

Form 3160-3
(October 2024)FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2027UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address		9. API Well No. 30-045-38494
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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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). | 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.

(Continued on page 2)

*(Instructions on page 2)



Additional Operator Remarks

Location of Well

0. SHL: NESW / 2358 FSL / 1892 FWL / TWSP: 25N / RANGE: 12W / SECTION: 22 / LAT: 36.3859004 / LONG: -108.1014167 (TVD: 0 feet, MD: 0 feet)
PPP: SWNW / 1441 FNL / 1152 FWL / TWSP: 25N / RANGE: 12W / SECTION: 22 / LAT: 36.3899517 / LONG: -108.1039331 (TVD: 4404 feet, MD: 4559 feet)
PPP: SESE / 1 FSL / 401 FEL / TWSP: 25N / RANGE: 12W / SECTION: 16 / LAT: 36.3939039 / LONG: -108.1092118 (TVD: 4945 feet, MD: 12566 feet)
PPP: NENE / 369 FNL / 1 FEL / TWSP: 25N / RANGE: 12W / SECTION: 21 / LAT: 36.3928866 / LONG: -108.1078529 (TVD: 4945 feet, MD: 12566 feet)
BHL: SWNW / 1850 FNL / 1162 FWL / TWSP: 25N / RANGE: 12W / SECTION: 16 / LAT: 36.4033528 / LONG: -108.1218356 (TVD: 4945 feet, MD: 12566 feet)

BLM Point of Contact

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

CONFIDENTIAL

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-045-38494	Pool Code 5890	Pool Name BISTI LOWER-GALLUP (O)
Property Code 320279	Property Name CARSON UNIT	Well Number 631H
OGRID No. 371838	Operator Name DJR OPERATING, LLC	Ground Level Elevation 6354'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input checked="" type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location (SHL)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
K	22	25N	12W		2358' SOUTH	1892' WEST	36.385900° N	108.101417° W	SAN JUAN

Bottom Hole Location (BHL)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
E	16	25N	12W		1850' NORTH	1162' WEST	36.403353° N	108.121836° W	SAN JUAN

Dedicated Acres SEC 22: NW/4; SEC 21: NE/NE; SEC 15: SW/SW; SEC 16: S/2 SE, NW/SE, NE/SW & S/2 NW = 480 ACRES	PENETRATED SPACING UNIT; Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code Unit
Order Numbers: R-828 R-828A	Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No			

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
K	22	25N	12W		2358' SOUTH	1892' WEST	36.385900° N	108.101417° W	SAN JUAN

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
E	22	25N	12W		1441' NORTH	1152' WEST	36.389952° N	108.103933° W	SAN JUAN

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
E	16	25N	12W		1850' NORTH	1162' WEST	36.403353° N	108.121836° W	SAN JUAN

Unitized Area or Area of Uniform Interest CARSON UNIT	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
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OPERATOR CERTIFICATIONS

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

Shaw-Marie Ford
Signature

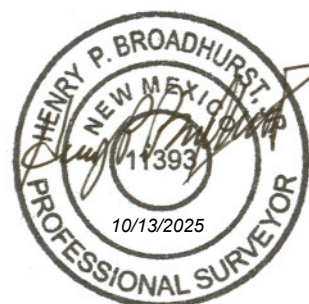
10/13/2025
Date

Shaw-Marie Ford
Printed Name

sford@enduringresources.com
E-mail Address

SURVEYOR CERTIFICATIONS

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.



Signature and Seal of Professional Surveyor:

Certificate Number

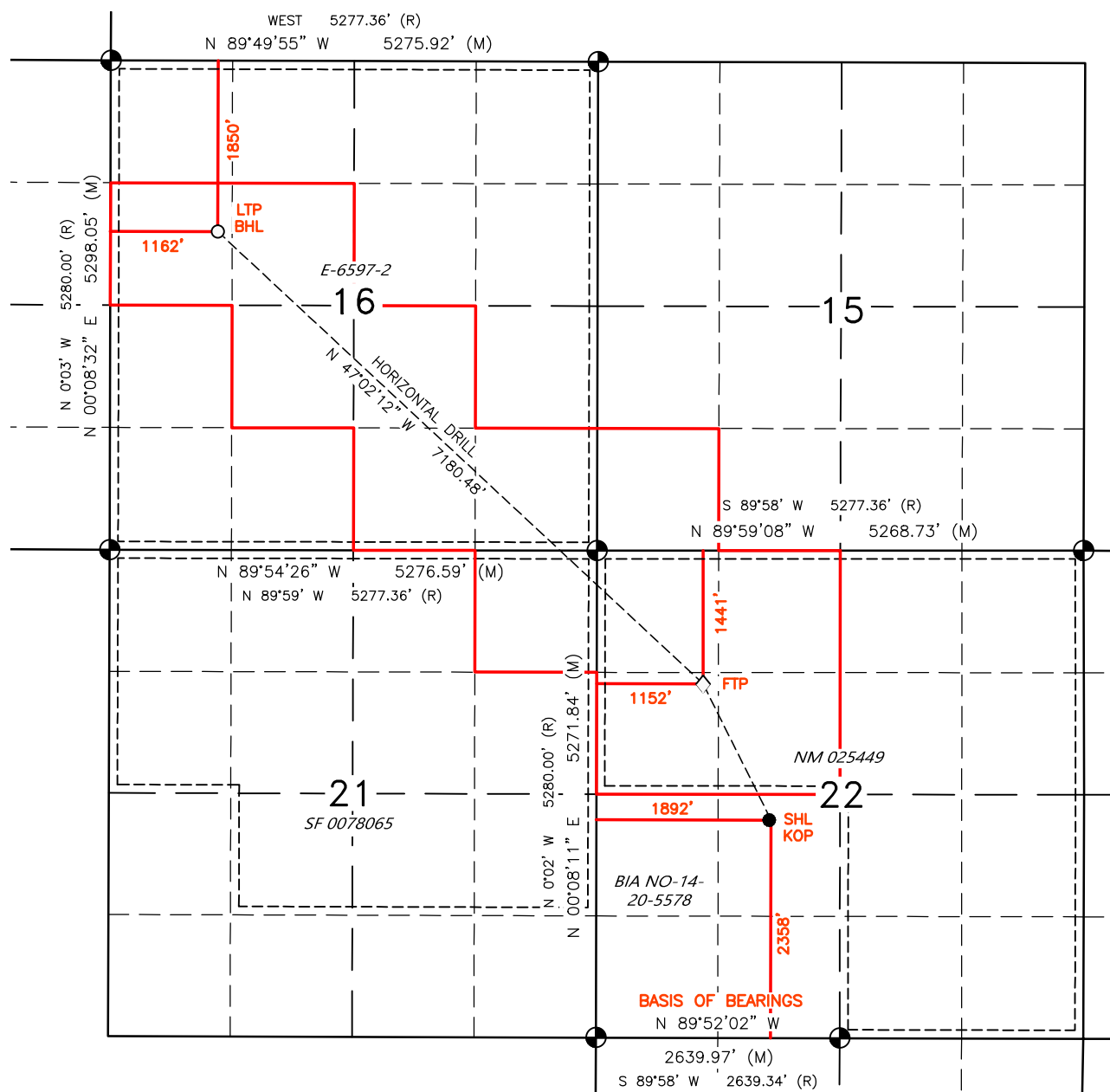
11393

Date of Survey

SEPTEMBER 14, 2021

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.

FND 2.5" BC
GLO 1911



SURFACE LOCATION (SHL) ●
2358' FSL 1892' FWL
SEC. 22, T25N, R12W
LAT. 36.385900° N (NAD83)
LONG. 108.101417° W (NAD83)

KICK OFF POINT (KOP) ▲
2358' FSL 1892' FWL
SEC. 22, T25N, R12W
LAT. 36.385900° N (NAD83)
LONG. 108.101417° W (NAD83)

FIRST TAKE POINT (FTP) ◇
1441' FNL 1152' FWL
SEC. 22, T25N, R12W
LAT. 36.389952° N (NAD83)
LONG. 108.103933° W (NAD83)

LAST TAKE POINT (LTP) □
1850' FNL 1162' FWL
SEC. 16, T25N, R12W
LAT. 36.403353° N (NAD83)
LONG. 108.121836° W (NAD83)

BOTTOM HOLE LOCATION (BHL) ○
1850' FNL 1162' FWL
SEC. 16, T25N, R12W
LAT. 36.403353° N (NAD83)
LONG. 108.121836° 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:** 12 / 16 / 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
Carson Unit 606H	TBD	K-22-25N-12W	2358 FSL x 1912 FWL	850	1701	166
Carson Unit 610H	TBD	K-22-25N-12W	2358 FSL x 1852 FWL	850	1701	166
Carson Unit 627H	TBD	K-22-25N-12W	2358 FSL x 1872 FWL	850	1701	166
Carson Unit 631H	TBD	K-22-25N-12W	2358 FSL x 1892 FWL	850	1701	166
				3-year Decline	3-year Decline	3-year Decline
Carson Unit 606H	TBD	K-22-25N-12W	2358 FSL x 1912 FWL	192	384	38
Carson Unit 610H	TBD	K-22-25N-12W	2358 FSL x 1852 FWL	192	384	38
Carson Unit 627H	TBD	K-22-25N-12W	2358 FSL x 1872 FWL	192	384	38
Carson Unit 631H	TBD	K-22-25N-12W	2358 FSL x 1892 FWL	192	384	38

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
Carson Unit 606H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 2025
Carson Unit 610H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 2025
Carson Unit 627H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 2025
Carson Unit 631H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 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: <i>Shaw-Marie Ford</i>
Printed Name: Shaw-Marie Ford
Title: Regulatory Specialist
E-mail Address: sford@enduringresources.com
Date: 12/19/2024
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
CARSON UNIT 606H, 610H, 627H and 631H

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.



DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
CARSON UNIT 606H, 610H, 627H and 631H

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



DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
CARSON UNIT 606H, 610H, 627H and 631H

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.



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 take 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 is designed with an auto ignition system.
3. Flare stacks will appropriately sized and designed to ensure proper combustion efficiency.
 - 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.



DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
CARSON UNIT 606H, 610H, 627H and 631H

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.

DJR's 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.

