	3448	106	17	37.48	-289	488	4442	4404	37.46	118.592	
9000	4404	3491	3429	109	17	36.86	-287	485	4538	4501	37.48	121.097	
9100	4405	3471	3409	111	17	36.25	-284	481	4635	4598	37.50	123.596	
9200	4406	3450	3389	114	17	35.66	-282	477	4732	4694	37.53	126.089	
9300	4407	3430	3369	116	16	35.08	-279	474	4828	4791	37.55	128.575	
9400	4407	3410	3349	118	16	34.52	-277	470	4925	4888	37.58	131.055	
9497	4408	3390	3330	121	16	33.99	-275	466	5019	4981	37.61	133.452	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #126H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
0	0	0	0	0	0	-18.94	19	-7	20				
100	100	100	100	0	0	-18.94	19	-7	20	20	0.46	44.193	
200	200	200	200	1	1	-18.94	19	-7	20	19	1.18	17.328	
300	300	300	300	1	1	-18.94	19	-7	20	19	1.90	10.777	
400	400	400	400	1	1	-18.94	19	-7	20	18	2.61	7.820	
425	425	425	425	1	1	-18.94	19	-7	20	18	2.79	7.318	CC
500	500	501	501	2	2	176.96	18	-6	20	17	3.31	6.181	
600	600	601	601	2	2	175.72	14	-6	20	16	3.97	5.149	
700	700	702	702	2	2	173.50	6	-4	21	16	4.65	4.410	
800	799	803	802	3	3	170.33	-5	-2	21	15	5.34	3.867	
900	898	903	901	3	3	166.27	-20	1	21	15	6.05	3.462	
1000	996	1004	1000	4	3	161.43	-38	4	21	15	6.78	3.158	ES
1100	1094	1104	1098	4	4	156.59	-59	8	23	15	7.57	2.980	
1200	1191	1204	1196	5	4	155.24	-80	12	27	18	8.38	3.176	
1300	1286	1304	1293	5	5	156.78	-102	16	34	25	9.18	3.690	
1374	1357	1378	1365	6	5	158.73	-118	19	41	32	9.76	4.237	
1400	1381	1403	1390	6	5	159.42	-123	20	44	34	9.96	4.444	
1500	1476	1503	1487	6	6	161.40	-144	24	56	45	10.74	5.178	
1600	1570	1602	1584	7	6	162.72	-166	27	67	55	11.54	5.810	
1700	1665	1701	1681	8	7	163.65	-187	31	78	66	12.34	6.359	
1800	1760	1801	1778	8	8	164.34	-208	35	90	77	13.15	6.839	
1900	1854	1900	1875	9	8	164.88	-229	39	101	87	13.96	7.262	
2000	1949	1999	1972	10	9	165.31	-251	43	113	98	14.77	7.637	
2100	2043	2099	2069	10	9	165.66	-272	47	124	109	15.59	7.972	
2200	2138	2198	2166	11	10	165.95	-293	51	136	119	16.41	8.272	
2300	2232	2297	2263	12	10	166.19	-314	55	147	130	17.24	8.542	
2400	2327	2397	2360	13	11	166.40	-336	59	159	141	18.06	8.787	
2500	2421	2496	2457	13	11	166.58	-357	63	170	151	18.89	9.011	
2600	2516	2595	2553	14	12	166.74	-378	67	182	162	19.72	9.214	
2700	2611	2695	2650	15	12	166.88	-399	71	193	173	20.55	9.401	
2800	2705	2794	2747	15	13	167.01	-421	74	205	183	21.38	9.573	
2900	2800	2893	2844	16	13	167.12	-442	78	216	194	22.21	9.732	
3000	2894	2993	2941	17	14	167.22	-463	82	228	205	23.04	9.879	
3100	2989	3092	3038	18	15	167.31	-484	86	239	215	23.87	10.015	
3200	3083	3191	3135	18	15	167.39	-506	90	251	226	24.71	10.142	
3300	3178	3291	3232	19	16	167.46	-527	94	262	237	25.54	10.261	
3400	3273	3390	3329	20	16	167.53	-548	98	274	247	26.38	10.372	
3500	3367	3489	3426	20	17	167.59	-569	102	285	258	27.21	10.476	
3600	3462	3589	3523	21	17	167.65	-591	106	297	269	28.05	10.573	
3700	3556	3688	3620	22	18	167.70	-612	110	308	279	28.88	10.665	
3800	3651	3787	3717	23	18	167.75	-633	114	320	290	29.72	10.751	
3830	3679	3817	3746	23	19	167.77	-640	115	323	293	29.97	10.776	
3850	3698	3837	3765	23	19	164.47	-644	116	325	295	30.14	10.782	
3900	3746	3887	3814	23	19	152.52	-654	118	327	296	30.52	10.705	
3950	3795	3937	3863	23	19	131.82	-665	120	324	293	30.87	10.502	
4000	3845	3986	3911	24	19	101.74	-676	121	317	286	31.18	10.180	
4050	3894	4074	3996	24	20	76.93	-698	129	304	273	31.37	9.691	
4100	3943	4159	4073	24	21	66.12	-728	145	280	249	30.86	9.071	
4150	3991	4222	4127	24	21	66.00	-755	163	248	218	30.16	8.236	
4200	4037	4267	4163	24	22	73.21	-777	178	213	183	29.82	7.129	
