

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval, Division Director  
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 5/2/2019

Well information:

Operator DJR, Well Name and Number North Alamo Unit 333H

API# 30-043-21333<sup>214</sup>, Section 31, Township 23 N, Range 7 E/W

Conditions of Approval: (See the below checked and handwritten conditions)

- ☒ Notify Aztec OCD 24hrs prior to casing & cement.
- ☒ If cement doesn't circulate on any casing string or stage tool a CBL will be required. Contact the regulatory agencies prior to proceeding.
- ☒ Hold C-104 for directional survey & "As Drilled" Plat
- ☒ Hold C-104 for: NSL, NSP, DHC, 5.9 Compliance
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☐ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ☐ 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
- ☐ Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
- ☒ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ☒ 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.
- ☒ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

once well is spud  
status will change  
to New & work  
type will change  
to Re-entry

  
NMOCD Approved by Signature

1/24/20  
Date

- File Sundry to BLM for API # Change

- See Change of Plans  
Next document

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

|                                                                                                                                                                                                                                                                   |                                                     |                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------|
| 1a. Type of work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER                                                                                                                                                                      |                                                     | 5. Lease Serial No.<br>NMNM006681                                                 |
| 1b. Type of Well: <input checked="" 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 checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone                                                                                                      |                                                     | 7. If Unit or CA Agreement, Name and No.<br>/1/NORTH ALAMITO UNIT / NMNM13522     |
| 2. Name of Operator<br>DJR OPERATING LLC                                                                                                                                                                                                                          |                                                     | 8. Lease Name and Well No.<br>NORTH ALAMITO UNIT<br>333H                          |
| 3a. Address<br>1600 Broadway #1960 Denver CO 80202                                                                                                                                                                                                                | 3b. Phone No. (include area code)<br>(303)595-7430  | 9. API Well No.<br>30-043-21333                                                   |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface NWSE / 2215 FSL / 2531 FEL / LAT 36.182089 / LONG -107.615097<br>At proposed prod. zone NESW / 2336 FSL / 2263 FWL / LAT 36.16781 / LONG -107.598993 |                                                     | 10. Field and Pool, or Exploratory<br>ALAMITO MANCOS N (OIL)                      |
| 11. Sec., T. R. M. or Blk. and Survey or Area<br>SEC 31 / T23N / R7W / NMP                                                                                                                                                                                        |                                                     | 12. County or Parish<br>SANDOVAL                                                  |
| 13. State<br>NM                                                                                                                                                                                                                                                   |                                                     | 14. Distance in miles and direction from nearest town or post office*<br>47 miles |
| 15. Distance from proposed* location to nearest property or lease line, ft.<br>(Also to nearest drig. unit line, if any)<br>2215 feet                                                                                                                             | 16. No of acres in lease<br>642.56                  | 17. Spacing Unit dedicated to this well<br>480.65                                 |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.<br>20 feet                                                                                                                                             | 19. Proposed Depth<br>5098 feet / 12283 feet        | 20. BLM/BIA Bond No. in file<br>FED: NMB001464                                    |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br>6979 feet                                                                                                                                                                                                  | 22. Approximate date work will start*<br>01/05/2020 | 23. Estimated duration<br>10 days                                                 |
| 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<br>(Electronic Submission)           | Name (Printed/Typed)<br>Shaw-Marie N. Ford / Ph: (505)632-3476 | Date<br>05/02/2019 |
| Title<br>Regulatory Specialist                     |                                                                |                    |
| Approved by (Signature)<br>(Electronic Submission) | Name (Printed/Typed)<br>Dave Mankiewicz / Ph: (505)564-7761    | Date<br>12/23/2019 |
| Title<br>AFM-Minerals                              |                                                                |                    |
| Office<br>FARMINGTON                               |                                                                |                    |

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**  
Approval Date: 12/23/2019

NMOCD

DEC 24 2019

DISTRICT III

DISTRICT I  
1835 N. French Dr., Hobbs, N.M. 88240  
Phone: (575) 393-8181 Fax: (575) 393-0780

DISTRICT II  
811 S. First St., Artesia, N.M. 88210  
Phone: (575) 748-1283 Fax: (575) 748-0780

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                       |                                   |                  |                                                                             |
|-----------------------|-----------------------------------|------------------|-----------------------------------------------------------------------------|
| *ADT No. 30-043-21214 |                                   | *Pool Code 98174 | *Pool Name <u>Alamito N, Mancos</u><br><u>NORTH ALAMITO MANCOS OIL POOL</u> |
| *Property Code 325267 | *Property Name NORTH ALAMITO UNIT |                  | *Well Number 333H                                                           |
| *GRID No. 371838      | *Operator Name DJR OPERATING, LLC |                  | *Elevation 6979'                                                            |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| J             | 31      | 23N      | 7W    |         | 2215'         | SOUTH            | 2531'         | EAST           | SANDOVAL |

<sup>11</sup> 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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| K             | 5       | 22N      | 7W    |         | 2336'         | SOUTH            | 2263'         | WEST           | SANDOVAL |

<sup>12</sup> Dedicated Acres PENETRATED SPACING UNIT:  
SEC 31: NW/SE, NE/SW, SE/SW SW/SE & SE/SE  
(200 AC.); SEC 5: LOT 1, LOT 2 & SE/NE (120.36  
AC.) SEC 5: LOT 4, SW/NW, SE/NW & NE/SW  
(160.29 AC.) = 480.65 ACRES TOTAL

<sup>13</sup> Joint or Infill

<sup>14</sup> Consolidation Code

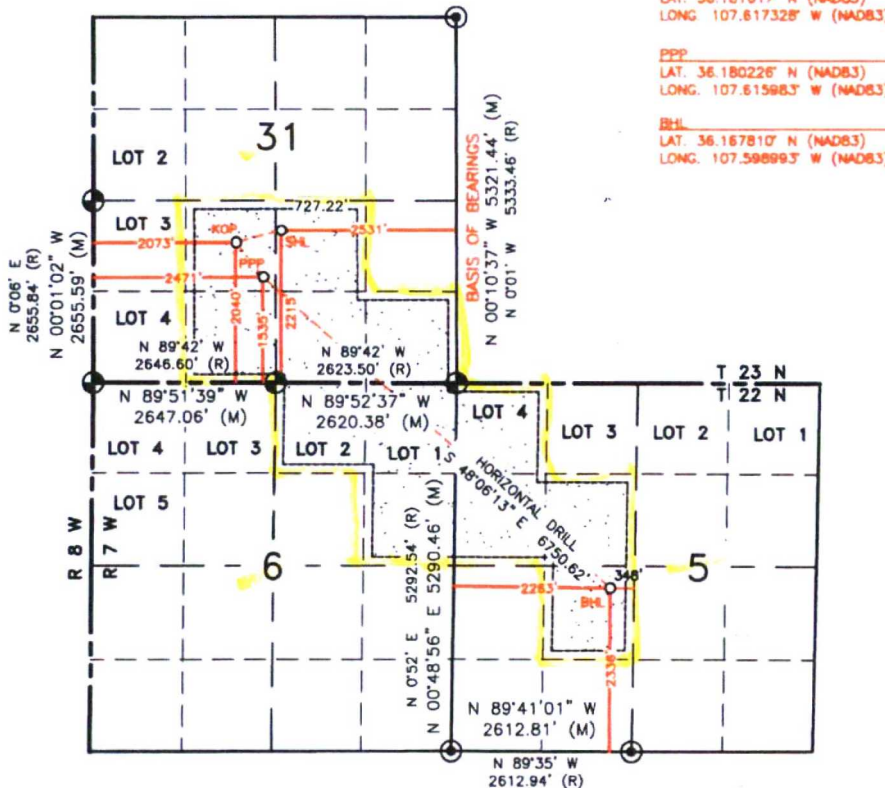
<sup>15</sup> Order No.

R-14081, R-14081A

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

FND 2 1/2" BC  
GLO 1947  
FND 2 1/2" BC  
GLO 1948



<sup>17</sup> 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 working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Steven Merrell 6/14/19  
Signature Date

Steven Merrell

Printed Name

Smerrell@djrlc.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.

