District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101
August 1, 2011

Permit 309548

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address		2. OGRID Number
DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410		371838
		3. API Number 30-043-21493
4. Property Code 332464	5. Property Name Lybrook D16-2207	6. Well No. 004H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	16	22N	07W		1277	N	363	W	Sandoval

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	16	22N	07W	A	967	N	330	E	Sandoval

9. Pool Information

RUSTY GALLUP	52860

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	6823
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
N	9955	Gallup Formation		10/27/2023
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ **We will be using a closed-loop system in lieu of lined pits**

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	350	109	0
Int1	8.75	7	26	5290	613	0
Prod	6.125	4.5	11.6	9955	415	5004

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3	5	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.

Signature:

OIL CONSERVATION DIVISION

Printed Name:	Electronically filed by Dave Brown	Approved By:	Katherine Pickford	
Title:	Manager of Governement and Regulatory Affairs	Title:	Geoscientist	
Email Address:	dbrown@djrllc.com	Approved Date:	3/1/2022	Expiration Date: 3/1/2024
Date:	2/25/2022 Phone: 303-887-3695	Conditions of Approval Attached		

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DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-043-21493	52860	RUSTY GALLUP OIL POOL

[4] Property Code	[5] Property Name	[6] Well Number
332464	LYBROOK D 16 -2207	04H

[7] OGRID No.	[8] Operator Name	[9] Elevation
371838	DJR OPERATING, LLC	6823

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	22 N	7 W		1277	NORTH	363	WEST	SANDOVAL

[11] 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
A	16	22 N	7 W		967	NORTH	330	EAST	SANDOVAL

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
SEC. 16=N/2N/2 TOTAL = 160 ACRES			

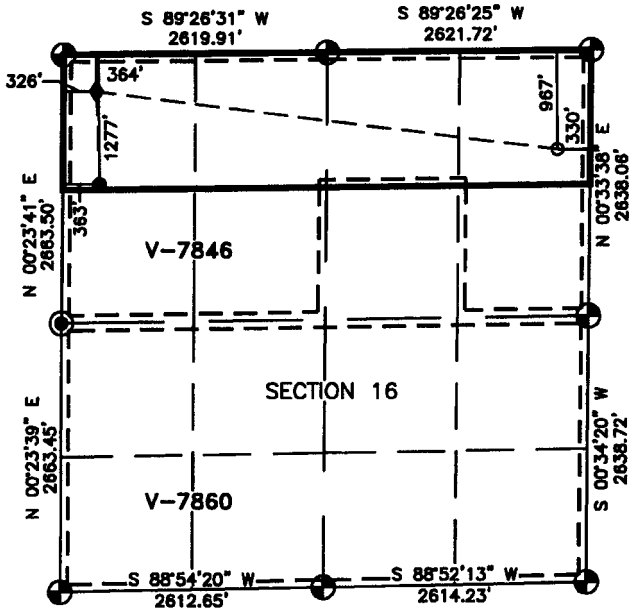
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

SHL
1277' FNL, 363' FWL
SEC. 16, T22N, R7W
LAT: 36.1432388° N
LONG: 107.5879055° W
NAD 83

POE (PPP-1)
364' FNL, 326' FWL
SEC. 16, T22N, R7W
LAT: 36.1457478° N
LONG: 107.5880007° W
NAD 83

BHL
967' FNL, 330' FEL
SEC. 16, T22N, R7W
LAT: 36.1441811° N
LONG: 107.5724992° W
NAD 83



LEGEND:
- ● = SURFACE LOCATION (SHL)
- ○ = BOTTOM HOLE LOCATION (BHL)
- ◇ = POE (PPP-1)
- ◔ = FOUND BRASS CAP USGLO 1948
- ◉ = FOUND ALUM. CAP LS 110141 2002

[17] 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.