4250	4082	4297	4186	24	22	84.09	-792	190	176	146	30.48	5.777	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #126H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
4300	4125	4315	4199	24	22	94.01	-803	198	143	110	33.05	4.328	
4350	4165	4326	4207	23	22	99.92	-808	202	120	82	38.03	3.145	
4389	4194	4329	4209	23	22	101.25	-810	204	113	71	42.02	2.696	
4400	4202	4330	4210	23	22	101.13	-811	204	114	71	42.82	2.658 SF	
4450	4237	4329	4209	23	22	97.99	-810	204	129	85	43.65	2.948	
4500	4268	4325	4206	23	22	91.05	-808	202	158	116	41.93	3.775	
4550	4295	4317	4201	23	22	81.23	-804	199	196	156	40.02	4.887	
4600	4319	4308	4194	23	22	70.02	-798	194	236	198	38.60	6.126	
4650	4338	4300	4188	23	22	60.26	-794	191	279	241	37.89	7.356	
4700	4354	4283	4176	22	22	49.82	-785	185	321	284	37.05	8.664	
4750	4365	4269	4165	22	22	42.38	-778	179	363	326	36.70	9.889	
4800	4371	4250	4150	22	21	36.27	-769	172	404	368	36.35	11.111	
4842	4373	4250	4150	22	21	33.66	-769	172	438	401	36.78	11.900	
4900	4373	4222	4127	22	21	31.58	-755	163	483	447	36.42	13.272	
5000	4374	4200	4109	23	21	30.05	-745	156	566	529	36.55	15.483	
5100	4375	4172	4084	23	21	28.32	-733	148	651	615	36.47	17.858	
5200	4376	4150	4065	25	21	27.13	-724	143	739	702	36.48	20.258	
5300	4376	4134	4051	26	20	26.31	-718	139	828	792	36.53	22.679	
5400	4377	4119	4037	27	20	25.58	-713	136	919	883	36.55	25.155	
5500	4378	4100	4020	29	20	24.75	-706	133	1011	975	36.51	27.703	
5600	4379	4100	4020	31	20	24.75	-706	133	1105	1068	36.61	30.172	
5700	4379	4083	4004	33	20	24.03	-701	130	1198	1162	36.56	32.777	
5800	4380	4073	3995	35	20	23.65	-698	128	1293	1256	36.55	35.367	
5900	4381	4050	3973	37	20	22.81	-691	126	1388	1352	36.48	38.056	
6000	4382	4050	3973	39	20	22.81	-691	126	1484	1447	36.51	40.635	
6100	4382	4050	3973	41	20	22.81	-691	126	1579	1543	36.53	43.240	
6200	4383	4050	3973	43	20	22.81	-691	126	1676	1639	36.54	45.867	
6300	4384	4050	3973	45	20	22.81	-691	126	1773	1736	36.54	48.511	
6400	4385	4050	3973	47	20	22.81	-691	126	1870	1833	36.54	51.170	
6500	4385	4026	3950	50	20	22.02	-685	124	1967	1930	36.49	53.902	
6600	4386	4022	3946	52	20	21.87	-684	123	2064	2028	36.48	56.585	
6700	4387	4000	3924	54	20	21.22	-679	122	2162	2126	36.43	59.341	
6800	4388	4000	3924	56	20	21.22	-679	122	2260	2223	36.44	62.015	
6900	4388	4000	3924	59	20	21.22	-679	122	2357	2321	36.44	64.695	
7000	4389	4000	3924	61	20	21.22	-679	122	2455	2419	36.44	67.380	
7100	4390	4000	3924	63	20	21.22	-679	122	2554	2517	36.44	70.069	
7200	4391	4000	3924	66	20	21.22	-679	122	2652	2615	36.45	72.761	
7300	4391	3987	3912	68	19	20.86	-676	122	2750	2714	36.43	75.487	
7400	4392	3970	3895	70	19	20.40	-672	121	2849	2812	36.42	78.223	
7500	4393	3952	3878	73	19	19.96	-668	120	2947	2911	36.40	80.955	
7600	4394	3935	3861	75	19	19.56	-665	119	3045	3009	36.39	83.683	
7700	4394	3918	3844	77	19	19.18	-661	119	3144	3107	36.38	86.407	
7800	4395	3900	3827	80	19	18.82	-657	118	3242	3206	36.38	89.126	
7900	4396	3883	3810	82	19	18.48	-654	117	3341	3304	36.37	91.840	
8000	4397	3866	3793	85	19	18.16	-650	117	3439	3403	36.37	94.550	
8100	4397	3848	3776	87	19	17.86	-646	116	3537	3501	36.37	97.253	
8200	4398	3831	3759	89	19	17.57	-642	115	3636	3600	36.38	99.951	
8300	4399	3813	3742	92	18	17.30	-639	115	3734	3698	36.38	102.643	
8400	4400	3796	3725	94	18	17.04	-635	114	3833	3796	36.39	105.329	
8500	4400	3779	3708	97	18	16.80	-631	113	3931	3895	36.40	108.007	
8600	4401	3761	3691	99	18	16.56	-628	113	4030	3993	36.41	110.679	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #126H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Rule Assigned:

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
8700	4402	3744	3674	101	18	16.34	-624	112	4128	4092	36.42	113.345	
8800	4403	3727	3657	104	18	16.13	-620	111	4227	4190	36.43	116.002	
8900	4403	3709	3641	106	18	15.92	-616	111	4325	4289	36.45	118.652	
9000	4404	3692	3624	109	18	15.73	-613	110	4423	4387	36.47	121.295	
9100	4405	3674	3607	111	18	15.54	-609	109	4522	4485	36.49	123.929	
9200	4406	3657	3590	114	18	15.36	-605	108	4620	4584	36.51	126.555	
9300	4407	3640	3573	116	18	15.19	-602	108	4719	4682	36.53	129.173	
9400	4407	3622	3556	118	17	15.03	-598	107	4817	4781	36.55	131.783	
9497	4408	3605	3539	121	17	14.87	-594	106	4913	4876	36.58	134.304	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #128H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
0	0	0	0	0	0	-17.15	58	-18	60				
100	100	100	100	0	0	-17.15	58	-18	60	60	0.46	130.165	
200	200	200	200	1	1	-17.15	58	-18	60	59	1.18	51.037	
300	300	300	300	1	1	-17.15	58	-18	60	58	1.90	31.742	
400	400	400	400	1	1	-17.15	58	-18	60	58	2.61	23.033	
425	425	425	425	1	1	-17.15	58	-18	60	57	2.79	21.555	CC
500	500	501	501	2	2	179.73	57	-17	60	57	3.31	18.257	ES
600	600	603	602	2	2	-177.27	55	-13	62	58	3.99	15.491	
700	700	704	703	2	2	-172.23	51	-6	65	60	4.69	13.789	
800	799	805	804	3	3	-165.76	46	4	70	64	5.42	12.845	
900	898	904	902	3	3	-159.61	39	17	78	71	6.17	12.561	
1000	996	1003	1000	4	3	-155.53	33	29	89	82	6.96	12.850	
1100	1094	1102	1098	4	4	-153.24	27	41	105	97	7.76	13.487	
1200	1191	1200	1195	5	4	-152.24	21	52	123	114	8.57	14.349	
1300	1286	1298	1292	5	5	-152.10	14	64	144	135	9.40	15.366	
1374	1357	1370	1364	6	5	-152.34	10	73	162	152	10.02	16.199	
1400	1381	1395	1388	6	5	-152.52	8	76	169	159	10.23	16.490	
1500	1476	1492	1484	6	6	-153.10	2	88	194	183	11.07	17.522	
1600	1570	1588	1580	7	6	-153.54	-4	100	219	207	11.91	18.400	
1700	1665	1685	1676	8	6	-153.90	-10	111	244	232	12.76	19.152	
1800	1760	1782	1772	8	7	-154.18	-17	123	270	256	13.61	19.805	
1900	1854	1879	1868	9	7	-154.42	-23	135	295	280	14.47	20.374	
2000	1949	1976	1963	10	8	-154.62	-29	147	320	305	15.33	20.876	
2100	2043	2072	2059	10	8	-154.79	-35	158	345	329	16.19	21.321	
2200	2138	2169	2155	11	9	-154.94	-41	170	370	353	17.06	21.718	
2300	2232	2266	2251	12	9	-155.07	-47	182	396	378	17.93	22.074	
2400	2327	2363	2347	13	9	-155.18	-54	194	421	402	18.80	22.395	
2500	2421	2459	2443	13	10	-155.28	-60	205	446	426	19.67	22.686	
2600	2516	2556	2538	14	10	-155.37	-66	217	471	451	20.54	22.951	
2700	2611	2653	2634	15	11	-155.46	-72	229	497	475	21.41	23.193	
2800	2705	2750	2730	15	11	-155.53	-78	241	522	500	22.29	23.415	
2900	2800	2846	2826	16	11	-155.59	-84	252	547	524	23.16	23.619	
3000	2894	2943	2922	17	12	-155.66	-91	264	572	548	24.04	23.808	
3100	2989	3040	3018	18	12	-155.71	-97	276	598	573	24.92	23.982	
3200	3083	3137	3114	18	13	-155.76	-103	288	623	597	25.79	24.145	
3300	3178	3233	3209	19	13	-155.81	-109	299	648	621	26.67	24.296	
3400	3273	3330	3305	20	14	-155.85	-115	311	673	646	27.55	24.436	
3500	3367	3427	3401	20	14	-155.89	-122	323	699	670	28.43	24.568	
3600	3462	3524	3497	21	14	-155.93	-128	334	724	694	29.31	24.691	
3700	3556	3620	3593	22	15	-155.96	-134	346	749	719	30.19	24.807	
3800	3651	3717	3689	23	15	-156.00	-140	358	774	743	31.07	24.916	
3830	3679	3746	3718	23	15	-156.01	-142	362	782	751	31.34	24.948	
3850	3698	3766	3737	23	16	-159.67	-143	364	787	755	31.51	24.962	
3900	3746	3815	3785	23	16	-172.44	-146	370	797	765	31.96	24.937	
3950	3795	3863	3833	23	16	166.16	-149	376	804	772	32.40	24.828	
4000	3845	3912	3882	24	16	135.43	-152	382	809	776	32.84	24.641	
4050	3894	3960	3929	24	16	108.50	-156	387	811	778	33.27	24.383	
4100	3943	4007	3976	24	17	92.87	-159	393	811	777	33.70	24.061	