MARCH 15, 2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number

11393

Surface = T 23 N

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1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011

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District Office

☐ AMENDED REPORT

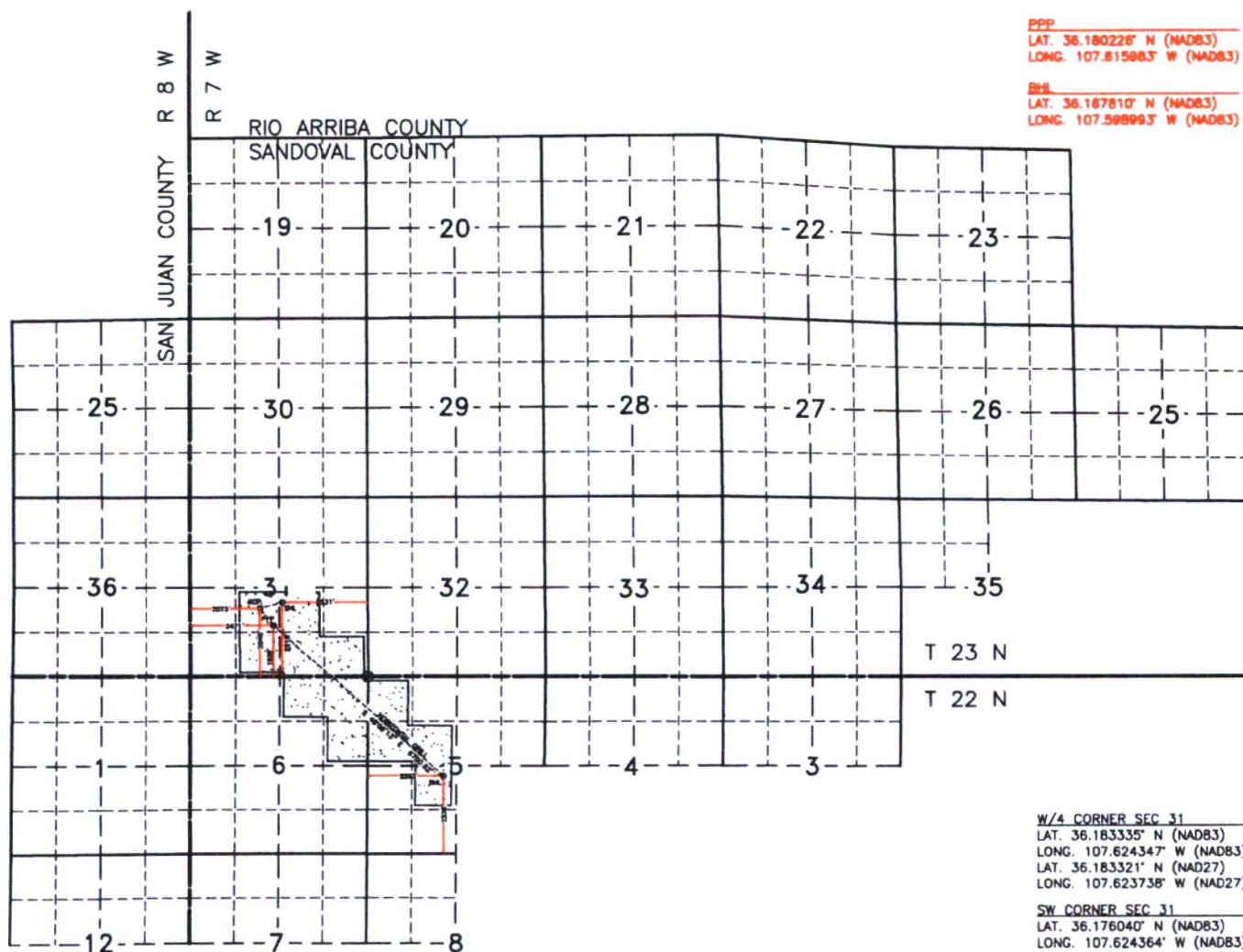
DJR OPERATING, LLC  
NORTH ALAMITO UNIT #333H

**SHL**  
LAT. 36.182089° N (NAD83)  
LONG. 107.815087° W (NAD83)

**KOP**  
LAT. 36.181817° N (NAD83)  
LONG. 107.817328° W (NAD83)

**PPP**  
LAT. 36.180228° N (NAD83)  
LONG. 107.815883° W (NAD83)

**BH1**  
LAT. 36.187810° N (NAD83)  
LONG. 107.588993° W (NAD83)



**W/4 CORNER SEC 31**  
LAT. 36.183335° N (NAD83)  
LONG. 107.624347° W (NAD83)  
LAT. 36.183321° N (NAD27)  
LONG. 107.623738° W (NAD27)

**SW CORNER SEC 31**  
LAT. 36.176040° N (NAD83)  
LONG. 107.624364° W (NAD83)  
LAT. 36.176026° N (NAD27)  
LONG. 107.623755° W (NAD27)

**S/4 CORNER SEC 5**  
LAT. 36.161385° N (NAD83)  
LONG. 107.597962° W (NAD83)  
LAT. 36.161372° N (NAD27)  
LONG. 107.597354° W (NAD27)

**SW CORNER SEC 5**  
LAT. 36.161443° N (NAD83)  
LONG. 107.606813° W (NAD83)  
LAT. 36.161429° N (NAD27)  
LONG. 107.606205° W (NAD27)

**S/4 CORNER SEC 31**  
LAT. 36.176006° N (NAD83)  
LONG. 107.615395° W (NAD83)  
LAT. 36.175992° N (NAD27)  
LONG. 107.614786° W (NAD27)

**SE CORNER SEC 31**  
LAT. 36.175974° N (NAD83)  
LONG. 107.606516° W (NAD83)  
LAT. 36.175960° N (NAD27)  
LONG. 107.605908° W (NAD27)

**PENETRATED SPACING UNIT:**

SEC 31: NW/SE, NE/SW, SE/SW/SE & SE/SE (200 AC.);

SEC 6: LOT 1, LOT 2 & SE/NE (120.36 AC.)

SEC 5: LOT 4, SW/NW, SE/NW & NE/SW (160.29 AC.) =

480.65 ACRES TOTAL

TOTAL 14,262.78 ACRES: T23N R7W SEC. 19-23, 25, 26-34 (ALL); 35 (NW/4);

T22N R7W SEC. 3 & 4 (N/2); 5 (N/2, SW/4); 6 (ALL); 7 (N/2); 8 (NW/4);

T23N R8W SEC. 25, 36 (ALL); T22N R8W SEC. 1 (ALL); SEC. 12 (N/2) -

UNDIVIDED UNIT

# **DRILLING PLAN** **North Alamito Unit 333H** **Sandoval County, New Mexico**

## **Surface Location**

2531-ft FEL & 2215-ft FSL  
 Sec 31 T23N R7W  
 Graded Elevation 6979' MSL  
 RKB Elevation 6993' (14' KB)

## **SHL Geographical Coordinates (NAD-83)**

Latitude 36.1820890° N  
 Longitude 107.6150970° W

## **Kick Off Point for Horizontal Build Curve**

4467-ft MD  
 4405-ft TVD

## **Local Coordinates (from SHL)**

173-ft South  
 658-ft West

## **Heel Location (Pay zone entry)**

2471-ft FWL & 1535-ft FSL  
 Sec 31 T23N R7W

## **Heel Geographical Coordinates (NAD-83)**

Latitude 36.1802257° N  
 Longitude 107.61598320° W

## **Bottom Hole Location (TD)**

2263-ft FWL & 2336-ft FSL  
 Sec 5 T22N R7W

## **BHL Geographical Coordinates (NAD-83)**

Latitude 36.1678098° N  
 Longitude 107.5989933° W

## **First Take Point (FTP)**

5593-ft MD  
 Gallup C Sand

## **FTP Geographical Coordinates (NAD-83)**

Latitude 36.1801154° N  
 Longitude 107.6158322° W

## **Last Take Point (LTP)**

12223-ft MD  
 Gallup C Sand

## **LTP Geographical Coordinates (NAD-83)**

Latitude 36.1679202° N  
 Longitude 107.5991444° W

## **Well objectives**

This well is planned as a 6750-ft lateral in the Gallup C sand.

## **Bottom Hole temperature and pressure**

The temperature in the Gallup C horizontal objective is 138°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      | 877     | 875      | Sd        | W          | 8.3                          | 8.4 – 8.8                |
| Kirtland       | 930     | 929      | Sh        | -          | 8.3                          | 8.4 – 8.8                |
| Fruitland      | 1177    | 1172     | C         | G          | 8.3                          | 9.0 - 9.5                |
| Picture Cliffs | 1466    | 1456     | Sd        | W          | 8.3                          | 9.0 - 9.5                |
| Lewis          | 1637    | 1624     | Sh        | -          |                              | 9.0 - 9.5                |
| Chacra         | 2245    | 2222     | Sd        | -          | 8.3                          | 9.0 - 9.5                |
| Menefee        | 2963    | 2927     | Sd, C     | G          | 8.3                          | 9.0 - 9.5                |
| Point Lookout  | 3878    | 3826     | Sd        | -          | 8.3                          | 9.0 - 9.5                |
| Mancos         | 4061    | 4006     | Sh        | -          |                              | 9.0 - 9.5                |
| Mancos Silt    | 4401    | 4340     | Slt       | O/G        | 6.6                          | 9.0 - 9.5                |
| Gallup A       | 4903    | 4815     | Slt       | O/G        | 6.6                          | 9.0 - 9.5                |
| Gallup B       | 4945    | 4849     | Sd        | O/G        | 6.6                          | 8.8 - 9.0                |
| Gallup C       | 5088    | 4951     | Sd        | O/G        | 6.6                          | 8.8 - 9.0                |
| Target         | 5533    | 5098     | 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   | 350       | surf    | 350        | surface       |
| 7"        | 8-3/4"    | 26            | K-55  | LTC      | surf   | 5523      | surf    | 5098       | surface       |
| 4-1/2"    | 6-1/8"    | 11.6          | P-110 | BTC      | 5313   | 12283     | 5064    | 5098       | 5313          |