Rev 0



DRILLING PLAN

Carson Unit #631H

San Juan County, New Mexico

Surface Location

1892-ft FWL & 2358-ft FSL
 Sec 22 T25N R12W
 Graded Elevation 6354' MSL
 RKB Elevation 6368' (14' KB)

SHL Geographical Coordinates (NAD-83)

Latitude 36.3859004° N
 Longitude 108.1014167° W

Kick Off Point for Horizontal Build Curve

4559-ft MD
 4404-ft TVD

Local Coordinates (from SHL)

1011-ft North
 341-ft West

Heel Location (Pay zone entry)

1152-ft FWL & 1441-ft FNL
 Sec 22 T25 R12

Heel Geographical Coordinates (NAD-83)

Latitude 36.38995166° N
 Longitude 108.10393306° W

Bottom Hole Location (TD)

1162-ft FWL & 1850-ft FNL
 Sec 16 T25 R12

BHL Geographical Coordinates (NAD-83)

Latitude 36.40335281° N
 Longitude 108.1218356° W

Well objectives

This well is planned as a 7180-ft lateral in the Gallup C sand.

Bottom Hole temperature and pressure

The temperature in the Gallup C horizontal objective is 137°F. Bottom hole pressure in the Gallup C 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	280	280	Sd	W	8.3	8.4 – 8.8
Kirtland	403	403	Sh	-	8.3	8.4 – 8.8
Fruitland	914	913	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1190	1184	Sd	W	8.3	9.0 - 9.5
Lewis	1343	1332	Sh	-		9.0 - 9.5
Chacra	1977	1937	Sd	-	8.3	9.0 - 9.5
Menefee	2661	2591	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3728	3610	Sd	-	8.3	9.0 - 9.5
Mancos	3906	3781	Sh	-		9.0 - 9.5
Mancos Silt	4243	4103	Slt	O/G	6.6	9.0 - 9.5
Gallup A	4819	4633	Slt	O/G	6.6	9.0 - 9.5
Gallup B	4901	4693	Sd	O/G	6.6	8.8 - 9.0
Gallup C	5061	4788	Sd	O/G	6.6	8.8 - 9.0
Target	5386	4871	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	5336	surf	4869	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	5055	12566	4785	4945	5055

Note: all casing will be new

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**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

		Design Factors			
Casing string	Casing OD	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 Design9-5/8" Surface Casing

	<u>Lead</u>
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

	<u>Lead</u>	<u>Tail</u>
	American Cementing	American Cementing
Type	I/II	Poz/G
Planned top	Surface	3906-ft
Density (ppg)	12.30	13.50
Yield (cf/sx)	2.32	1.46
Mix water (gal/sx)	13.22	7.11
Volume (sx)	435	153
Volume (bbls)	180	40
Volume (cu.ft.)	1010	224
Excess %	78	0



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4-1/2" Production Liner

	American Cementing
Type	Poz/G
Planned top	5055-ft
Density (ppg)	13.3
Yield (cf/sx)	1.52
Mix water (gal/sx)	7.53
Volume (sx)	649
Volume (bbls)	176
Volume (cu.ft)	986
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 – 5336	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	5336 – 12566	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

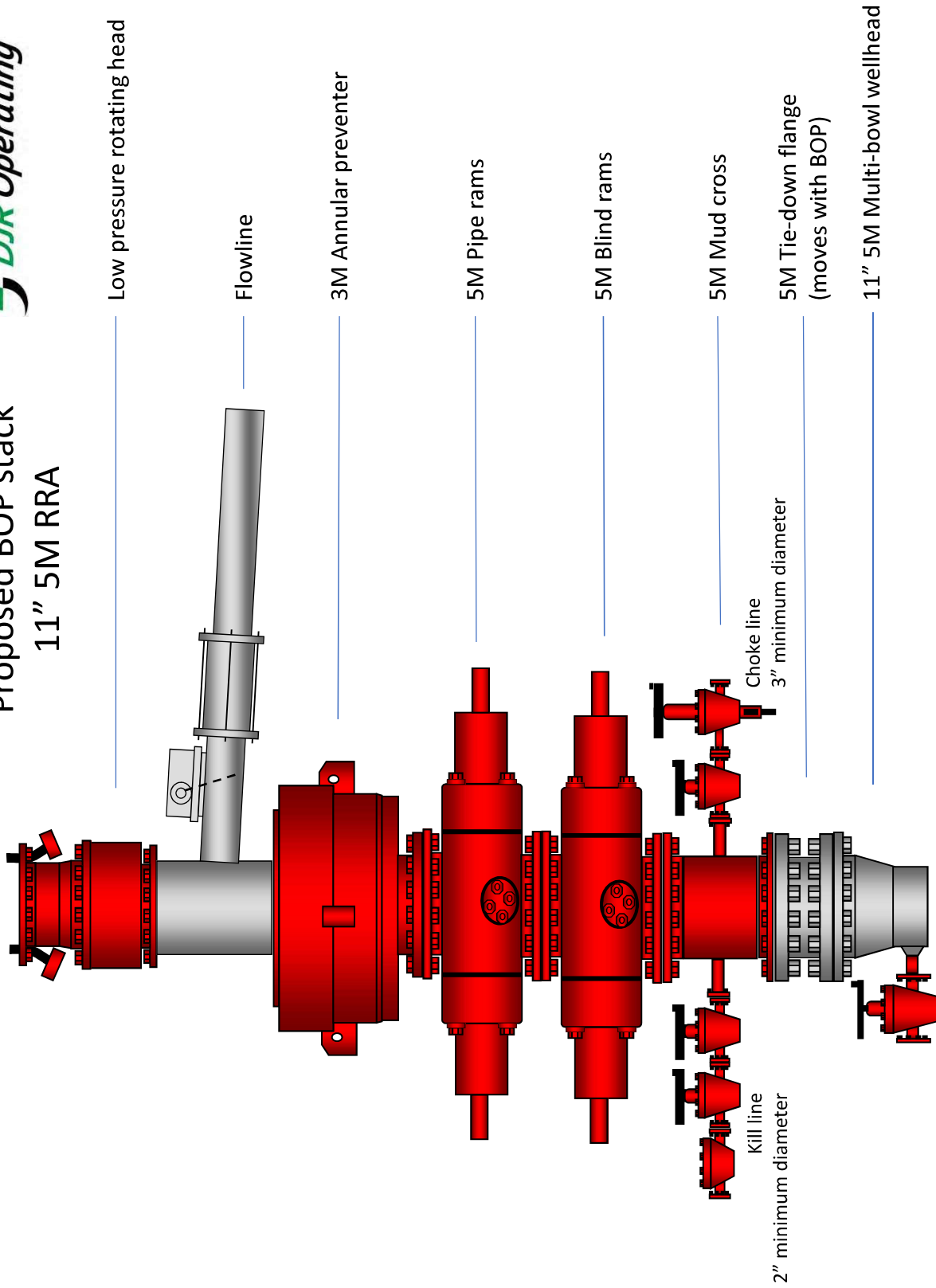
A closed loop, steel tank-based circulating system will be used. In addition to the rig solids control equipment, a dewatering centrifuge and chemical flocculation system will be operational to strip solids from the whole mud. All solids will be collected in 3-sided bins and will then be put into transports 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.



