

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-147  
Revised April 3, 2017

## Recycling Facility and/or Recycling Containment

Type of Facility:  Recycling Facility  Recycling Containment\*  
Type of action:  Permit  Registration  
 Modification  Extension  
 Closure  Other (explain) Construction Notice \_\_\_\_\_

\* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.  
Operator: DJR Operating, LLC (For multiple operators attach page with information) OGRID #: 371838  
Address: 200 Energy Court, Farmington, New Mexico 87401  
Facility or well name (include API# if associated with a well): Gallo Canyon Unit 2306 M26  
OCD Permit Number: 3RF-92 FVV2532435832 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr SW/SW\_NW/NW Section 26&35 Township 23N Range 06W County: Sandaval  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  
 **Recycling Facility:**  
Location of recycling facility (if applicable): Latitude 36.188771 Longitude -107.445943 NAD83  
Proposed Use:  Drilling\*  Completion\*  Production\*  Plugging\*  
*\*The re-use of produced water may NOT be used until fresh water zones are cased and cemented*  
 Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*  
 Fluid Storage  
 Above ground tanks  Recycling containment  Activity permitted under 19.15.17 NMAC explain type \_\_\_\_\_  
 Activity permitted under 19.15.36 NMAC explain type: \_\_\_\_\_  Other explain \_\_\_\_\_  
 For multiple or additional recycling containments, attach design and location information of each containment  
 **Closure Report (required within 60 days of closure completion):**  Recycling Facility Closure Completion Date: \_\_\_\_\_

3.  
 **Recycling Containment:**  
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)  
Center of Recycling Containment (if applicable): Latitude 36.280771 Longitude -107.818725 NAD83  
 For multiple or additional recycling containments, attach design and location information of each containment  
 Lined  Liner type: Thickness 40 mil  LLDPE  HDPE  PVC  Other \_\_\_\_\_  
 String-Reinforced  
Liner Seams:  Welded  Factory  Other \_\_\_\_\_ Volume: 60,000 bbl Dimensions: Diameter 190' x Height 12'  
 Recycling Containment Closure Completion Date: \_\_\_\_\_

4.

**Bonding:**

Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)

Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ \_\_\_\_\_ (work on these facilities cannot commence until bonding amounts are approved)

Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

**Fencing:**

Four foot height, four strands of barbed wire evenly spaced between one and four feet

Alternate. Please specify See variance request in registration package

6.

**Signs:**

12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19.15.16.8 NMAC

7.

**Variations:**

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

**Check the below box only if a variance is requested:**

Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

**If a Variance is requested, it must be approved prior to implementation.**

8.

**Siting Criteria for Recycling Containment**

*Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.*

<b>General siting</b>	
Ground water is less than 50 feet below the bottom of the Recycling Containment. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; aerial photo; satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

9.

**Recycling Facility and/or Containment Checklist:**

*Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.*

- Design Plan - based upon the appropriate requirements.
- Operating and Maintenance Plan - based upon the appropriate requirements.
- Closure Plan - based upon the appropriate requirements.
- Site Specific Groundwater Data
- Siting Criteria Compliance Demonstrations
- Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

**Operator Application Certification:**

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Heather Huntington Title: Regulatory Specialist  
 Signature: *Heather Huntington* Date: 06/17/26  
 e-mail address: hhuntington@enduringresources.com Telephone: 505-636-9751

11.

OCD Representative Signature: *Victoria Venegas* Approval Date: 06/22/2026  
 Title: Senior Environmental Scientist OCD Permit Number: 3RF-92  
 OCD Conditions FVV2532435832  
 Additional OCD Conditions on Attachment

DJR Operating will begin construction on the 60,000 bbl AST for Gallo Canyon Unit 2306 M26 AST Pad [3RF-92 FVV2532435832] on 06/19/26.

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

General Information  
Phone: (505) 629-6116

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

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

CONDITIONS

Action 596761

**CONDITIONS**

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 596761
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
vvenegas	None	6/22/2026