

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF DJR
OPERATING, LLC TO AMEND
ORDER NO. R-14194
AFFECTING THE PONDEROSA
UNIT, SAN JUAN COUNTY,
NEW MEXICO.**

CASE NO. 23283

NOTICE OF SUPPLEMENTAL EXHIBITS

DJR Operating, LLC, (“DJR”) (OGRID No. 371838) gives notice that it is filing the attached supplemental exhibits DJR Exhibits F and G in response to requests made by the Division Examiners during the hearing on January 5, 2023. Attached as **DJR Exhibit F** is a copy of the BLM approved alternative well pad location for DJR’s proposed initial obligation well, the Ponderosa Unit 116H or 120H well, which includes BLM’s notification to the Director of the Federal Indian Minerals Office and request for concurrence. Attached as **DJR Exhibit G** is a copy of an email from the New Mexico State Land Office Units Manager Scott Dawson waiving notice of the application and hearing in this case.

During the January 5, 2023, the Division Examiner asked why the description of the unitized interval in this case did not also refer to the “Base of the Greenhorn Limestone” in the same way that the unitized interval is described in the Carson Unit does. DJR confirms that the unitized interval for the Ponderosa Unit does extend to the “Base of the Greenhorn Limestone” even though that additional reference/descriptor was not expressly included in the written description of the unitized interval. DJR Revised Exhibit B4, which includes the type log for the Ponderosa Unit, clearly reflects that the base of the unitized interval is the “Graneros Shale (Base

Greenhorn).” The type log is Exhibit C of the Ponderosa Unit Agreement and is incorporated by reference.

DJR respectfully requests that DJR Exhibits F and G be accepted into the record in this case and that the case be taken under advisement.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR DJR OPERATING, LLC



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:
3180 (NM92500)
NMNM 142119X

Reference:
Ponderosa Unit
Obligation Well Location
San Juan County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. F

Submitted by: DJR Operating, LLC Hearing

Date: January 5, 2023

Case No. 23283

Robert Begay, Director
Federal Indian Minerals Office
6251 College Blvd, Suite B
Farmington, NM 87402

Dear Director:

On June 8, 2022, DJR Energy respectfully submits and requests BLM's approval to an alternative location for the initial obligation well to test the Mancos formation that was proposed and approved at a location with SHL in SWSE of Section 6, T23N-R9W, and BHL in the SWSE of Section 8, T23N-R9W. The projected lateral for the well intersects one or more tracts of unleased Navajo Allotted minerals and therefore, it was necessary to delay the permitting of the location to a future date subsequent to the issue of leases covering said tracts. The proposed alternative location is from DJR's pad Ponderosa Unit C07 2309 is as follows:

Ponderosa Unit 116H or Ponderosa Unit 120H

SHL: NENW of Section 7, T23N-R9W

BHL: SESW of Section 8, T23N-R9W

In accordance with the guidelines established by the Onshore Energy and Mineral Lease Management Interagency Standard Operating Procedures (SOP), BLM is responsible for providing a review and recommendation to the Federal Indian Minerals Office (FIMO) for unit agreements that include Indian mineral lands.

The BLM recommends approving the new location of the initial obligation well. If FIMO concurs with this recommendation, please provide official concurrence to the BLM Authorized Officer at the New Mexico State Office. BLM will then notify the operator and FIMO with the decision letter granting the approval.

Please contact Kyle Paradis, Branch Chief – Reservoir Management, at 406-233-4820 if you have any questions.

Sincerely,

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2022.07.14
12:21:35 -06'00'

Kyle Paradis
Branch Chief – Reservoir Management
Division of Minerals

Enclosure:

1- DJR Energy Request for Alternate Validation Well

cc:

NM92500, L. Rivera

From: Dawson, Scott <sdawson@slo.state.nm.us>
Sent: Monday, January 9, 2023 4:56 PM
To: Mona Binion <mbinion@djrlc.com>
Cc: Lamkin, Baylen L. <blamkin@slo.state.nm.us>
Subject: Notice for the Carson and Ponderosa Units

Hi Mona,

We are waiving the Notice Requirements for the above units as we have received all the required paperwork for amending the units.

If there are any questions, please contact me.



Scott Dawson

*Petroleum Specialist Advanced
Units Manager/Geologist
Oil, Gas and Minerals Division
505.827.5791
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
sdawson@slo.state.nm.us
nmstatelands.org*

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. G
Submitted by: DJR Operating, LLC
Hearing Date: January 5, 2023
Case No. 23283

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