4150	3991	4053	4021	24	17	84.80	-161	399	808	774	34.14	23.683	
4200	4037	4096	4064	24	17	80.82	-164	404	804	769	34.57	23.260	
4250	4082	4138	4105	24	17	79.17	-167	409	798	763	34.99	22.802	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #128H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
4300	4125	4170	4137	24	17	78.64	-169	413	791	755	35.37	22.355	
4350	4165	4200	4167	23	17	78.90	-170	416	783	747	35.72	21.918	
4400	4202	4219	4186	23	18	79.18	-171	417	775	739	35.98	21.549	
4450	4237	4241	4208	23	18	80.02	-170	418	768	732	36.29	21.165	
4500	4268	4263	4230	23	18	81.12	-169	419	761	725	36.62	20.794	
4550	4295	4285	4252	23	18	82.39	-168	418	756	719	36.97	20.438	
4600	4319	4307	4273	23	18	83.74	-166	417	751	713	37.35	20.100	
4650	4338	4328	4294	23	18	85.12	-163	416	747	709	37.74	19.793	
4698	4353	4348	4314	22	18	86.41	-160	414	745	707	38.14	19.532	
4700	4354	4350	4316	22	18	86.57	-160	414	745	707	38.16	19.518	
4737	4362	4363	4329	22	18	87.39	-157	412	744	706	38.46	19.357	
4750	4365	4368	4334	22	18	87.71	-156	412	744	706	38.56	19.307	
4800	4371	4388	4353	22	18	88.82	-153	409	746	707	38.94	19.154	
4842	4373	4403	4367	22	18	89.61	-149	406	749	710	39.24	19.083	
4900	4373	4426	4389	22	18	91.29	-143	402	756	716	39.58	19.093	
5000	4374	4485	4444	23	18	95.42	-126	387	776	736	40.02	19.392	
5100	4375	4590	4534	23	18	102.06	-86	351	804	764	40.13	20.030	
5200	4376	4799	4674	25	18	111.68	26	246	831	791	39.99	20.782	
5204	4376	4786	4666	25	18	111.20	18	254	832	792	40.05	20.774	
5300	4376	5112	4754	26	20	116.72	238	36	840	798	42.29	19.867	
5322	4377	5135	4754	26	20	116.74	254	21	840	797	42.80	19.619	
5400	4377	5212	4755	27	21	116.78	308	-35	838	794	44.64	18.781	
5422	4377	5235	4755	28	21	116.80	324	-50	838	793	45.22	18.529	
5500	4378	5312	4756	29	22	116.85	379	-106	836	789	47.30	17.683	
5522	4378	5334	4756	29	22	116.86	394	-122	836	788	47.94	17.437	
5600	4379	5412	4756	31	24	116.91	449	-177	835	784	50.23	16.615	
5622	4379	5434	4757	31	24	116.92	465	-193	834	783	50.92	16.380	
5700	4379	5512	4757	33	25	116.97	519	-248	833	779	53.37	15.601	
5722	4380	5534	4757	33	26	116.98	535	-264	832	778	54.11	15.381	
5800	4380	5612	4758	35	27	117.03	590	-319	831	774	56.70	14.653	
5822	4380	5634	4758	35	28	117.05	605	-335	830	773	57.47	14.449	
5900	4381	5712	4759	37	29	117.10	660	-390	829	769	60.17	13.776	
5922	4381	5734	4759	37	29	117.11	676	-406	829	768	60.97	13.589	
6000	4382	5812	4759	39	31	117.16	730	-461	827	763	63.77	12.970	
6022	4382	5834	4759	39	31	117.17	746	-477	827	762	64.59	12.799	
6100	4382	5912	4760	41	33	117.22	801	-532	825	758	67.46	12.232	
6122	4383	5934	4760	41	33	117.24	816	-548	825	756	68.30	12.076	
6200	4383	6012	4761	43	35	117.29	871	-603	823	752	71.24	11.557	
6222	4383	6034	4761	43	36	117.30	887	-619	823	751	72.10	11.414	
6300	4384	6112	4761	45	37	117.35	941	-674	821	746	75.09	10.940	
6322	4384	6134	4762	46	38	117.37	957	-690	821	745	75.96	10.810	
6400	4385	6212	4762	47	39	117.42	1012	-745	820	741	78.99	10.376	
6422	4385	6234	4762	48	40	117.43	1027	-761	819	739	79.87	10.256	
6500	4385	6312	4763	50	42	117.48	1082	-816	818	735	82.95	9.859	
6522	4386	6334	4763	50	42	117.49	1098	-832	817	733	83.83	9.749	
6600	4386	6412	4764	52	44	117.55	1152	-888	816	729	86.94	9.384	
6622	4386	6434	4764	52	44	117.56	1168	-903	815	728	87.84	9.284	
6700	4387	6512	4764	54	46	117.61	1222	-959	814	723	90.97	8.948	
6722	4387	6534	4764	55	47	117.63	1238	-974	814	722	91.87	8.856	
6800	4388	6612	4765	56	48	117.68	1293	-1030	812	717	95.03	8.546	
6822	4388	6634	4765	57	49	117.69	1308	-1045	812	716	95.94	8.461	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #128H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Rule Assigned:

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
6900	4388	6712	4766	59	51	117.74	1363	-1101	810	711	99.12	8.175	
6922	4389	6734	4766	59	51	117.76	1379	-1117	810	710	100.03	8.097	
7000	4389	6812	4766	61	53	117.81	1433	-1172	808	705	103.22	7.832	
7022	4389	6834	4767	62	54	117.82	1449	-1188	808	704	104.14	7.759	
7100	4390	6912	4767	63	55	117.88	1504	-1243	807	699	107.35	7.514	
7122	4390	6934	4767	64	56	117.89	1519	-1259	806	698	108.27	7.446	
7200	4391	7012	4768	66	58	117.94	1574	-1314	805	693	111.49	7.218	
7222	4391	7034	4768	66	58	117.96	1590	-1330	804	692	112.41	7.155	
7300	4391	7112	4769	68	60	118.01	1644	-1385	803	687	115.64	6.943	
7322	4392	7134	4769	69	61	118.02	1660	-1401	802	686	116.57	6.884	
7400	4392	7212	4769	70	63	118.08	1715	-1456	801	681	119.80	6.686	
7422	4392	7234	4769	71	63	118.09	1730	-1472	801	680	120.73	6.631	
7500	4393	7312	4770	73	65	118.15	1785	-1527	799	675	123.98	6.446	
7522	4393	7334	4770	73	65	118.16	1801	-1543	799	674	124.91	6.395	
7600	4394	7412	4771	75	67	118.21	1855	-1598	797	669	128.16	6.221	
7622	4394	7434	4771	76	68	118.23	1871	-1614	797	668	129.09	6.173	
7700	4394	7512	4771	77	70	118.28	1926	-1669	795	663	132.35	6.010	
7722	4395	7534	4772	78	70	118.30	1941	-1685	795	662	133.28	5.965	
7800	4395	7612	4772	80	72	118.35	1996	-1740	794	657	136.54	5.812	
7822	4395	7634	4772	80	73	118.37	2011	-1756	793	656	137.48	5.770	
7900	4396	7712	4773	82	75	118.42	2066	-1812	792	651	140.74	5.626	
7922	4396	7734	4773	83	75	118.44	2082	-1827	791	650	141.68	5.586	
8000	4397	7812	4774	85	77	118.49	2136	-1883	790	645	144.94	5.450	
8022	4397	7834	4774	85	77	118.50	2152	-1898	790	644	145.88	5.412	
8100	4397	7912	4774	87	79	118.56	2207	-1954	788	639	149.15	5.284	
8122	4398	7934	4774	88	80	118.57	2222	-1969	788	638	150.08	5.248	
8200	4398	8012	4775	89	82	118.63	2277	-2025	786	633	153.36	5.127	
8222	4398	8034	4775	90	82	118.64	2293	-2041	786	632	154.29	5.093	
8300	4399	8112	4776	92	84	118.70	2347	-2096	784	627	157.56	4.978	
8322	4399	8134	4776	92	85	118.72	2363	-2112	784	626	158.50	4.946	
8400	4400	8212	4776	94	87	118.77	2418	-2167	783	621	161.77	4.838	
8422	4400	8234	4777	95	87	118.79	2433	-2183	782	619	162.71	4.807	
8500	4400	8312	4777	97	89	118.84	2488	-2238	781	615	165.98	4.704	
8522	4401	8334	4777	97	90	118.86	2504	-2254	780	613	166.91	4.675	
8600	4401	8412	4778	99	91	118.91	2558	-2309	779	609	170.19	4.577	
8622	4401	8434	4778	100	92	118.93	2574	-2325	778	607	171.12	4.549	
8700	4402	8512	4779	101	94	118.98	2629	-2380	777	603	174.39	4.456	
8722	4402	8534	4779	102	94	119.00	2644	-2396	777	601	175.33	4.430	
8800	4403	8611	4779	104	96	119.06	2699	-2451	775	597	178.60	4.341	
8822	4403	8634	4779	104	97	119.07	2715	-2467	775	595	179.53	4.316	
8900	4403	8711	4780	106	99	119.13	2769	-2522	773	591	182.80	4.231	
8922	4404	8734	4780	107	99	119.15	2785	-2538	773	589	183.74	4.207	
9000	4404	8811	4781	109	101	119.20	2840	-2593	772	585	187.01	4.126	
9022	4404	8834	4781	109	102	119.22	2855	-2609	771	583	187.94	4.103	
9100	4405	8911	4781	111	104	119.28	2910	-2664	770	579	191.20	4.026	
9122	4405	8934	4782	112	104	119.29	2925	-2680	769	577	192.13	4.004	
9200	4406	9011	4782	114	106	119.35	2980	-2736	768	572	195.40	3.930	
9222	4406	9034	4782	114	107	119.37	2996	-2751	767	571	196.33	3.909	
9300	4407	9111	4783	116	109	119.42	3050	-2807	766	566	199.59	3.838	
9322	4407	9134	4783	117	109	119.44	3066	-2822	766	565	200.52	3.818	
9400	4407	9211	4784	118	111	119.50	3121	-2878	764	560	203.78	3.750	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design: I06 2309 - Ponderosa I06 2309 Fed Com #128H - Original Drilling - APD Rev 1