Note: all casing will be new

## Casing Design Load Cases

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

### 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 Design

**Additives:** A=Accelerator; B=Bond Enhancer; De=Defoamer; Di=Dispersant; Ex=Extender; FI=Fluid Loss L=Lost Circulation; R=Retarder; SA=Suspending Agent; THX=Thixotropic Additive; V=Viscosifier

### 9-5/8" Surface Casing

|                    | Lead        |
|--------------------|-------------|
| Name               | Redi-Mix    |
| Type               | I-II        |
| Additives          | 20% Fly Ash |
| Planned top        | Surface     |
| Density (ppg)      | 14.50       |
| Yield (cf/sx)      | 1.61        |
| Mix water (gal/sx) | 7.41        |
| Volume (sx)        | 114         |
| Volume (bbls)      | 33          |

| <u>7" Intermediate Casing</u> | <u>Lead</u> | <u>Tail</u>        |
|-------------------------------|-------------|--------------------|
| Halliburton Name              | HALCEM      | VARICEM            |
| Type                          | Poz/G       | Poz/G              |
| Additives                     | Ex, L, SA   | Ex, FI, SA, L, THX |
| Planned top                   | Surface     | 3561-ft            |
| Density (ppg)                 | 12.30       | 13.50              |
| Yield (cf/sx)                 | 1.95        | 1.30               |
| Mix water (gal/sx)            | 10.14       | 5.64               |
| Volume (sx)                   | 450         | 392                |
| Volume (bbls)                 | 157         | 91                 |

| <u>4-1/2" Production Liner</u> | <u>Lead</u>          |
|--------------------------------|----------------------|
| Halliburton Name               | EXTENDACEM           |
| Type                           | Poz/G                |
| Additives                      | B, De, Di, FI, Re, V |
| Planned top                    | 5313-ft              |
| Density (ppg)                  | 13.3                 |
| Yield (cf/sx)                  | 1.36                 |
| Mix water (gal/sx)             | 5.94                 |
| Volume (sx)                    | 718                  |
| Volume (bbls)                  | 174                  |

#### Wellhead & Pressure Control

The well head will be an 11" 5M multi-bowl system. A 2M 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 geograph 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% KCI LSND drilling fluid will be used, with KCI 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 – 350       | 8.4 – 8.8     | 32 – 44          | 2 – 12      | NC                     |
| Intermediate | 7% KCI Low solids, non-dispersed | 350 – 5523    | 9.0 – 9.5     | 38 – 45          | 8 – 14      | <20                    |
| Production   | Low solids, non-dispersed        | 5523 – 12283  | 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.



Pad name : J31 2307  
Well name : NAU 333H

SHL Latitude : 36.18208900  
SHL Longitude : -107.61509700

US State Plane 1983  
North American Datum 1983  
New Mexico Western Zone

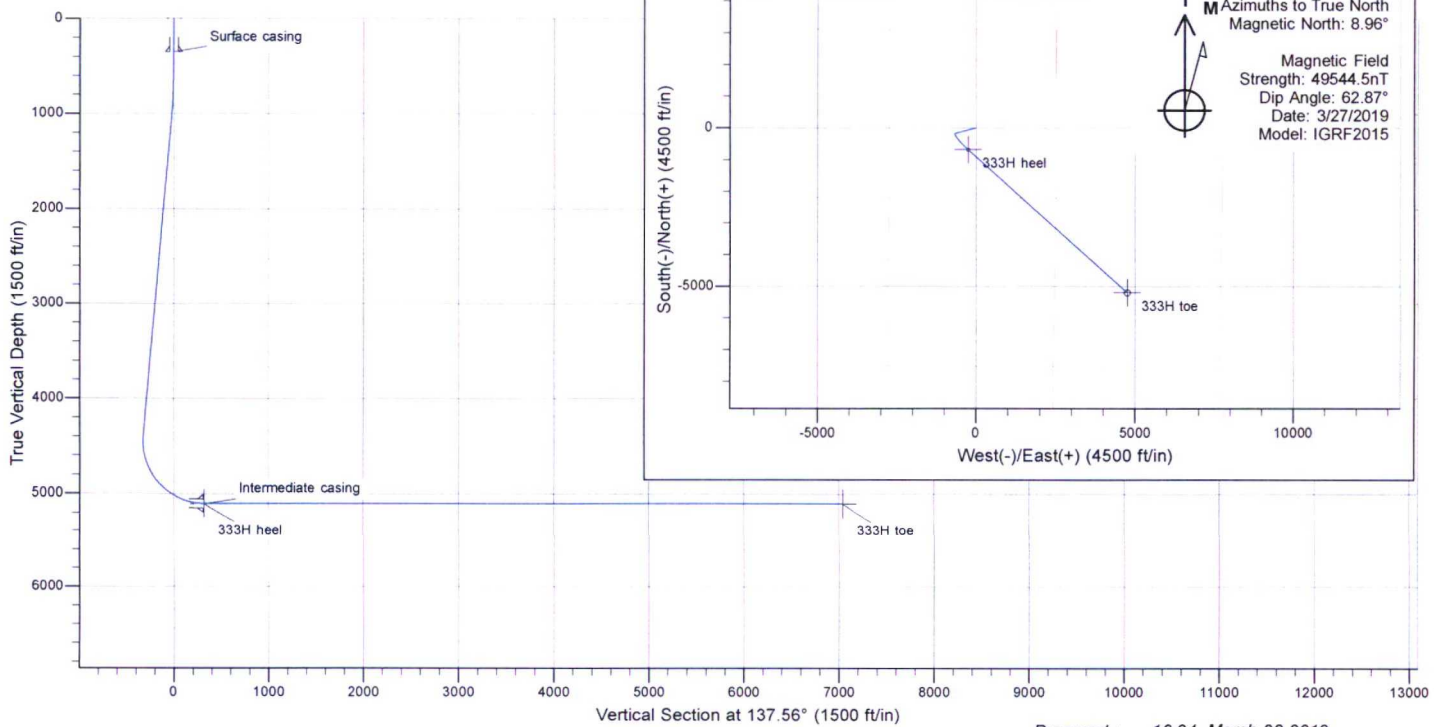
#### TRAJECTORY DETAILS

Pad elevation : 6979 RKB @ 6993ft (RIG TBD)

| MD    | Inc   | Azi    | TVD  | +N/-S | +E/-W | Dleg | TFace   | Vsect | Target    |
|-------|-------|--------|------|-------|-------|------|---------|-------|-----------|
| 0     | 0.00  | 0.00   | 0    | 0     | 0     | 0.00 | 0.00    | 0     |           |
| 550   | 0.00  | 0.00   | 550  | 0     | 0     | 0.00 | 0.00    | 0     |           |
| 1087  | 10.75 | 255.31 | 1084 | -13   | -49   | 2.00 | 255.31  | -23   |           |
| 4467  | 10.75 | 255.31 | 4405 | -173  | -658  | 0.00 | 0.00    | -317  |           |
| 5533  | 90.00 | 132.03 | 5098 | -678  | -262  | 9.00 | -122.82 | 324   | 333H heel |
| 12283 | 90.00 | 132.03 | 5098 | -5198 | 4753  | 0.00 | 0.00    | 7043  | 333H toe  |

#### TARGET DETAILS

| Name      | TVD  | +N/-S | +E/-W | Northing | Easting | Latitude    | Longitude     |
|-----------|------|-------|-------|----------|---------|-------------|---------------|
| 333H heel | 5098 | -678  | -262  | 1884971  | 2787235 | 36.18022570 | -107.61598320 |
| 333H toe  | 5098 | -5198 | 4753  | 1880463  | 2792259 | 36.16780980 | -107.59899330 |



Prepared : 16:24, March 28 2019



# **DJR Operating**

North Alamito Unit

J31 2307

NAU 333H

Original drilling

Plan: APD

## **Standard Planning Report**

28 March, 2019

# Planning Report

**Database:** EDM  
**Company:** DJR Operating  
**Project:** North Alamito Unit  
**Site:** J31 2307  
**Well:** NAU 333H  
**Wellbore:** Original drilling  
**Design:** APD