Shaw-Marie Ford — 02/17/22
Signature — Date

Shaw-Marie Ford
Printed Name

sford@djrllc.com
E-mail Address

[18] 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.

4/29/21
Date of Survey
Plats Revised: 2/1/22
Signature and Seal of Professional Surveyor:

MARSHALL W. LINDEEN
NEW MEXICO
14078
2-1-22
PROFESSIONAL SURVEYOR

17078
Certificate Number

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

Form APD Conditions

Permit 309548

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
DJR OPERATING, LLC [371838] 1 Road 3263 Aztec, NM 87410	30-043-21493
	Well: Lybrook D16-2207 #004H

OCD Reviewer	Condition
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
kpickford	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
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing
kpickford	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

DJR Operating

Company: DJR Operating
Project: Lybrook Area
Site: D16 2207 Pad
Well: # 04H
Wellbore: Original drilling
Design: APD

PROJECT DETAILS: Lybrook Area

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Western Zone
System Datum: Mean Sea Level
Local North: True

LONESTAR CONSULTING

WELL DETAILS: # 04H

GL 6823' & RKB 14' @ 6837ft

+N/-S	+E/-W	Northing	Easting	Latittude	Longitude	
0	0	1871526.87	2795554.69	36.14323877	-107.58790549	2

Plan: APD (# 04H/Original drilling)

Created By: Janie Collins Date: 12:32, February 17 2022

Azimuths to True North
Magnetic North: 10.[illegible]°

Magnetic Field
Strength: 51199.[illegible]nT
Dip Angle: 63.[illegible]°
Date: 12/31/2[illegible]
Model: IGRF2[illegible]

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
04H heel	4800	913	-28	1872440.13	2795524.27	36.14574780	-107.58800070
04H toe	4829	343	4549	1871881.75	2800102.51	36.14418110	-107.57249920