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Rule Assigned:

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
9421	4407	9233	4784	119	112	119.51	3136	-2893	764	559	204.68	3.732	
9497	4408	9308	4784	121	113	119.57	3189	-2947	762	555	207.84	3.668	SF

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

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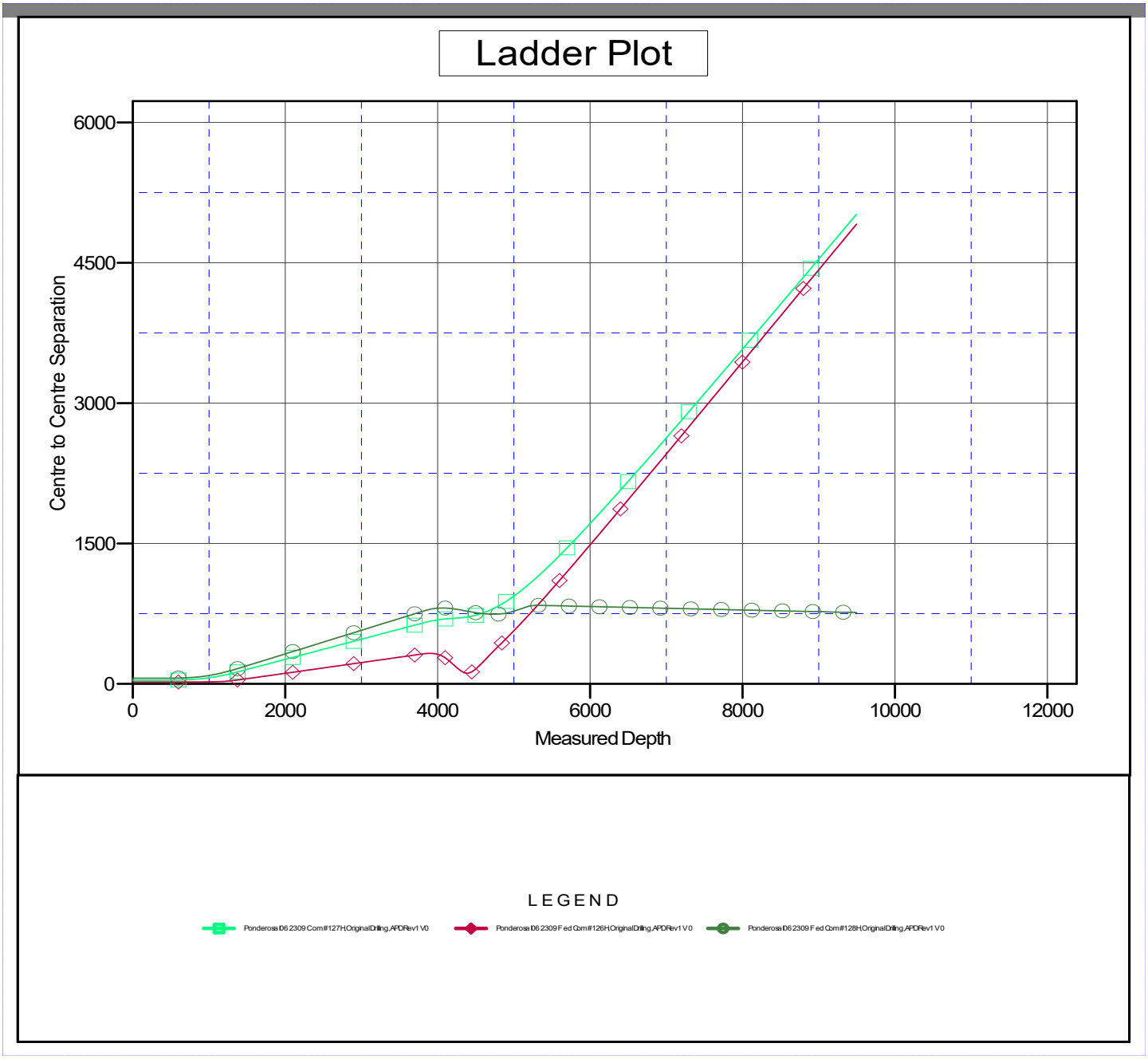
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 6692' & RKB 14' @ 6706ft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: Ponderosa I06 2309 Fed Com #125H - Slot 1
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.01°