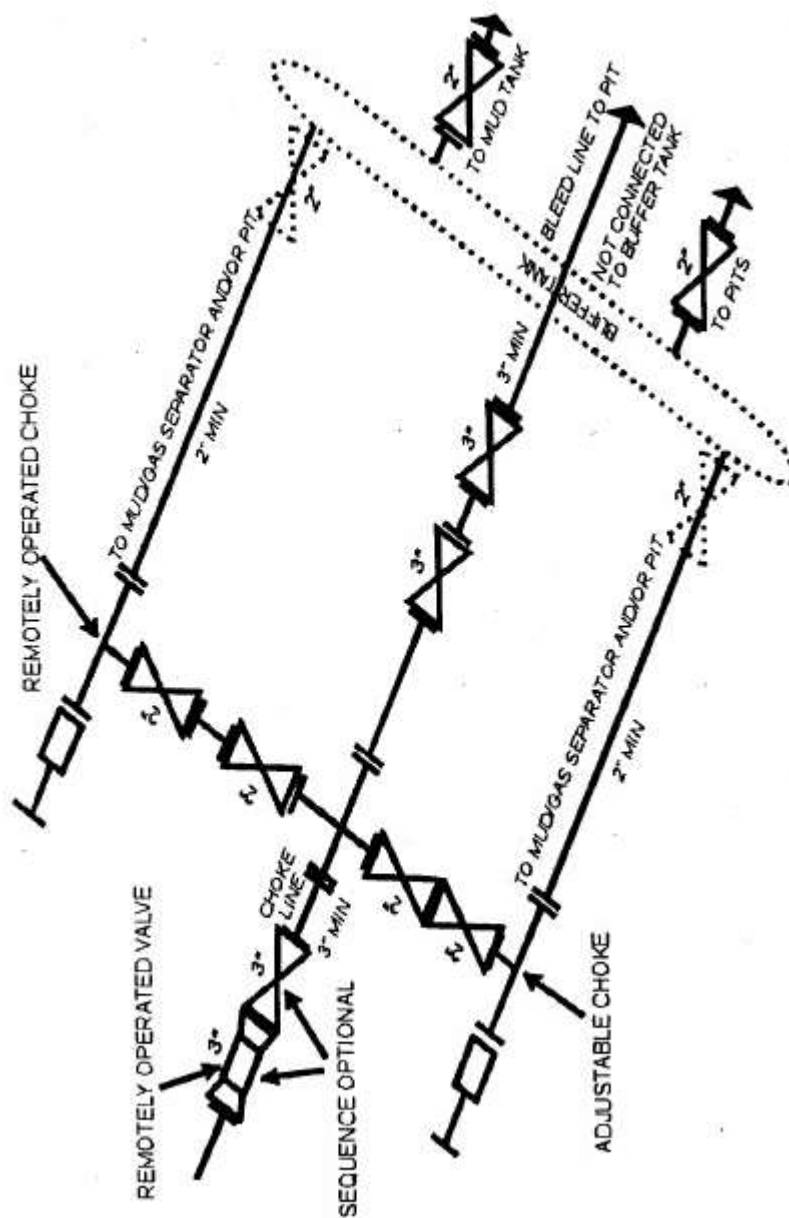
Proposed BOP stack
11" 5M RRA





Choke Manifold

Actual system to conform with Onshore Order 2





Company: DJR Operating
Project: Proposed Carson Unit
Site: WC 22-2 Pad
Well: # 631H
Wellbore: Original Drilling
Design: APD