SECTION DETAILS

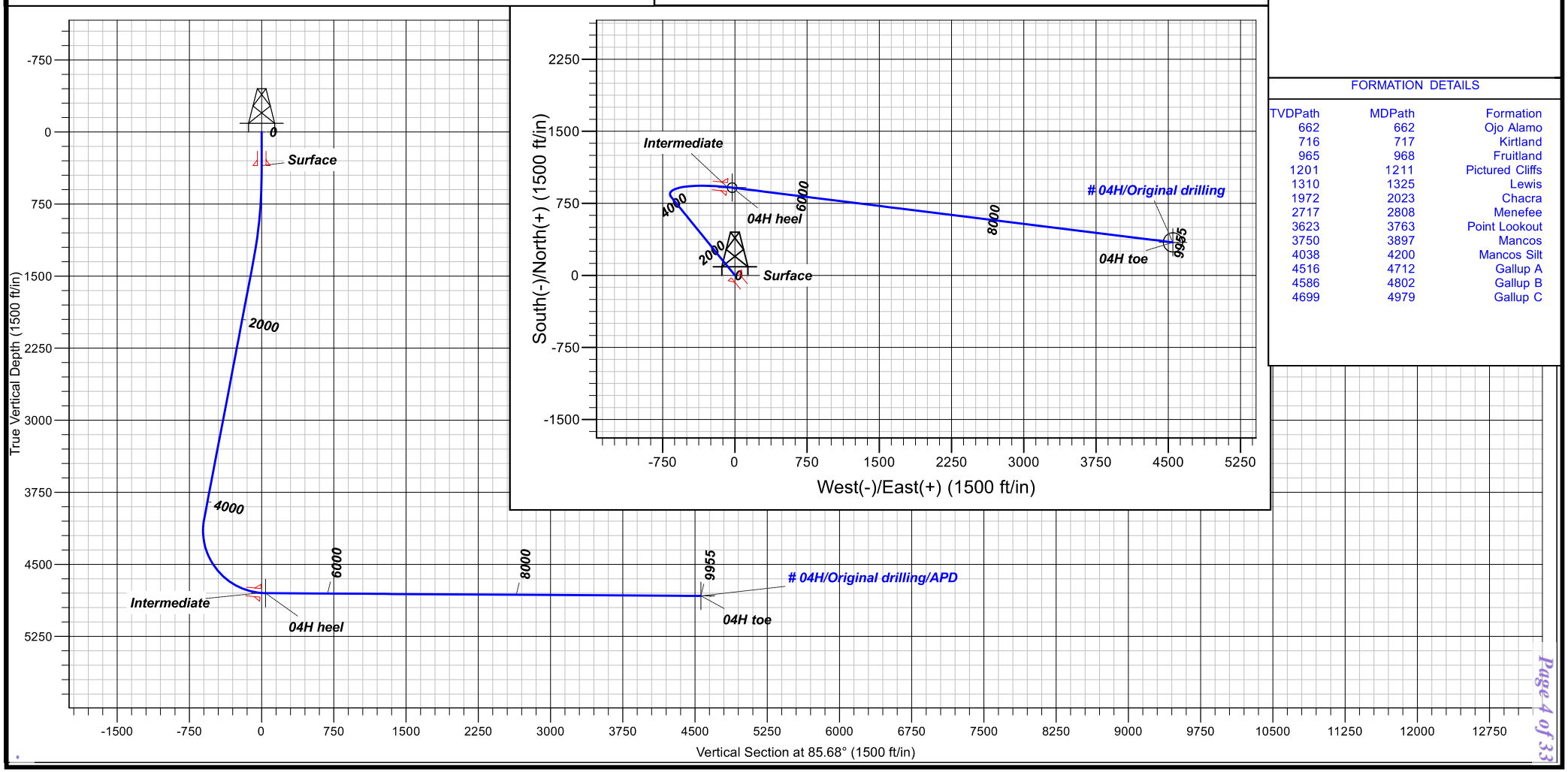
MD	Inc	Azi	TVD	+N/-S	+E/-W	DIeg	TFace	VSect
0	0.00	0.00	0	0	0	0.00	0.00	0
425	0.00	0.00	425	0	0	0.00	0.00	0
1347	18.45	320.98	1331	114	-93	2.00	320.98	-84
4201	18.45	320.98	4038	816	-661	0.00	0.00	-598
5343	89.64	97.10	4800	913	-28	9.00	134.69	41
9955	89.64	97.10	4829	343	4549	0.00	0.00	4562

CASING DETAILS

TVD	MD	Name
350	350	Surface
4798	5290	Intermediate

FORMATION DETAILS

TVDPath	MDPath	Formation
662	662	Ojo Alamo
716	717	Kirtland
965	968	Fruitland
1201	1211	Pictured Cliffs
1310	1325	Lewis
1972	2023	Chacra
2717	2808	Menefee
3623	3763	Point Lookout
3750	3897	Mancos
4038	4200	Mancos Silt
4516	4712	Gallup A
4586	4802	Gallup B
4699	4979	Gallup C



DJR Operating

Lybrook Area
D16 2207 Pad
 # 04H - Slot 2

Original drilling

Plan: APD

Standard Planning Report

17 February, 2022

DJR Operating

Lonestar Consulting, LLC
Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Project:	Lybrook Area	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site:	D16 2207 Pad	**North Reference:**	True
Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original drilling		
Design:	APD		

Project Lybrook Area

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Western Zone		

Site D16 2207 Pad

Site Position:		**Northing:**	1,871,526.89 usft	**Latitude:**	36.14323897
From:	Lat/Long	**Easting:**	2,795,534.66 usft	**Longitude:**	-107.58797333
Position Uncertainty:	0 ft	**Slot Radius:**	13.20 in	**Grid Convergence:**	0.14 °

