

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. FEE
2. Name of Operator DJR OPERATING LLC		6. If Indian, Allottee or Tribe Name
3a. Address 1600 BROADWAY SUITE 1960 DENVER, CO 80202		7. If Unit or CA/Agreement, Name and/or No. NMNM135367A
3b. Phone No. (include area code) Ph: 505-632-3476		8. Well Name and No. VENADO CANYON UNIT 207H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T22N R6W NENE 263FNL 1151FEL 36.158848 N Lat, 107.433037 W Lon		9. API Well No. 30-043-21293-00-X1
		10. Field and Pool or Exploratory Area BASIN MANCOS
		11. County or Parish, State SANDOVAL COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

DJR Operating, LLC is requesting authorization to install gas life at the Venado Canyon Unit 207H well. Attached is a schematic of the pad with the gas life and the gas allocation procedure.

NMOC
OCT 16 2019
DISTRICT III

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #487507 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Farmington
Committed to AFMSS for processing by JOHN HOFFMAN on 10/15/2019 (20JH0032SE)**

Name (Printed/Typed) ALICE MASCARENAS	Title REGULATORY TECHNICIAN
Signature (Electronic Submission)	Date 10/10/2019

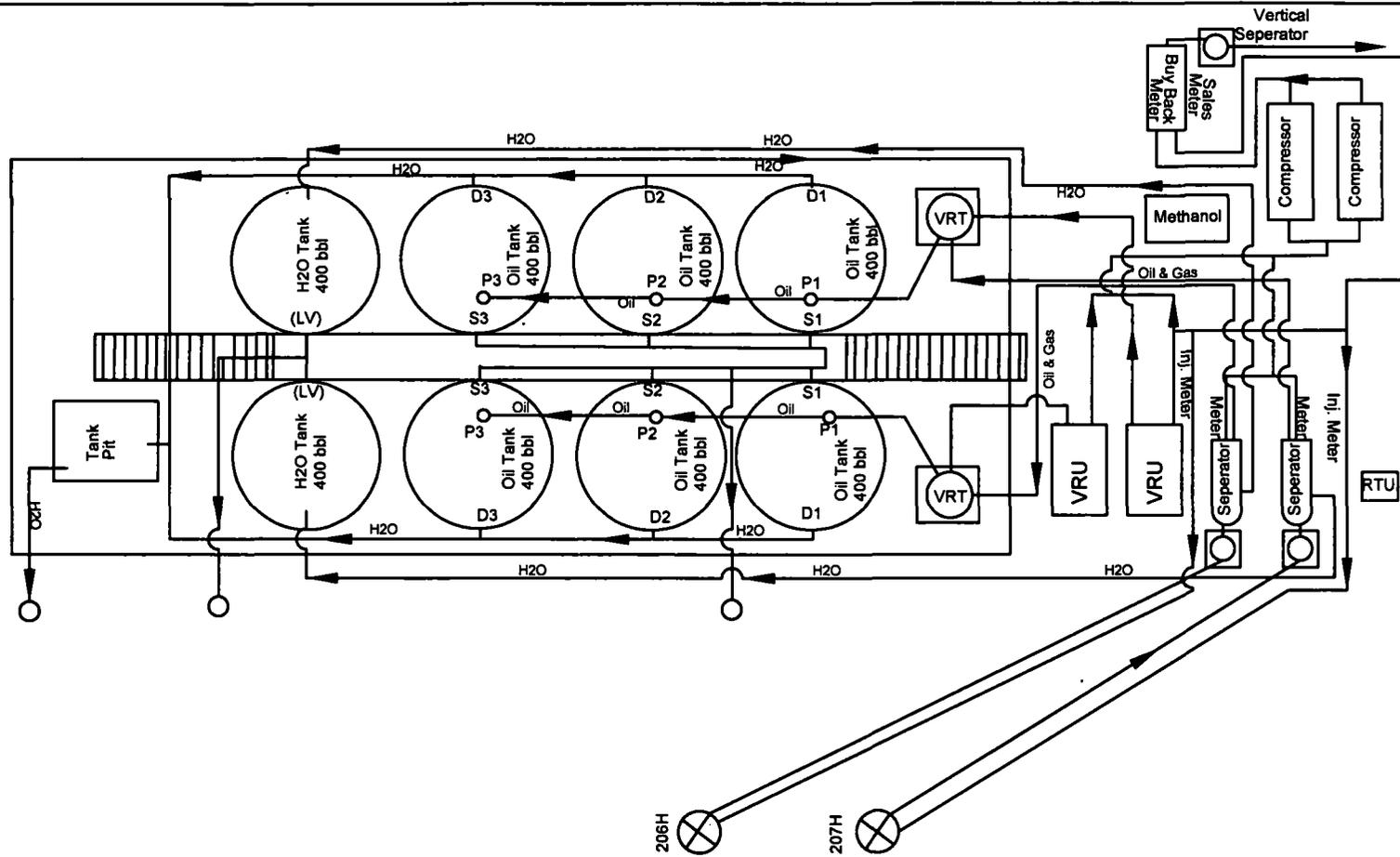
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOHN HOFFMAN</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>10/15/2019</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <u>Farmington</u>

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.

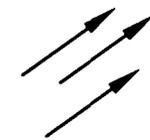
AV

d



Combustor

Surface Flow Direction



DJR Operating LLC

Venado Canyon Unit 207H
Lease # NMNM 109385
Unit Lease # NMNM 135367A
API # 30-043-21293
T22N, R6W, Sec 11

(DV)=Drain Valve
(SV)=Sales Valve
(PV)=Production Valve
(LV)=Load Valve

Production Valves on the
Oil Tanks will be sealed
during Oil Sales.