PROJECT DETAILS: Proposed Carson 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



WELL DETAILS: # 631H

GL 6354' & RKB 14' @ 6368ft

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
0	0	1959879.45	2644184.02	36.38590041	-108.10141672	3

Plan: APD (# 631H/Original Drilling)

Created By: Janie Collins Date: 23:32, March 21 2022

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
631H Heel	4871	1475	-741	1961356.30	2643447.49	36.38995168108	10393306
631H Toe	4945	6354	-6009	1966250.01	2638192.90	36.40335281108	12183560

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec
0	0.00	0.00	0	0	0	0.00	0.00	0
515	0.00	0.00	515	0	0	0.00	0.00	0
1373	17.15	341.39	1360	121	-41	2.00	341.39	116
4559	17.15	341.39	4404	1011	-341	0.00	0.00	969
5386	89.41	312.80	4871	1475	-741	9.00	-29.78	1580
12566	89.41	312.80	4945	6354	-6009	0.00	0.00	8745



Azimuths to True North
Magnetic North: 8

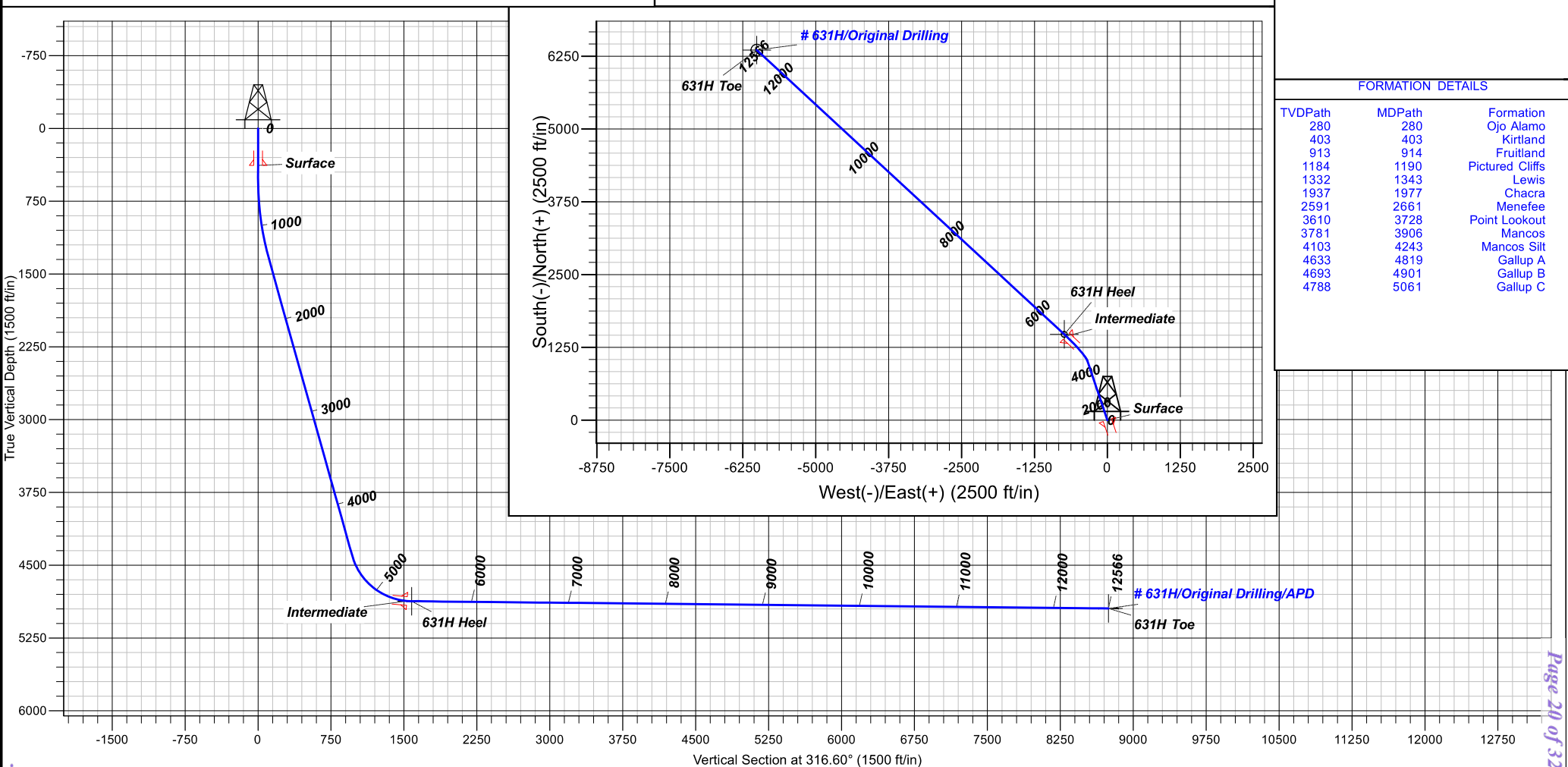
Magnetic Field
Strength: 49352.8 nT
Dip Angle: 62.62°
Date: 7/27/2021
Model: IGRF2015