Well # 04H - Slot 2

Well Position	**+N/-S**	0 ft	**Northing:**	1,871,526.87 usft	**Latitude:**	36.14323877
	+E/-W	20 ft	**Easting:**	2,795,554.69 usft	**Longitude:**	-107.58790549
Position Uncertainty		0 ft	**Wellhead Elevation:**		**Ground Level:**	6823 ft

Wellbore Original drilling

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2000	12/31/2004	10.78	63.19	51,199.59739346

Design APD

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0	0	0	85.68

Plan Survey Tool Program **Date** 5/20/2021

	Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks
1	0	9955	APD (Original drilling)	MWD+IGRF OWSG MWD + IGRF or WMM	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00	
425	0.00	0.00	425	0	0	0.00	0.00	0.00	0.00	
1347	18.45	320.98	1331	114	-93	2.00	2.00	0.00	320.98	
4201	18.45	320.98	4038	816	-661	0.00	0.00	0.00	0.00	
5343	89.64	97.10	4800	913	-28	9.00	6.23	11.91	134.69	04H heel
9955	89.64	97.10	4829	343	4549	0.00	0.00	0.00	0.00	04H toe

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Project:	Lybrook Area	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site:	D16 2207 Pad	**North Reference:**	True
Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original drilling		
Design:	APD		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0	0.00	0.00	0	0	0	0	0.00	0.00	0.00
100	0.00	0.00	100	0	0	0	0.00	0.00	0.00
200	0.00	0.00	200	0	0	0	0.00	0.00	0.00
300	0.00	0.00	300	0	0	0	0.00	0.00	0.00
400	0.00	0.00	400	0	0	0	0.00	0.00	0.00
425	0.00	0.00	425	0	0	0	0.00	0.00	0.00
500	1.50	320.98	500	1	-1	-1	2.00	2.00	0.00
600	3.50	320.98	600	4	-3	-3	2.00	2.00	0.00
700	5.50	320.98	700	10	-8	-8	2.00	2.00	0.00
800	7.50	320.98	799	19	-15	-14	2.00	2.00	0.00
900	9.50	320.98	898	31	-25	-22	2.00	2.00	0.00
1000	11.50	320.98	996	45	-36	-33	2.00	2.00	0.00
1100	13.50	320.98	1094	62	-50	-45	2.00	2.00	0.00
1200	15.50	320.98	1191	81	-66	-59	2.00	2.00	0.00
1300	17.50	320.98	1286	103	-83	-75	2.00	2.00	0.00
1347	18.45	320.98	1331	114	-93	-84	2.00	2.00	0.00
1400	18.45	320.98	1381	127	-103	-93	0.00	0.00	0.00
1500	18.45	320.98	1476	152	-123	-111	0.00	0.00	0.00
1600	18.45	320.98	1571	176	-143	-129	0.00	0.00	0.00
1700	18.45	320.98	1666	201	-163	-147	0.00	0.00	0.00
1800	18.45	320.98	1761	226	-183	-165	0.00	0.00	0.00
1900	18.45	320.98	1856	250	-203	-183	0.00	0.00	0.00
2000	18.45	320.98	1951	275	-223	-201	0.00	0.00	0.00
2100	18.45	320.98	2045	299	-243	-219	0.00	0.00	0.00
2200	18.45	320.98	2140	324	-263	-237	0.00	0.00	0.00
2300	18.45	320.98	2235	349	-282	-255	0.00	0.00	0.00
2400	18.45	320.98	2330	373	-302	-273	0.00	0.00	0.00
2500	18.45	320.98	2425	398	-322	-291	0.00	0.00	0.00
2600	18.45	320.98	2520	422	-342	-309	0.00	0.00	0.00
2700	18.45	320.98	2615	447	-362	-327	0.00	0.00	0.00
2800	18.45	320.98	2710	471	-382	-345	0.00	0.00	0.00
2900	18.45	320.98	2804	496	-402	-363	0.00	0.00	0.00
3000	18.45	320.98	2899	521	-422	-381	0.00	0.00	0.00
3100	18.45	320.98	2994	545	-442	-399	0.00	0.00	0.00
3200	18.45	320.98	3089	570	-462	-417	0.00	0.00	0.00
3300	18.45	320.98	3184	594	-482	-435	0.00	0.00	0.00
3400	18.45	320.98	3279	619	-502	-454	0.00	0.00	0.00
3500	18.45	320.98	3374	644	-521	-472	0.00	0.00	0.00
3600	18.45	320.98	3468	668	-541	-490	0.00	0.00	0.00
3700	18.45	320.98	3563	693	-561	-508	0.00	0.00	0.00
3800	18.45	320.98	3658	717	-581	-526	0.00	0.00	0.00
3900	18.45	320.98	3753	742	-601	-544	0.00	0.00	0.00
4000	18.45	320.98	3848	766	-621	-562	0.00	0.00	0.00
4100	18.45	320.98	3943	791	-641	-580	0.00	0.00	0.00
4201	18.45	320.98	4038	816	-661	-598	0.00	0.00	0.00
4300	13.66	348.92	4134	840	-673	-608	9.00	-4.80	28.07
4400	13.83	27.47	4231	862	-670	-603	9.00	0.16	38.55
4500	18.84	54.60	4327	882	-651	-583	9.00	5.01	27.13
4600	26.03	68.98	4420	899	-617	-548	9.00	7.19	14.38
4700	34.05	77.21	4506	913	-570	-499	9.00	8.02	8.23
4800	42.43	82.55	4585	924	-509	-438	9.00	8.38	5.34
4900	50.99	86.40	4653	931	-436	-365	9.00	8.56	3.85
5000	59.64	89.41	4710	933	-354	-283	9.00	8.65	3.01