**Local Co-ordinate Reference:** Well NAU 333H  
**TVD Reference:** RKB @ 6993ft (RIG TBD)  
**MD Reference:** RKB @ 6993ft (RIG TBD)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

|                    |                           |                      |                |
|--------------------|---------------------------|----------------------|----------------|
| <b>Project</b>     | North Alamito Unit        |                      |                |
| <b>Map System:</b> | US State Plane 1983       | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983 |                      |                |
| <b>Map Zone:</b>   | New Mexico Western Zone   |                      |                |

|                       |          |              |                |                   |               |
|-----------------------|----------|--------------|----------------|-------------------|---------------|
| Site                  | J31 2307 |              |                |                   |               |
| Site Position:        |          | Northing:    | 1,885,650 usft | Latitude:         | 36.18208900   |
| From:                 | Lat/Long | Easting:     | 2,787,495 usft | Longitude:        | -107.61509700 |
| Position Uncertainty: | 0 ft     | Slot Radius: | 13.200 in      | Grid Convergence: | 0.13 °        |

|                      |          |      |                     |                |               |               |
|----------------------|----------|------|---------------------|----------------|---------------|---------------|
| Well                 | NAU 333H |      |                     |                |               |               |
| Well Position        | +N/-S    | 0 ft | Northing:           | 1,885,650 usft | Latitude:     | 36.18208900   |
|                      | +E/-W    | 0 ft | Easting:            | 2,787,495 usft | Longitude:    | -107.61509700 |
| Position Uncertainty |          | 0 ft | Wellhead Elevation: |                | Ground Level: | 6979 ft       |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | Original drilling |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2015          | 3/27/2019          | 8.96                   | 62.87                | 49,544.46089392            |

|                          |                              |                   |                      |                      |
|--------------------------|------------------------------|-------------------|----------------------|----------------------|
| <b>Design</b>            | APD                          |                   |                      |                      |
| <b>Audit Notes:</b>      |                              |                   |                      |                      |
| <b>Version:</b>          | <b>Phase:</b>                | PROTOTYPE         | <b>Tie On Depth:</b> | 0                    |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (ft)</b> | <b>+N/-S (ft)</b> | <b>+E/-W (ft)</b>    | <b>Direction (°)</b> |
|                          | 0                            | 0                 | 0                    | 137.56               |

|                                 |                      |                                |                        |                |
|---------------------------------|----------------------|--------------------------------|------------------------|----------------|
| <b>Plan Survey Tool Program</b> | <b>Date</b>          | 3/28/2019                      |                        |                |
| <b>Depth From (ft)</b>          | <b>Depth To (ft)</b> | <b>Survey (Wellbore)</b>       | <b>Tool Name</b>       | <b>Remarks</b> |
| 1                               | 0                    | 12,283 APD (Original drilling) | MWD+IGRF               |                |
|                                 |                      |                                | OWSG MWD + IGRF or WMM |                |

|                            |                        |                    |                            |                   |                   |                              |                             |                            |                |               |
|----------------------------|------------------------|--------------------|----------------------------|-------------------|-------------------|------------------------------|-----------------------------|----------------------------|----------------|---------------|
| <b>Plan Sections</b>       |                        |                    |                            |                   |                   |                              |                             |                            |                |               |
| <b>Measured Depth (ft)</b> | <b>Inclination (°)</b> | <b>Azimuth (°)</b> | <b>Vertical Depth (ft)</b> | <b>+N/-S (ft)</b> | <b>+E/-W (ft)</b> | <b>Dogleg Rate (°/100ft)</b> | <b>Build Rate (°/100ft)</b> | <b>Turn Rate (°/100ft)</b> | <b>TFO (°)</b> | <b>Target</b> |
| 0                          | 0.00                   | 0.00               | 0                          | 0                 | 0                 | 0.00                         | 0.00                        | 0.00                       | 0.00           |               |
| 550                        | 0.00                   | 0.00               | 550                        | 0                 | 0                 | 0.00                         | 0.00                        | 0.00                       | 0.00           |               |
| 1087                       | 10.75                  | 255.31             | 1084                       | -13               | -49               | 2.00                         | 2.00                        | 0.00                       | 255.31         |               |
| 4467                       | 10.75                  | 255.31             | 4405                       | -173              | -658              | 0.00                         | 0.00                        | 0.00                       | 0.00           |               |
| 5533                       | 90.00                  | 132.03             | 5098                       | -678              | -262              | 9.00                         | 7.44                        | -11.57                     | -122.82        | 333H heel     |
| 12,283                     | 90.00                  | 132.03             | 5098                       | -5198             | 4753              | 0.00                         | 0.00                        | 0.00                       | 0.00           | 333H toe      |

# Planning Report

Database: EDM  
Company: DJR Operating  
Project: North Alamito Unit  
Site: J31 2307  
Well: NAU 333H  
Wellbore: Original drilling  
Design: APD

Local Co-ordinate Reference: Well NAU 333H  
TVD Reference: RKB @ 6993ft (RIG TBD)  
MD Reference: RKB @ 6993ft (RIG TBD)  
North Reference: True  
Survey Calculation Method: Minimum Curvature

## Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 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                |
| 350                 | 0.00            | 0.00        | 350                 | 0          | 0          | 0                     | 0.00                  | 0.00                 | 0.00                |
| Surface casing      |                 |             |                     |            |            |                       |                       |                      |                     |
| 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                |
| 550                 | 0.00            | 0.00        | 550                 | 0          | 0          | 0                     | 0.00                  | 0.00                 | 0.00                |
| 600                 | 1.00            | 255.31      | 600                 | 0          | 0          | 0                     | 2.00                  | 2.00                 | 0.00                |
| 700                 | 3.00            | 255.31      | 700                 | -1         | -4         | -2                    | 2.00                  | 2.00                 | 0.00                |
| 800                 | 5.00            | 255.31      | 800                 | -3         | -11        | -5                    | 2.00                  | 2.00                 | 0.00                |
| 890                 | 6.80            | 255.31      | 889                 | -5         | -19        | -9                    | 2.00                  | 2.00                 | 0.00                |
| Ojo Alamo           |                 |             |                     |            |            |                       |                       |                      |                     |
| 900                 | 7.00            | 255.31      | 899                 | -5         | -21        | -10                   | 2.00                  | 2.00                 | 0.00                |
| 930                 | 7.60            | 255.31      | 929                 | -6         | -24        | -12                   | 2.00                  | 2.00                 | 0.00                |
| Kirtland            |                 |             |                     |            |            |                       |                       |                      |                     |
| 1000                | 9.00            | 255.31      | 998                 | -9         | -34        | -16                   | 2.00                  | 2.00                 | 0.00                |
| 1087                | 10.75           | 255.31      | 1084                | -13        | -49        | -23                   | 2.00                  | 2.00                 | 0.00                |
| 1100                | 10.75           | 255.31      | 1097                | -13        | -51        | -24                   | 0.00                  | 0.00                 | 0.00                |
| 1177                | 10.75           | 255.31      | 1172                | -17        | -65        | -31                   | 0.00                  | 0.00                 | 0.00                |
| Fruitland           |                 |             |                     |            |            |                       |                       |                      |                     |
| 1200                | 10.75           | 255.31      | 1195                | -18        | -69        | -33                   | 0.00                  | 0.00                 | 0.00                |
| 1300                | 10.75           | 255.31      | 1293                | -23        | -87        | -42                   | 0.00                  | 0.00                 | 0.00                |
| 1400                | 10.75           | 255.31      | 1391                | -28        | -105       | -51                   | 0.00                  | 0.00                 | 0.00                |
| 1466                | 10.75           | 255.31      | 1456                | -31        | -117       | -56                   | 0.00                  | 0.00                 | 0.00                |
| Picture Cliffs      |                 |             |                     |            |            |                       |                       |                      |                     |
| 1500                | 10.75           | 255.31      | 1490                | -32        | -123       | -59                   | 0.00                  | 0.00                 | 0.00                |
| 1600                | 10.75           | 255.31      | 1588                | -37        | -141       | -68                   | 0.00                  | 0.00                 | 0.00                |
| 1637                | 10.75           | 255.31      | 1624                | -39        | -148       | -71                   | 0.00                  | 0.00                 | 0.00                |
| Lewis               |                 |             |                     |            |            |                       |                       |                      |                     |
| 1700                | 10.75           | 255.31      | 1686                | -42        | -159       | -77                   | 0.00                  | 0.00                 | 0.00                |
| 1800                | 10.75           | 255.31      | 1784                | -46        | -177       | -85                   | 0.00                  | 0.00                 | 0.00                |
| 1900                | 10.75           | 255.31      | 1883                | -51        | -195       | -94                   | 0.00                  | 0.00                 | 0.00                |
| 2000                | 10.75           | 255.31      | 1981                | -56        | -213       | -103                  | 0.00                  | 0.00                 | 0.00                |
| 2100                | 10.75           | 255.31      | 2079                | -61        | -231       | -111                  | 0.00                  | 0.00                 | 0.00                |
| 2200                | 10.75           | 255.31      | 2177                | -65        | -249       | -120                  | 0.00                  | 0.00                 | 0.00                |
| 2245                | 10.75           | 255.31      | 2222                | -68        | -258       | -124                  | 0.00                  | 0.00                 | 0.00                |
| Chacra              |                 |             |                     |            |            |                       |                       |                      |                     |
| 2300                | 10.75           | 255.31      | 2276                | -70        | -267       | -129                  | 0.00                  | 0.00                 | 0.00                |
| 2400                | 10.75           | 255.31      | 2374                | -75        | -285       | -137                  | 0.00                  | 0.00                 | 0.00                |
| 2500                | 10.75           | 255.31      | 2472                | -80        | -303       | -146                  | 0.00                  | 0.00                 | 0.00                |
| 2600                | 10.75           | 255.31      | 2570                | -84        | -321       | -155                  | 0.00                  | 0.00                 | 0.00                |
| 2700                | 10.75           | 255.31      | 2669                | -89        | -340       | -163                  | 0.00                  | 0.00                 | 0.00                |
| 2800                | 10.75           | 255.31      | 2767                | -94        | -358       | -172                  | 0.00                  | 0.00                 | 0.00                |
| 2900                | 10.75           | 255.31      | 2865                | -98        | -376       | -181                  | 0.00                  | 0.00                 | 0.00                |
| 2939                | 10.75           | 255.31      | 2903                | -100       | -383       | -184                  | 0.00                  | 0.00                 | 0.00                |
| Cliffhouse          |                 |             |                     |            |            |                       |                       |                      |                     |
| 2963                | 10.75           | 255.31      | 2927                | -101       | -387       | -186                  | 0.00                  | 0.00                 | 0.00                |
| Menefee             |                 |             |                     |            |            |                       |                       |                      |                     |
| 3000                | 10.75           | 255.31      | 2963                | -103       | -394       | -189                  | 0.00                  | 0.00                 | 0.00                |
| 3100                | 10.75           | 255.31      | 3062                | -108       | -412       | -198                  | 0.00                  | 0.00                 | 0.00                |
| 3200                | 10.75           | 255.31      | 3160                | -113       | -430       | -207                  | 0.00                  | 0.00                 | 0.00                |