CASING DETAILS

TVD	MD	Name
380	380	Surface
4869	5336	Intermediate

FORMATION DETAILS

TVDPath	MDPath	Formation
280	280	Ojo Alamo
403	403	Kirtland
913	914	Fruitland
1184	1190	Pictured Cliffs
1332	1343	Lewis
1937	1977	Chacra
2591	2661	Menefee
3610	3728	Point Lookout
3781	3906	Mancos
4103	4243	Mancos Silt
4633	4819	Gallup A
4693	4901	Gallup B
4788	5061	Gallup C





DJR Operating

Proposed Carson Unit

WC 22-2 Pad

631H - Slot 3

Original Drilling

Plan: APD

Standard Planning Report

21 March, 2022





Lonestar Consulting, LLC
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 631H - Slot 3
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 631H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Project	Proposed Carson 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	WC 22-2 Pad				
Site Position:		Northing:	1,959,879.47 usft	Latitude:	36.38590016
From:	Lat/Long	Easting:	2,644,143.98 usft	Longitude:	-108.10155276
Position Uncertainty:	0 ft	Slot Radius:	13.20 in		

Well	# 631H - Slot 3					
Well Position	+N/-S	0 ft	Northing:	1,959,879.45 usft	Latitude:	36.38590041
	+E/-W	0 ft	Easting:	2,644,184.02 usft	Longitude:	-108.10141672
Position Uncertainty		0 ft	Wellhead Elevation:	ft	Ground Level:	6354 ft
Grid Convergence:		-0.16 °				

Wellbore	Original Drilling				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	7/27/2021	8.95	62.93	49,352.58710753

Design	APD			
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	316.60

Plan Survey Tool Program	Date	3/21/2022			
Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks	
1	0	12,566 APD (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	
515	0.00	0.00	515	0	0	0.00	0.00	0.00	0.00	
1373	17.15	341.39	1360	121	-41	2.00	2.00	0.00	341.39	
4559	17.15	341.39	4404	1011	-341	0.00	0.00	0.00	0.00	
5386	89.41	312.80	4871	1475	-741	9.00	8.74	-3.46	-29.78	631H Heel
12,566	89.41	312.80	4945	6354	-6009	0.00	0.00	0.00	0.00	631H Toe



Lonestar Consulting, LLC

Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 631H - Slot 3
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 631H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

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
500	0.00	0.00	500	0	0	0	0.00	0.00	0.00
515	0.00	0.00	515	0	0	0	0.00	0.00	0.00
600	1.70	341.39	600	1	0	1	2.00	2.00	0.00
700	3.70	341.39	700	6	-2	5	2.00	2.00	0.00
800	5.70	341.39	800	13	-5	13	2.00	2.00	0.00
900	7.70	341.39	899	24	-8	23	2.00	2.00	0.00
1000	9.70	341.39	998	39	-13	37	2.00	2.00	0.00
1100	11.70	341.39	1096	56	-19	54	2.00	2.00	0.00
1200	13.70	341.39	1193	77	-26	74	2.00	2.00	0.00
1300	15.70	341.39	1290	101	-34	97	2.00	2.00	0.00
1373	17.15	341.39	1360	121	-41	116	2.00	2.00	0.00
1400	17.15	341.39	1386	128	-43	123	0.00	0.00	0.00
1500	17.15	341.39	1482	156	-53	150	0.00	0.00	0.00
1600	17.15	341.39	1577	184	-62	177	0.00	0.00	0.00
1700	17.15	341.39	1673	212	-71	203	0.00	0.00	0.00
1800	17.15	341.39	1768	240	-81	230	0.00	0.00	0.00
1900	17.15	341.39	1864	268	-90	257	0.00	0.00	0.00
2000	17.15	341.39	1959	296	-100	284	0.00	0.00	0.00
2100	17.15	341.39	2055	324	-109	310	0.00	0.00	0.00
2200	17.15	341.39	2150	352	-119	337	0.00	0.00	0.00
2300	17.15	341.39	2246	380	-128	364	0.00	0.00	0.00
2400	17.15	341.39	2342	408	-137	391	0.00	0.00	0.00
2500	17.15	341.39	2437	436	-147	418	0.00	0.00	0.00
2600	17.15	341.39	2533	464	-156	444	0.00	0.00	0.00
2700	17.15	341.39	2628	492	-166	471	0.00	0.00	0.00
2800	17.15	341.39	2724	520	-175	498	0.00	0.00	0.00
2900	17.15	341.39	2819	548	-184	525	0.00	0.00	0.00
3000	17.15	341.39	2915	576	-194	551	0.00	0.00	0.00
3100	17.15	341.39	3010	604	-203	578	0.00	0.00	0.00
3200	17.15	341.39	3106	632	-213	605	0.00	0.00	0.00
3300	17.15	341.39	3202	659	-222	632	0.00	0.00	0.00
3400	17.15	341.39	3297	687	-232	659	0.00	0.00	0.00
3500	17.15	341.39	3393	715	-241	685	0.00	0.00	0.00
3600	17.15	341.39	3488	743	-250	712	0.00	0.00	0.00
3700	17.15	341.39	3584	771	-260	739	0.00	0.00	0.00
3800	17.15	341.39	3679	799	-269	766	0.00	0.00	0.00
3900	17.15	341.39	3775	827	-279	792	0.00	0.00	0.00
4000	17.15	341.39	3870	855	-288	819	0.00	0.00	0.00
4100	17.15	341.39	3966	883	-297	846	0.00	0.00	0.00
4200	17.15	341.39	4061	911	-307	873	0.00	0.00	0.00
4300	17.15	341.39	4157	939	-316	900	0.00	0.00	0.00
4400	17.15	341.39	4253	967	-326	926	0.00	0.00	0.00
4500	17.15	341.39	4348	995	-335	953	0.00	0.00	0.00
4559	17.15	341.39	4404	1011	-341	969	0.00	0.00	0.00
4600	20.45	336.12	4443	1024	-345	981	9.00	8.01	-12.80
4700	28.86	328.31	4534	1060	-365	1021	9.00	8.41	-7.81
4800	37.52	323.84	4618	1105	-396	1075	9.00	8.67	-4.47
4900	46.30	320.85	4692	1158	-437	1142	9.00	8.78	-2.98
5000	55.14	318.64	4755	1217	-487	1219	9.00	8.84	-2.21