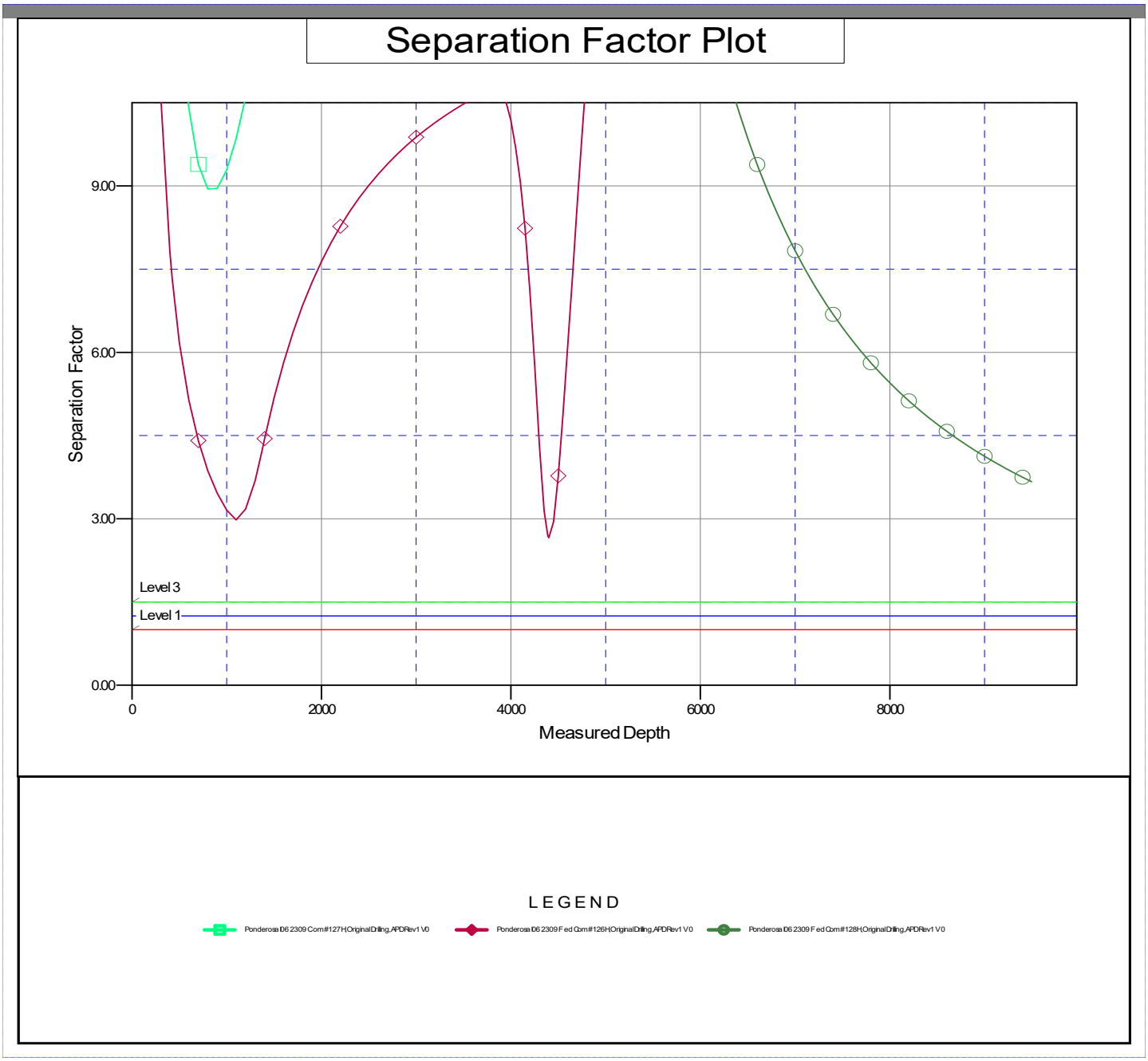
DJR Operating

Lonestar Consulting, LLC
Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well Ponderosa I06 2309 Fed Com #125H - Slot 1
Project:	Ponderosa Unit	**TVD Reference:**	GL 6692' & RKB 14' @ 6706ft
Reference Site:	I06 2309	**MD Reference:**	GL 6692' & RKB 14' @ 6706ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	Ponderosa I06 2309 Fed Com #125H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 6692' & RKB 14' @ 6706ft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: Ponderosa I06 2309 Fed Com #125H - Slot 1
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.01°



CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Blvd, Suite A
Farmington, New Mexico 87402

In Reply Refer To:
3162.3-1(NMF0110)

* DJR OPERATING LLC

#125H PONDEROSA I06 2309 FEDERAL COM

Lease: NMNM137056 Agreement: TBD
SH: NE¼SE¼ Section 6, T. 23N., R. 9W.
San Juan County, New Mexico
BH: Lot 3, Section 6, T. 23N., R. 9W.
San Juan County, New Mexico
***Above Data Required on Well Sign**

GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

The following special requirements apply and are effective when **checked**:

A. ☒ Note all surface/drilling conditions of approval attached.

B. ☒ The required wait on cement (WOC) time will be a minimum of 500 psi compressive strength at 60 degrees. Blowout preventor (BOP) nipple-up operations may then be initiated

C. ☒ Test all casing strings below the conductor casing to .22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield (burst) for a minimum of 30 minutes. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

D. ☒ Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the Bureau of Land Management, New Mexico State Office, Reservoir Management Group, 301 Dinosaur Trail, Santa Fe, New Mexico 87508.
The effective date of the agreement must be **prior** to any sales.

E. ☐ The use of co-flex hose is authorized contingent upon the following:
1. From the BOP to the choke manifold: the co-flex hose must be hobbled on both ends and saddle to prevent whip.
2. From the choke manifold to the discharge tank: the co-flex hoses must be as straight as practical, hobbled on both ends and anchored to prevent whip.
3. The co-flex hose pressure rating must be at least commensurate with approved BOPE.

Approval Date: 08/16/2024

I. GENERAL

A. Full compliance with all applicable laws and regulations, with the approved Permit to drill, and with the approved Surface Use and Operations Plan is required. Lessees and/or operators are fully accountable for the actions of their contractors and subcontractors. Failure to comply with these requirements and the filing of required reports will result in strict enforcement pursuant to 43 CFR 3163.1 or 3163.2.

B. Each well shall have a well sign in legible condition from spud date to final abandonment. The sign should show the operator's name, lease serial number, or unit name, well number, location of the well, and whether lease is Tribal or Allotted, (See 43 CFR 3162.6(b)).

C. A complete copy of the approved Application for Permit to Drill, along with any conditions of approval, shall be available to authorized personnel at the drill site whenever active drilling operations are under way.

D. For Wildcat wells only, a drilling operations progress report is to be submitted, to the BLM-Field Office, weekly from the spud date until the well is completed and the Well Completion Report is filed. The report should be on 8-1/2 x 11 inch paper, and each page should identify the well by; operator's name, well number, location and lease number.

E. As soon as practical, notice is required of all blowouts, fires and accidents involving life-threatening injuries or loss of life. (See NTL-3A).

F. BOP equipment (except the annular preventer) shall be tested utilizing a test plug to full working pressure for 10 minutes. No bleed-off of pressure is acceptable. (See 43 CFR 3172.6(b)(9)(ii)).

G. The operator shall have sufficient weighting materials and lost circulation materials on location in the event of a pressure kick or in the event of lost circulation. (See 43 CFR 3172.8(a)).