# Planning Report

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Project: North Alamito Unit  
Site: J31 2307  
Well: NAU 333H  
Wellbore: Original drilling  
Design: APD

Local Co-ordinate Reference: Well NAU 333H  
TVD Reference: RKB @ 6993ft (RIG TBD)  
MD Reference: RKB @ 6993ft (RIG TBD)  
North Reference: True  
Survey Calculation Method: Minimum Curvature

## Planned Survey

| Measured Depth (ft)        | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|----------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 3300                       | 10.75           | 255.31      | 3258                | -117       | -448       | -216                  | 0.00                  | 0.00                 | 0.00                |
| 3400                       | 10.75           | 255.31      | 3356                | -122       | -466       | -224                  | 0.00                  | 0.00                 | 0.00                |
| 3500                       | 10.75           | 255.31      | 3455                | -127       | -484       | -233                  | 0.00                  | 0.00                 | 0.00                |
| 3600                       | 10.75           | 255.31      | 3553                | -132       | -502       | -242                  | 0.00                  | 0.00                 | 0.00                |
| 3700                       | 10.75           | 255.31      | 3651                | -136       | -520       | -250                  | 0.00                  | 0.00                 | 0.00                |
| 3800                       | 10.75           | 255.31      | 3749                | -141       | -538       | -259                  | 0.00                  | 0.00                 | 0.00                |
| 3878                       | 10.75           | 255.31      | 3826                | -145       | -552       | -266                  | 0.00                  | 0.00                 | 0.00                |
| <b>Point Lookout</b>       |                 |             |                     |            |            |                       |                       |                      |                     |
| 3900                       | 10.75           | 255.31      | 3848                | -146       | -556       | -268                  | 0.00                  | 0.00                 | 0.00                |
| 4000                       | 10.75           | 255.31      | 3946                | -151       | -574       | -276                  | 0.00                  | 0.00                 | 0.00                |
| 4061                       | 10.75           | 255.31      | 4006                | -153       | -585       | -282                  | 0.00                  | 0.00                 | 0.00                |
| <b>Mancos</b>              |                 |             |                     |            |            |                       |                       |                      |                     |
| 4100                       | 10.75           | 255.31      | 4044                | -155       | -592       | -285                  | 0.00                  | 0.00                 | 0.00                |
| 4200                       | 10.75           | 255.31      | 4142                | -160       | -610       | -294                  | 0.00                  | 0.00                 | 0.00                |
| 4300                       | 10.75           | 255.31      | 4240                | -165       | -628       | -302                  | 0.00                  | 0.00                 | 0.00                |
| 4400                       | 10.75           | 255.31      | 4339                | -169       | -646       | -311                  | 0.00                  | 0.00                 | 0.00                |
| 4401                       | 10.75           | 255.31      | 4340                | -170       | -646       | -311                  | 0.00                  | 0.00                 | 0.00                |
| <b>Mancos Silt</b>         |                 |             |                     |            |            |                       |                       |                      |                     |
| 4467                       | 10.75           | 255.31      | 4405                | -173       | -658       | -317                  | 0.00                  | 0.00                 | 0.00                |
| <b>KOP</b>                 |                 |             |                     |            |            |                       |                       |                      |                     |
| 4500                       | 9.48            | 240.15      | 4437                | -175       | -664       | -319                  | 8.99                  | -3.88                | -46.38              |
| 4550                       | 9.15            | 212.15      | 4486                | -180       | -669       | -319                  | 9.00                  | -0.66                | -56.01              |
| 4600                       | 10.85           | 187.90      | 4536                | -188       | -672       | -315                  | 9.00                  | 3.40                 | -48.50              |
| 4650                       | 13.86           | 172.07      | 4585                | -199       | -672       | -307                  | 9.00                  | 6.01                 | -31.65              |
| 4700                       | 17.50           | 162.24      | 4633                | -212       | -669       | -295                  | 9.00                  | 7.29                 | -19.66              |
| 4750                       | 21.47           | 155.82      | 4680                | -227       | -663       | -279                  | 9.00                  | 7.93                 | -12.83              |
| 4800                       | 25.60           | 151.36      | 4726                | -245       | -654       | -260                  | 9.00                  | 8.27                 | -8.92               |
| 4850                       | 29.84           | 148.09      | 4770                | -265       | -642       | -238                  | 9.00                  | 8.47                 | -6.56               |
| 4900                       | 34.14           | 145.56      | 4812                | -287       | -628       | -211                  | 9.00                  | 8.60                 | -5.05               |
| 4903                       | 34.42           | 145.41      | 4815                | -289       | -626       | -210                  | 9.00                  | 8.64                 | -4.45               |
| <b>Gallup A</b>            |                 |             |                     |            |            |                       |                       |                      |                     |
| 4945                       | 38.08           | 143.71      | 4849                | -309       | -612       | -185                  | 9.00                  | 8.68                 | -4.04               |
| <b>Gallup B</b>            |                 |             |                     |            |            |                       |                       |                      |                     |
| 4950                       | 38.47           | 143.54      | 4853                | -312       | -610       | -182                  | 9.00                  | 8.71                 | -3.68               |
| 5000                       | 42.84           | 141.88      | 4891                | -337       | -591       | -150                  | 9.00                  | 8.74                 | -3.33               |
| 5050                       | 47.23           | 140.47      | 4926                | -365       | -568       | -114                  | 9.00                  | 8.78                 | -2.82               |
| 5088                       | 50.61           | 139.51      | 4951                | -387       | -550       | -85                   | 9.00                  | 8.80                 | -2.49               |
| <b>Gallup C</b>            |                 |             |                     |            |            |                       |                       |                      |                     |
| 5100                       | 51.63           | 139.24      | 4958                | -394       | -544       | -76                   | 9.00                  | 8.82                 | -2.33               |
| 5150                       | 56.05           | 138.16      | 4988                | -424       | -517       | -36                   | 9.00                  | 8.83                 | -2.17               |
| 5200                       | 60.47           | 137.18      | 5014                | -456       | -489       | 7                     | 9.00                  | 8.85                 | -1.95               |
| 5250                       | 64.90           | 136.29      | 5037                | -488       | -458       | 51                    | 9.00                  | 8.86                 | -1.79               |
| 5300                       | 69.33           | 135.46      | 5057                | -521       | -426       | 97                    | 9.00                  | 8.87                 | -1.66               |
| 5323                       | 71.34           | 135.10      | 5064                | -536       | -411       | 118                   | 9.00                  | 8.87                 | -1.59               |
| <b>Top of liner</b>        |                 |             |                     |            |            |                       |                       |                      |                     |
| 5350                       | 73.77           | 134.67      | 5072                | -555       | -393       | 144                   | 9.00                  | 8.88                 | -1.55               |
| 5400                       | 78.21           | 133.92      | 5084                | -589       | -358       | 193                   | 9.00                  | 8.88                 | -1.50               |
| 5450                       | 82.66           | 133.20      | 5093                | -622       | -322       | 242                   | 9.00                  | 8.89                 | -1.45               |
| 5500                       | 87.10           | 132.49      | 5097                | -656       | -286       | 292                   | 9.00                  | 8.89                 | -1.42               |
| 5523                       | 89.11           | 132.17      | 5098                | -672       | -269       | 314                   | 9.00                  | 8.89                 | -1.41               |
| <b>Intermediate casing</b> |                 |             |                     |            |            |                       |                       |                      |                     |
| 5533                       | 90.00           | 132.03      | 5098                | -678       | -262       | 324                   | 9.00                  | 8.89                 | -1.41               |