Lonestar Consulting, LLC

Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 631H - Slot 3
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 631H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

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)
5100	64.01	316.86	4806	1281	-545	1305	9.00	8.87	-1.78
5200	72.90	315.33	4843	1348	-609	1398	9.00	8.89	-1.53
5300	81.79	313.94	4865	1416	-679	1495	9.00	8.90	-1.39
5386	89.41	312.80	4871	1475	-741	1580	9.00	8.90	-1.33
5400	89.41	312.80	4871	1485	-751	1595	0.00	0.00	0.00
5500	89.41	312.80	4872	1553	-825	1695	0.00	0.00	0.00
5600	89.41	312.80	4873	1621	-898	1794	0.00	0.00	0.00
5700	89.41	312.80	4874	1688	-971	1894	0.00	0.00	0.00
5800	89.41	312.80	4875	1756	-1045	1994	0.00	0.00	0.00
5900	89.41	312.80	4876	1824	-1118	2094	0.00	0.00	0.00
6000	89.41	312.80	4877	1892	-1191	2193	0.00	0.00	0.00
6100	89.41	312.80	4878	1960	-1265	2293	0.00	0.00	0.00
6200	89.41	312.80	4879	2028	-1338	2393	0.00	0.00	0.00
6300	89.41	312.80	4880	2096	-1411	2493	0.00	0.00	0.00
6400	89.41	312.80	4882	2164	-1485	2593	0.00	0.00	0.00
6500	89.41	312.80	4883	2232	-1558	2692	0.00	0.00	0.00
6600	89.41	312.80	4884	2300	-1632	2792	0.00	0.00	0.00
6700	89.41	312.80	4885	2368	-1705	2892	0.00	0.00	0.00
6800	89.41	312.80	4886	2436	-1778	2992	0.00	0.00	0.00
6900	89.41	312.80	4887	2504	-1852	3091	0.00	0.00	0.00
7000	89.41	312.80	4888	2572	-1925	3191	0.00	0.00	0.00
7100	89.41	312.80	4889	2640	-1998	3291	0.00	0.00	0.00
7200	89.41	312.80	4890	2708	-2072	3391	0.00	0.00	0.00
7300	89.41	312.80	4891	2776	-2145	3491	0.00	0.00	0.00
7400	89.41	312.80	4892	2844	-2218	3590	0.00	0.00	0.00
7500	89.41	312.80	4893	2911	-2292	3690	0.00	0.00	0.00
7600	89.41	312.80	4894	2979	-2365	3790	0.00	0.00	0.00
7700	89.41	312.80	4895	3047	-2439	3890	0.00	0.00	0.00
7800	89.41	312.80	4896	3115	-2512	3989	0.00	0.00	0.00
7900	89.41	312.80	4897	3183	-2585	4089	0.00	0.00	0.00
8000	89.41	312.80	4898	3251	-2659	4189	0.00	0.00	0.00
8100	89.41	312.80	4899	3319	-2732	4289	0.00	0.00	0.00
8200	89.41	312.80	4900	3387	-2805	4389	0.00	0.00	0.00
8300	89.41	312.80	4901	3455	-2879	4488	0.00	0.00	0.00
8400	89.41	312.80	4902	3523	-2952	4588	0.00	0.00	0.00
8500	89.41	312.80	4903	3591	-3026	4688	0.00	0.00	0.00
8600	89.41	312.80	4904	3659	-3099	4788	0.00	0.00	0.00
8700	89.41	312.80	4905	3727	-3172	4887	0.00	0.00	0.00
8800	89.41	312.80	4906	3795	-3246	4987	0.00	0.00	0.00
8900	89.41	312.80	4907	3863	-3319	5087	0.00	0.00	0.00
9000	89.41	312.80	4908	3931	-3392	5187	0.00	0.00	0.00
9100	89.41	312.80	4909	3999	-3466	5287	0.00	0.00	0.00
9200	89.41	312.80	4910	4067	-3539	5386	0.00	0.00	0.00
9300	89.41	312.80	4911	4135	-3612	5486	0.00	0.00	0.00
9400	89.41	312.80	4912	4202	-3686	5586	0.00	0.00	0.00
9500	89.41	312.80	4913	4270	-3759	5686	0.00	0.00	0.00
9600	89.41	312.80	4914	4338	-3833	5785	0.00	0.00	0.00
9700	89.41	312.80	4915	4406	-3906	5885	0.00	0.00	0.00
9800	89.41	312.80	4917	4474	-3979	5985	0.00	0.00	0.00
9900	89.41	312.80	4918	4542	-4053	6085	0.00	0.00	0.00
10,000	89.41	312.80	4919	4610	-4126	6185	0.00	0.00	0.00
10,100	89.41	312.80	4920	4678	-4199	6284	0.00	0.00	0.00
10,200	89.41	312.80	4921	4746	-4273	6384	0.00	0.00	0.00
10,300	89.41	312.80	4922	4814	-4346	6484	0.00	0.00	0.00