H. The flare line(s) discharge shall be located not less than 100 feet from the well head, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where noncombustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare. (See 43 CFR 3172.8(b)(7)).

I. Prior approval by the BLM-Authorized Office (Drilling and Production Section) is required for variance from the approved drilling program and before commencing plugging operations, plug back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally, but such approval is contingent upon filing of a Notice of Intent sundry within three business days. **Any changes to the approved plan or any questions regarding drilling operations should be directed to BLM during regular business hours at 505-564-7600. Emergency program changes after hours should be directed to Virgil Lucero at 505-793-1836.**

J. The Inspection and Enforcement Section (I&E), phone number (505-564-7750) is to be notified at least 24 hours in advance of BOP test, spudding, cementing, or plugging operations so that a BLM representative may witness the operations.

K. Unless drilling operations are commenced within three years according to 43 CFR 3171.14, approval of the Application for Permit to Drill will expire. No extensions will be granted.

L. From the time drilling operations are initiated and until drilling operations are completed, a member of the drilling crew or the tool pusher shall maintain rig surveillance at all times, unless the well is secured with blowout preventers or cement plugs.

M. If for any reason, drilling operations are suspended for more than 90 days, a written notice must be provided to this office outlining your plans for this well.

N. **Commingling**: No production (oil, gas, and water) from the subject well should start until Sundry Notices (if necessary) granting variances from applicable regulations as related to commingling and off-lease measurement are approved by this office. (See 43 CFR 3173.14)

II. REPORTING REQUIREMENTS

A. For reporting purposes, all well Sundry notices, well completion and other well actions shall be referenced by the appropriate lease, communitization agreement and/or unit agreement numbers.

B. The following reports shall be filed with the BLM-Authorized Officer online through AFMSS 2 within 30 days after the work is completed.

1. Provide complete information concerning.

a. Setting of each string of casing. Show size and depth of hole, grade and weight of casing, depth set, depth of all cementing tools that are used, amount (in cubic feet) and types of cement used, whether cement circulated to surface and all cement tops in the casing annulus, casing test method and results, and the date work was done. Show spud date on first report submitted.

b. Intervals tested, perforated (include size, number and location of perforations), acidized, or fractured; and results obtained. Provide date work was done on well completion report and completion sundry notice.

c. Subsequent Report of Abandonment, show the way the well was plugged, including depths where casing was cut and pulled, intervals (by depths) where cement plugs were replaced, and dates of the operations.

2. Well Completion Report will be submitted with 30 days after well has been completed.

a. Initial Bottom Hole Pressure (BHP) for the producing formations. Show the BHP on the completion report. The pressure may be: 1) measured with a bottom hole bomb, or; 2) calculated based on shut in surface pressures (minimum seven day buildup) and fluid level shot.

3. Submit a cement evaluation log if cement is not circulated to surface.

C. Production Startup Notification is required no later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site or resumes production in the case of a well which has been off production for more than 90 days. The operator shall notify the Authorized Officer by letter or Sundry Notice, Form 3160-5, or orally to be followed by a letter or Sundry Notice, of the date on which such production has begun or resumed. CFR 43 3162.4-1(c).

III. DRILLER'S LOG

The following shall be entered in the daily driller's log: 1) Blowout preventer pressures tests, including test pressures and results, 2) Blowout preventer tests for proper functioning, 3) Blowout prevention drills conducted, 4) Casing run, including size, grade, weight, and depth set, 5) How pipe was cemented, including amount of cement, type, whether cement circulated to surface, location of cementing tools, etc., 6) Waiting on cement time for each casing string, 7) Casing pressure tests after cementing, including test pressure and results, and 8) Estimated amounts of oil and gas recovered and/or produced during drill stem test.

IV. GAS FLARING

Gas produced from this well may not be vented or flared beyond an initial, authorized test period of * Days, 20 MMCF following its (completion)(recompletion), or flowback has been routed to the production separator, whichever first occurs, without the prior, written approval of the authorized officer in accordance with 43 CFR 3179.81. Should gas be vented or flared without approval beyond the test period authorized above, you may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted. You shall be required to compensate the lessor for the portion of the gas vented or flared without approval which is determined to have been avoidably lost.

*30 days, unless a longer test period is specifically approved by the authorized officer. The 30-day period will commence upon the beginning of flowback following completion or recompletion.

V. SAFETY

A. All rig heating stoves are to be of the explosion-proof type.

B. Rig safety lines are to be installed.

C. Hard hats and other Personal Protective Equipment (PPE) must be utilized.

VI. CHANGE OF PLANS OR ABANDONMENT

A. Any changes of plans required to mitigate unanticipated conditions encountered during drilling operations, will require approval as set forth in Section 1.I.

B. If the well is dry, it is to be plugged in accordance with 43 CFR 3162.3-4, approval of the proposed plugging program is required as set forth in Section 1.I. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where cement plugs are to be placed, type of plugging mud, etc. A Subsequent Report of Abandonment is required as set forth in Section II.B.1c.

C. Unless a well has been properly cased and cemented, or properly plugged, the drilling rig must not be moved from the drill site without prior approval from the BLM-Authorized Officer.

District I
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 380934

CONDITIONS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 380934
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	9/16/2024
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	9/16/2024
ward.rikala	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	9/16/2024
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	9/16/2024
ward.rikala	If cement does not circulate on any string, a CBL is required for that string of casing	9/16/2024
ward.rikala	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	9/16/2024
ward.rikala	This well can not be produced until operator is in compliance with Rule 5.9.	9/16/2024