# Planning Report

Database: EDM  
Company: DJR Operating  
Project: North Alamito Unit  
Site: J31 2307  
Well: NAU 333H  
Wellbore: Original drilling  
Design: APD

Local Co-ordinate Reference: Well NAU 333H  
TVD Reference: RKB @ 6993ft (RIG TBD)  
MD Reference: RKB @ 6993ft (RIG TBD)  
North Reference: True  
Survey Calculation Method: Minimum Curvature

## Planned Survey

| Measured Depth (ft)     | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|-------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| <b>Target</b>           |                 |             |                     |            |            |                       |                       |                      |                     |
| 5593                    | 90.00           | 132.03      | 5098                | -718       | -217       | 384                   | 0.00                  | 0.00                 | 0.00                |
| <b>First take point</b> |                 |             |                     |            |            |                       |                       |                      |                     |
| 5600                    | 90.00           | 132.03      | 5098                | -723       | -211       | 391                   | 0.00                  | 0.00                 | 0.00                |
| 5700                    | 90.00           | 132.03      | 5098                | -790       | -137       | 491                   | 0.00                  | 0.00                 | 0.00                |
| 5800                    | 90.00           | 132.03      | 5098                | -857       | -63        | 590                   | 0.00                  | 0.00                 | 0.00                |
| 5900                    | 90.00           | 132.03      | 5098                | -924       | 11         | 690                   | 0.00                  | 0.00                 | 0.00                |
| 6000                    | 90.00           | 132.03      | 5098                | -991       | 86         | 789                   | 0.00                  | 0.00                 | 0.00                |
| 6100                    | 90.00           | 132.03      | 5098                | -1058      | 160        | 889                   | 0.00                  | 0.00                 | 0.00                |
| 6200                    | 90.00           | 132.03      | 5098                | -1125      | 234        | 988                   | 0.00                  | 0.00                 | 0.00                |
| 6300                    | 90.00           | 132.03      | 5098                | -1192      | 309        | 1088                  | 0.00                  | 0.00                 | 0.00                |
| 6400                    | 90.00           | 132.03      | 5098                | -1259      | 383        | 1187                  | 0.00                  | 0.00                 | 0.00                |
| 6500                    | 90.00           | 132.03      | 5098                | -1326      | 457        | 1287                  | 0.00                  | 0.00                 | 0.00                |
| 6600                    | 90.00           | 132.03      | 5098                | -1393      | 531        | 1386                  | 0.00                  | 0.00                 | 0.00                |
| 6700                    | 90.00           | 132.03      | 5098                | -1460      | 606        | 1486                  | 0.00                  | 0.00                 | 0.00                |
| 6800                    | 90.00           | 132.03      | 5098                | -1527      | 680        | 1586                  | 0.00                  | 0.00                 | 0.00                |
| 6900                    | 90.00           | 132.03      | 5098                | -1594      | 754        | 1685                  | 0.00                  | 0.00                 | 0.00                |
| 7000                    | 90.00           | 132.03      | 5098                | -1661      | 829        | 1785                  | 0.00                  | 0.00                 | 0.00                |
| 7100                    | 90.00           | 132.03      | 5098                | -1728      | 903        | 1884                  | 0.00                  | 0.00                 | 0.00                |
| 7200                    | 90.00           | 132.03      | 5098                | -1795      | 977        | 1984                  | 0.00                  | 0.00                 | 0.00                |
| 7300                    | 90.00           | 132.03      | 5098                | -1861      | 1051       | 2083                  | 0.00                  | 0.00                 | 0.00                |
| 7400                    | 90.00           | 132.03      | 5098                | -1928      | 1126       | 2183                  | 0.00                  | 0.00                 | 0.00                |
| 7500                    | 90.00           | 132.03      | 5098                | -1995      | 1200       | 2282                  | 0.00                  | 0.00                 | 0.00                |
| 7600                    | 90.00           | 132.03      | 5098                | -2062      | 1274       | 2382                  | 0.00                  | 0.00                 | 0.00                |
| 7700                    | 90.00           | 132.03      | 5098                | -2129      | 1349       | 2481                  | 0.00                  | 0.00                 | 0.00                |
| 7800                    | 90.00           | 132.03      | 5098                | -2196      | 1423       | 2581                  | 0.00                  | 0.00                 | 0.00                |
| 7900                    | 90.00           | 132.03      | 5098                | -2263      | 1497       | 2680                  | 0.00                  | 0.00                 | 0.00                |
| 8000                    | 90.00           | 132.03      | 5098                | -2330      | 1571       | 2780                  | 0.00                  | 0.00                 | 0.00                |
| 8100                    | 90.00           | 132.03      | 5098                | -2397      | 1646       | 2879                  | 0.00                  | 0.00                 | 0.00                |
| 8200                    | 90.00           | 132.03      | 5098                | -2464      | 1720       | 2979                  | 0.00                  | 0.00                 | 0.00                |
| 8300                    | 90.00           | 132.03      | 5098                | -2531      | 1794       | 3079                  | 0.00                  | 0.00                 | 0.00                |
| 8400                    | 90.00           | 132.03      | 5098                | -2598      | 1868       | 3178                  | 0.00                  | 0.00                 | 0.00                |
| 8500                    | 90.00           | 132.03      | 5098                | -2665      | 1943       | 3278                  | 0.00                  | 0.00                 | 0.00                |
| 8600                    | 90.00           | 132.03      | 5098                | -2732      | 2017       | 3377                  | 0.00                  | 0.00                 | 0.00                |
| 8700                    | 90.00           | 132.03      | 5098                | -2799      | 2091       | 3477                  | 0.00                  | 0.00                 | 0.00                |
| 8800                    | 90.00           | 132.03      | 5098                | -2866      | 2166       | 3576                  | 0.00                  | 0.00                 | 0.00                |
| 8900                    | 90.00           | 132.03      | 5098                | -2933      | 2240       | 3676                  | 0.00                  | 0.00                 | 0.00                |
| 9000                    | 90.00           | 132.03      | 5098                | -3000      | 2314       | 3775                  | 0.00                  | 0.00                 | 0.00                |
| 9100                    | 90.00           | 132.03      | 5098                | -3066      | 2388       | 3875                  | 0.00                  | 0.00                 | 0.00                |
| 9200                    | 90.00           | 132.03      | 5098                | -3133      | 2463       | 3974                  | 0.00                  | 0.00                 | 0.00                |
| 9300                    | 90.00           | 132.03      | 5098                | -3200      | 2537       | 4074                  | 0.00                  | 0.00                 | 0.00                |
| 9400                    | 90.00           | 132.03      | 5098                | -3267      | 2611       | 4173                  | 0.00                  | 0.00                 | 0.00                |
| 9500                    | 90.00           | 132.03      | 5098                | -3334      | 2686       | 4273                  | 0.00                  | 0.00                 | 0.00                |
| 9600                    | 90.00           | 132.03      | 5098                | -3401      | 2760       | 4372                  | 0.00                  | 0.00                 | 0.00                |
| 9700                    | 90.00           | 132.03      | 5098                | -3468      | 2834       | 4472                  | 0.00                  | 0.00                 | 0.00                |
| 9800                    | 90.00           | 132.03      | 5098                | -3535      | 2908       | 4572                  | 0.00                  | 0.00                 | 0.00                |
| 9900                    | 90.00           | 132.03      | 5098                | -3602      | 2983       | 4671                  | 0.00                  | 0.00                 | 0.00                |
| 10,000                  | 90.00           | 132.03      | 5098                | -3669      | 3057       | 4771                  | 0.00                  | 0.00                 | 0.00                |
| 10,100                  | 90.00           | 132.03      | 5098                | -3736      | 3131       | 4870                  | 0.00                  | 0.00                 | 0.00                |
| 10,200                  | 90.00           | 132.03      | 5098                | -3803      | 3206       | 4970                  | 0.00                  | 0.00                 | 0.00                |
| 10,300                  | 90.00           | 132.03      | 5098                | -3870      | 3280       | 5069                  | 0.00                  | 0.00                 | 0.00                |
| 10,400                  | 90.00           | 132.03      | 5098                | -3937      | 3354       | 5169                  | 0.00                  | 0.00                 | 0.00                |
| 10,500                  | 90.00           | 132.03      | 5098                | -4004      | 3428       | 5268                  | 0.00                  | 0.00                 | 0.00                |
| 10,600                  | 90.00           | 132.03      | 5098                | -4071      | 3503       | 5368                  | 0.00                  | 0.00                 | 0.00                |