Lonestar Consulting, LLC

Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 631H - Slot 3
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 631H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

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)	
10,400	89.41	312.80	4923	4882	-4419	6584	0.00	0.00	0.00	
10,500	89.41	312.80	4924	4950	-4493	6683	0.00	0.00	0.00	
10,600	89.41	312.80	4925	5018	-4566	6783	0.00	0.00	0.00	
10,700	89.41	312.80	4926	5086	-4640	6883	0.00	0.00	0.00	
10,800	89.41	312.80	4927	5154	-4713	6983	0.00	0.00	0.00	
10,900	89.41	312.80	4928	5222	-4786	7082	0.00	0.00	0.00	
11,000	89.41	312.80	4929	5290	-4860	7182	0.00	0.00	0.00	
11,100	89.41	312.80	4930	5358	-4933	7282	0.00	0.00	0.00	
11,200	89.41	312.80	4931	5425	-5006	7382	0.00	0.00	0.00	
11,300	89.41	312.80	4932	5493	-5080	7482	0.00	0.00	0.00	
11,400	89.41	312.80	4933	5561	-5153	7581	0.00	0.00	0.00	
11,500	89.41	312.80	4934	5629	-5226	7681	0.00	0.00	0.00	
11,600	89.41	312.80	4935	5697	-5300	7781	0.00	0.00	0.00	
11,700	89.41	312.80	4936	5765	-5373	7881	0.00	0.00	0.00	
11,800	89.41	312.80	4937	5833	-5447	7980	0.00	0.00	0.00	
11,900	89.41	312.80	4938	5901	-5520	8080	0.00	0.00	0.00	
12,000	89.41	312.80	4939	5969	-5593	8180	0.00	0.00	0.00	
12,100	89.41	312.80	4940	6037	-5667	8280	0.00	0.00	0.00	
12,200	89.41	312.80	4941	6105	-5740	8380	0.00	0.00	0.00	
12,300	89.41	312.80	4942	6173	-5813	8479	0.00	0.00	0.00	
12,400	89.41	312.80	4943	6241	-5887	8579	0.00	0.00	0.00	
12,500	89.41	312.80	4944	6309	-5960	8679	0.00	0.00	0.00	
12,566	89.41	312.80	4945	6354	-6009	8745	0.00	0.00	0.00	

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
631H Heel	0.00	0.00	4871	1475	-741	1,961,356.30	2,643,447.49	36.38995166	-108.10393305	
- plan hits target center										
- Circle (radius 50)										
631H Toe	0.00	0.00	4945	6354	-6009	1,966,250.02	2,638,192.90	36.40335281	-108.12183560	
- plan hits target center										
- Circle (radius 100)										

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)	
380	380	Surface	9.63	12.25	
5336	4869	Intermediate	7.00	8.75	



Lonestar Consulting, LLC
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 631H - Slot 3
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 631H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
280	280	Ojo Alamo		0.00	0.00	
403	403	Kirtland		0.00	0.00	
914	913	Fruitland		0.00	0.00	
1190	1184	Pictured Cliffs		0.00	0.00	
1343	1332	Lewis		0.00	0.00	
1977	1937	Chacra		0.00	0.00	
2661	2591	Menefee		0.00	0.00	
3728	3610	Point Lookout		0.00	0.00	
3906	3781	Mancos		0.00	0.00	
4243	4103	Mancos Silt		0.00	0.00	
4819	4633	Gallup A		0.00	0.00	
4901	4693	Gallup B		0.00	0.00	
5061	4788	Gallup C		0.00	0.00	



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

#631H CARSON UNIT

Lease: NMNM25449 Agreement: NMNM78385A

SH: NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 22, T.25 N., R.12 W.

San Juan County, New Mexico

BH: SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 16, T.25 N., R.12 W.

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 the surface casing to a minimum of _____ psi for 30 minutes.
- D. ☐ Test all casing strings below the surface 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.
- E. ☐ 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.
- F. ☐ 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.

INTERIOR REGION 7 • UPPER COLORADO BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

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. 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.
- L. 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.
- M. **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.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

ACKNOWLEDGMENTS

Action 515219

ACKNOWLEDGMENTS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 515219
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.
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Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

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

CONDITIONS

Action 515219

CONDITIONS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 515219
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
scrues76	Cement is required to circulate on both surface and intermediate1 strings of casing.	10/14/2025
scrues76	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.	10/14/2025
ward.rikala	Notify the OCD 24 hours prior to casing & cement.	10/31/2025
ward.rikala	File As Drilled C-102 and a directional Survey with C-104 completion packet.	10/31/2025
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.	10/31/2025
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.	10/31/2025