DJR Operating, LLC
Venado Canyon Unit 207H
Sandoval County, New Mexico

Individual Well Gas Production

- Allocated Gas production off lease, MCF: $\{(W_1-R_1)/((W_1-R_1) + (W_2-R_2) + (W_n-R_n))\} * (V)$
- On lease fuel usage, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.
- Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.
- Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $\{(W_1-R_1)/((W_1-R_1) + (W_2-R_2) + (W_n-R_n))\}$.
- Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the individual wells affected using factors determined $\{(W_1-R_1)/((W_1-R_1) + (W_2-R_2) + (W_n-R_n))\}$.

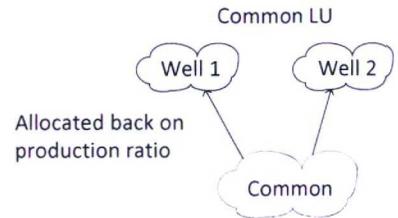
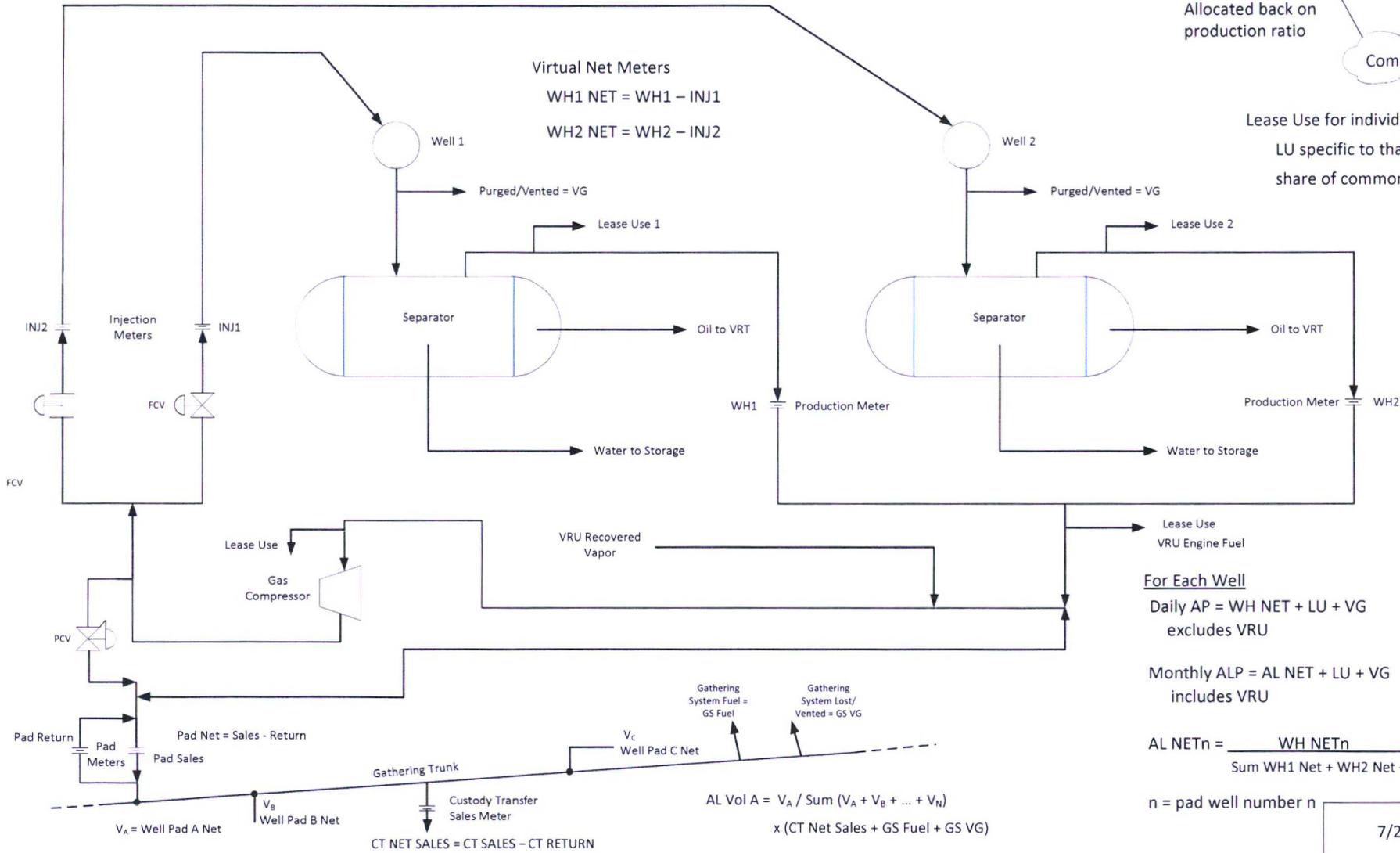
Individual Well BTU'S

- Individual well gas heating values to be determined in accordance with BLM regulations.

Measurement & Allocation – Sketch E

AP = Actual Production
ALP = Allocated Production

Multi well pad connected to gathering trunk line



For Each Well
 Daily AP = WH NET + LU + VG
 excludes VRU
 Monthly ALP = AL NET + LU + VG
 includes VRU
 $AL\ NET_n = \frac{WH\ NET_n}{\sum WH1\ Net + WH2\ Net + \dots} \times AL\ VOL\ A$

n = pad well number n

7/28/2014 Status