# Planning Report

**Database:** EDM  
**Company:** DJR Operating  
**Project:** North Alamo Unit  
**Site:** J31 2307  
**Well:** NAU 333H  
**Wellbore:** Original drilling  
**Design:** APD

**Local Co-ordinate Reference:** Well NAU 333H  
**TVD Reference:** RKB @ 6993ft (RIG TBD)  
**MD Reference:** RKB @ 6993ft (RIG TBD)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

## Planned Survey

| Measured Depth (ft)    | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 10,700                 | 90.00           | 132.03      | 5098                | -4138      | 3577       | 5467                  | 0.00                  | 0.00                 | 0.00                |
| 10,800                 | 90.00           | 132.03      | 5098                | -4205      | 3651       | 5567                  | 0.00                  | 0.00                 | 0.00                |
| 10,900                 | 90.00           | 132.03      | 5098                | -4272      | 3726       | 5666                  | 0.00                  | 0.00                 | 0.00                |
| 11,000                 | 90.00           | 132.03      | 5098                | -4338      | 3800       | 5766                  | 0.00                  | 0.00                 | 0.00                |
| 11,100                 | 90.00           | 132.03      | 5098                | -4405      | 3874       | 5865                  | 0.00                  | 0.00                 | 0.00                |
| 11,200                 | 90.00           | 132.03      | 5098                | -4472      | 3948       | 5965                  | 0.00                  | 0.00                 | 0.00                |
| 11,300                 | 90.00           | 132.03      | 5098                | -4539      | 4023       | 6065                  | 0.00                  | 0.00                 | 0.00                |
| 11,400                 | 90.00           | 132.03      | 5098                | -4606      | 4097       | 6164                  | 0.00                  | 0.00                 | 0.00                |
| 11,500                 | 90.00           | 132.03      | 5098                | -4673      | 4171       | 6264                  | 0.00                  | 0.00                 | 0.00                |
| 11,600                 | 90.00           | 132.03      | 5098                | -4740      | 4246       | 6363                  | 0.00                  | 0.00                 | 0.00                |
| 11,700                 | 90.00           | 132.03      | 5098                | -4807      | 4320       | 6463                  | 0.00                  | 0.00                 | 0.00                |
| 11,800                 | 90.00           | 132.03      | 5098                | -4874      | 4394       | 6562                  | 0.00                  | 0.00                 | 0.00                |
| 11,900                 | 90.00           | 132.03      | 5098                | -4941      | 4468       | 6662                  | 0.00                  | 0.00                 | 0.00                |
| 12,000                 | 90.00           | 132.03      | 5098                | -5008      | 4543       | 6761                  | 0.00                  | 0.00                 | 0.00                |
| 12,100                 | 90.00           | 132.03      | 5098                | -5075      | 4617       | 6861                  | 0.00                  | 0.00                 | 0.00                |
| 12,200                 | 90.00           | 132.03      | 5098                | -5142      | 4691       | 6960                  | 0.00                  | 0.00                 | 0.00                |
| 12,223                 | 90.00           | 132.03      | 5098                | -5157      | 4709       | 6983                  | 0.00                  | 0.00                 | 0.00                |
| <b>Last take point</b> |                 |             |                     |            |            |                       |                       |                      |                     |
| 12,283                 | 90.00           | 132.03      | 5098                | -5198      | 4753       | 7043                  | 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     |
|---------------------------|---------------|--------------|----------|------------|------------|-----------------|----------------|-------------|---------------|
| - hit/miss target         |               |              |          |            |            |                 |                |             |               |
| - Shape                   |               |              |          |            |            |                 |                |             |               |
| 333H heel                 | 0.00          | 0.00         | 5098     | -678       | -262       | 1,884,971       | 2,787,235      | 36.18022570 | -107.61598320 |
| - plan hits target center |               |              |          |            |            |                 |                |             |               |
| - Circle (radius 50)      |               |              |          |            |            |                 |                |             |               |
| 333H toe                  | 0.00          | 0.00         | 5098     | -5198      | 4753       | 1,880,463       | 2,792,259      | 36.16780980 | -107.59899330 |
| - plan hits target center |               |              |          |            |            |                 |                |             |               |
| - Circle (radius 100)     |               |              |          |            |            |                 |                |             |               |

## Casing Points

| Measured Depth (ft) | Vertical Depth (ft) | Name                | Casing Diameter (in) | Hole Diameter (in) |
|---------------------|---------------------|---------------------|----------------------|--------------------|
| 350                 | 350                 | Surface casing      | 9.625                | 12.250             |
| 5523                | 5098                | Intermediate casing | 7.000                | 8.750              |

## Planning Report

**Database:** EDM  
**Company:** DJR Operating  
**Project:** North Alamo Unit  
**Site:** J31 2307  
**Well:** NAU 333H  
**Wellbore:** Original drilling  
**Design:** APD

**Local Co-ordinate Reference:** Well NAU 333H  
**TVD Reference:** RKB @ 6993ft (RIG TBD)  
**MD Reference:** RKB @ 6993ft (RIG TBD)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

### Formations

| Measured Depth (ft) | Vertical Depth (ft) | Name           | Lithology | Dip (°) | Dip Direction (°) |
|---------------------|---------------------|----------------|-----------|---------|-------------------|
| 890                 | 889                 | Ojo Alamo      |           | 0.00    |                   |
| 930                 | 929                 | Kirtland       |           | 0.00    |                   |
| 1177                | 1172                | Fruitland      |           | 0.00    |                   |
| 1466                | 1456                | Picture Cliffs |           | 0.00    |                   |
| 1637                | 1624                | Lewis          |           | 0.00    |                   |
| 2245                | 2222                | Chacra         |           | 0.00    |                   |
| 2939                | 2903                | Cliffhouse     |           | 0.00    |                   |
| 2963                | 2927                | Menefee        |           | 0.00    |                   |
| 3878                | 3826                | Point Lookout  |           | 0.00    |                   |
| 4061                | 4006                | Mancos         |           | 0.00    |                   |
| 4401                | 4340                | Mancos Silt    |           | 0.00    |                   |
| 4903                | 4815                | Gallup A       |           | 0.00    |                   |
| 4945                | 4849                | Gallup B       |           | 0.00    |                   |
| 5088                | 4951                | Gallup C       |           | 0.00    |                   |
| 5533                | 5098                | Target         |           | 0.00    |                   |

### Plan Annotations

| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates |            | Comment          |
|---------------------|---------------------|-------------------|------------|------------------|
|                     |                     | +N/-S (ft)        | +E/-W (ft) |                  |
| 4467                | 4405                | -173              | -658       | KOP              |
| 5323                | 5064                | -536              | -411       | Top of liner     |
| 5593                | 5098                | -718              | -217       | First take point |
| 12,223              | 5098                | -5157             | 4709       | Last take point  |

# **DJR Operating**

**North Alamito Unit**

**J31 2307**

**NAU 333H**

**Original drilling**

**APD**

## **Anticollision Report**

**28 March, 2019**

# Anticollision Report

**Company:** DJR Operating  
**Project:** North Alamito Unit  
**Reference Site:** J31 2307  
**Site Error:** 0 ft  
**Reference Well:** NAU 333H  
**Well Error:** 0 ft  
**Reference Wellbore:** Original drilling  
**Reference Design:** APD

**Local Co-ordinate Reference:** Well NAU 333H  
**TVD Reference:** RKB @ 6993ft (RIG TBD)  
**MD Reference:** RKB @ 6993ft (RIG TBD)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature  
**Output errors are at** 2.00 sigma  
**Database:** EDM  
**Offset TVD Reference:** Offset Datum

|                                     |                                                                     |
|-------------------------------------|---------------------------------------------------------------------|
| <b>Reference</b>                    | APD                                                                 |
| <b>Filter type:</b>                 | NO GLOBAL FILTER: Using user defined selection & filtering criteria |
| <b>Interpolation Method:</b>        | Stations                                                            |
| <b>Depth Range:</b>                 | Unlimited                                                           |
| <b>Results Limited by:</b>          | Maximum center-center distance of 10,000 ft                         |
| <b>Warning Levels Evaluated at:</b> | 2.00 Sigma                                                          |
| <b>Error Model:</b>                 | ISCWSA                                                              |
| <b>Scan Method:</b>                 | Closest Approach 3D                                                 |
| <b>Error Surface:</b>               | Pedal Curve                                                         |
| <b>Casing Method:</b>               | Not applied                                                         |

| Survey Tool Program |         | Date                    | 3/28/2019 |                        |  |
|---------------------|---------|-------------------------|-----------|------------------------|--|
| From (ft)           | To (ft) | Survey (Wellbore)       | Tool Name | Description            |  |
| 0                   | 12,283  | APD (Original drilling) | MWD+IGRF  | OWSG MWD + IGRF or WMM |  |

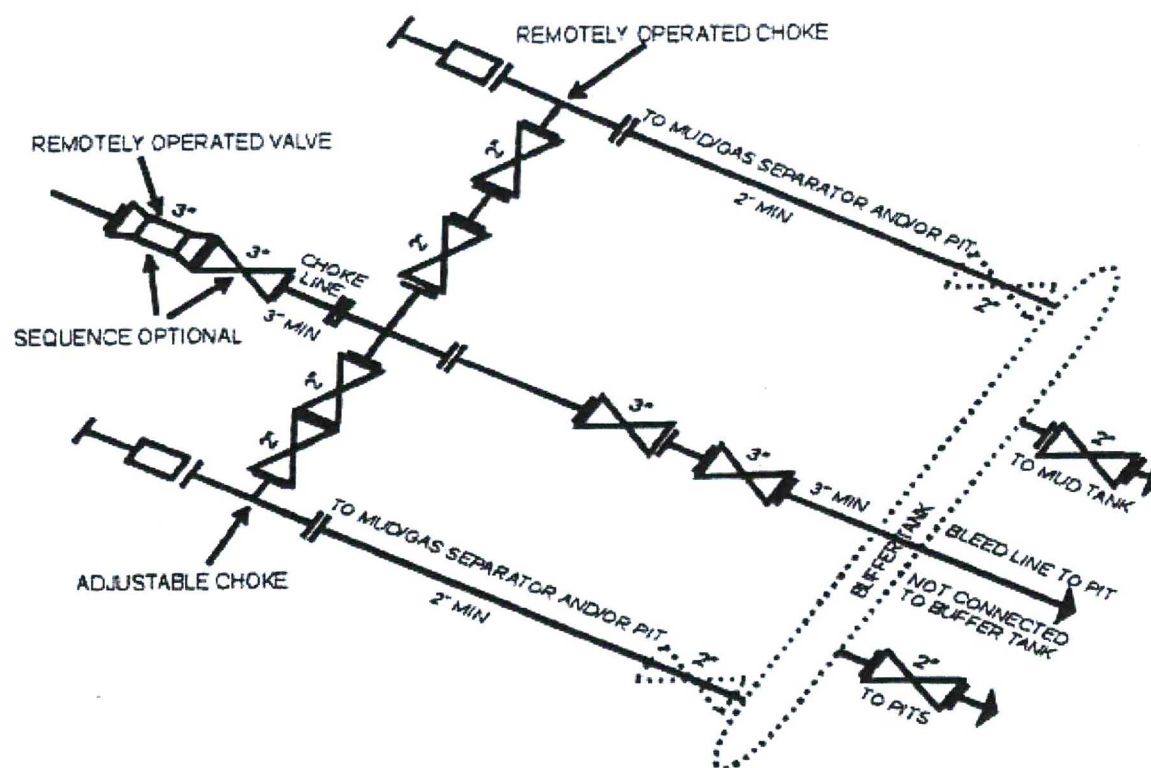
| Summary                            |                               |                            |                               |                                |                   |         |
|------------------------------------|-------------------------------|----------------------------|-------------------------------|--------------------------------|-------------------|---------|
| Site Name                          | Reference Measured Depth (ft) | Offset Measured Depth (ft) | Distance Between Centres (ft) | Distance Between Ellipses (ft) | Separation Factor | Warning |
| Offset Well - Wellbore - Design    |                               |                            |                               |                                |                   |         |
| J31 2307                           |                               |                            |                               |                                |                   |         |
| NAU 332H - Original drilling - APD | 403                           | 403                        | 50                            | 47                             | 20.011 CC         |         |
| NAU 332H - Original drilling - APD | 500                           | 499                        | 50                            | 47                             | 15.809 ES         |         |
| NAU 332H - Original drilling - APD | 5413                          | 5349                       | 144                           | 103                            | 3.515 SF          |         |
| NAU 528H - Original drilling - APD | 404                           | 404                        | 40                            | 37                             | 16.036 CC         |         |
| NAU 528H - Original drilling - APD | 500                           | 500                        | 40                            | 37                             | 12.629 ES         |         |
| NAU 528H - Original drilling - APD | 12,283                        | 12,241                     | 860                           | 498                            | 2.377 SF          |         |
| NAU 529H - Original drilling - APD | 550                           | 550                        | 20                            | 16                             | 5.632 CC, ES      |         |
| NAU 529H - Original drilling - APD | 700                           | 700                        | 23                            | 19                             | 5.102 SF          |         |
| NAU 559H - Original drilling - APD | 726                           | 726                        | 18                            | 13                             | 3.698 CC, ES, SF  |         |

| Offset Design J31 2307 - NAU 332H - Original drilling - APD |                     |                     |                     |                 |             |                       |                                   |            |                      |                       |                         |                   | Offset Site Error: 0 ft |  |
|-------------------------------------------------------------|---------------------|---------------------|---------------------|-----------------|-------------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|-------------------------|-------------------|-------------------------|--|
| Survey Program: 0-MWD+IGRF                                  |                     |                     |                     |                 |             |                       |                                   |            |                      |                       |                         |                   | Offset Well Error: 0 ft |  |
| Reference                                                   |                     | Offset              |                     | Semi Major Axis |             | Distance              |                                   |            |                      |                       |                         |                   | Warning                 |  |
| Measured Depth (ft)                                         | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft)  | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor |                         |  |
| 0                                                           | 0                   | 0                   | 0                   | 0               | 0           | -138.33               | -37                               | -33        | 50                   |                       |                         |                   |                         |  |
| 100                                                         | 100                 | 100                 | 100                 | 0               | 0           | -138.33               | -37                               | -33        | 50                   | 49                    | 0.31                    | 161.247           |                         |  |
| 200                                                         | 200                 | 200                 | 200                 | 1               | 1           | -138.33               | -37                               | -33        | 50                   | 49                    | 1.03                    | 48.487            |                         |  |
| 300                                                         | 300                 | 300                 | 300                 | 1               | 1           | -138.33               | -37                               | -33        | 50                   | 48                    | 1.74                    | 28.533            |                         |  |
| 400                                                         | 400                 | 400                 | 400                 | 1               | 1           | -138.33               | -37                               | -33        | 50                   | 47                    | 2.46                    | 20.215            |                         |  |
| 403                                                         | 403                 | 403                 | 403                 | 1               | 1           | -138.33               | -37                               | -33        | 50                   | 47                    | 2.48                    | 20.011 CC         |                         |  |
| 500                                                         | 500                 | 499                 | 499                 | 2               | 2           | -138.64               | -38                               | -33        | 50                   | 47                    | 3.17                    | 15.809 ES         |                         |  |
| 550                                                         | 550                 | 549                 | 549                 | 2               | 2           | -139.57               | -39                               | -33        | 51                   | 48                    | 3.51                    | 14.545            |                         |  |
| 600                                                         | 600                 | 598                 | 598                 | 2               | 2           | -36.60                | -41                               | -33        | 52                   | 49                    | 3.84                    | 13.619            |                         |  |
| 700                                                         | 700                 | 696                 | 696                 | 2               | 2           | -42.95                | -48                               | -33        | 55                   | 51                    | 4.52                    | 12.255            |                         |  |
| 800                                                         | 800                 | 794                 | 793                 | 3               | 3           | -52.34                | -58                               | -33        | 60                   | 55                    | 5.20                    | 11.528            |                         |  |
| 900                                                         | 899                 | 891                 | 889                 | 3               | 3           | -63.24                | -71                               | -34        | 68                   | 62                    | 5.89                    | 11.482            |                         |  |
| 1000                                                        | 998                 | 986                 | 983                 | 3               | 3           | -73.90                | -87                               | -34        | 80                   | 73                    | 6.60                    | 12.077            |                         |  |
| 1087                                                        | 1084                | 1069                | 1064                | 4               | 4           | -82.01                | -104                              | -34        | 94                   | 87                    | 7.24                    | 13.013            |                         |  |
| 1100                                                        | 1097                | 1081                | 1076                | 4               | 4           | -83.10                | -106                              | -34        | 97                   | 89                    | 7.34                    | 13.175            |                         |  |
| 1200                                                        | 1195                | 1177                | 1169                | 4               | 4           | -90.07                | -128                              | -35        | 118                  | 110                   | 8.14                    | 14.499            |                         |  |
| 1300                                                        | 1293                | 1273                | 1263                | 5               | 5           | -94.91                | -150                              | -35        | 141                  | 132                   | 8.99                    | 15.673            |                         |  |
| 1400                                                        | 1391                | 1370                | 1357                | 5               | 5           | -98.40                | -173                              | -36        | 164                  | 154                   | 9.85                    | 16.680            |                         |  |

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

# Choke Manifold

Actual system to conform with Onshore Order 2



Proposed BOP stack  
11" 3M RRA



Double gate with integral choke/kill outlets