DJR Operating

Lonestar Consulting, LLC
Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Project:	Lybrook Area	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site:	D16 2207 Pad	**North Reference:**	True
Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original drilling		
Design:	APD		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5100	68.35	91.92	4754	932	-264	-194	9.00	8.71	2.51
5200	77.10	94.15	4784	927	-169	-99	9.00	8.75	2.23
5300	85.86	96.23	4798	918	-71	-2	9.00	8.76	2.07
5343	89.64	97.10	4800	913	-28	41	9.00	8.77	2.03
5400	89.64	97.10	4800	906	28	97	0.00	0.00	0.00
5500	89.64	97.10	4801	894	128	195	0.00	0.00	0.00
5600	89.64	97.10	4802	882	227	293	0.00	0.00	0.00
5700	89.64	97.10	4802	869	326	391	0.00	0.00	0.00
5800	89.64	97.10	4803	857	425	489	0.00	0.00	0.00
5900	89.64	97.10	4804	845	525	587	0.00	0.00	0.00
6000	89.64	97.10	4804	832	624	685	0.00	0.00	0.00
6100	89.64	97.10	4805	820	723	783	0.00	0.00	0.00
6200	89.64	97.10	4805	807	822	881	0.00	0.00	0.00
6300	89.64	97.10	4806	795	921	979	0.00	0.00	0.00
6400	89.64	97.10	4807	783	1021	1077	0.00	0.00	0.00
6500	89.64	97.10	4807	770	1120	1175	0.00	0.00	0.00
6600	89.64	97.10	4808	758	1219	1273	0.00	0.00	0.00
6700	89.64	97.10	4809	746	1318	1371	0.00	0.00	0.00
6800	89.64	97.10	4809	733	1418	1469	0.00	0.00	0.00
6900	89.64	97.10	4810	721	1517	1567	0.00	0.00	0.00
7000	89.64	97.10	4810	709	1616	1665	0.00	0.00	0.00
7100	89.64	97.10	4811	696	1715	1763	0.00	0.00	0.00
7200	89.64	97.10	4812	684	1815	1861	0.00	0.00	0.00
7300	89.64	97.10	4812	672	1914	1959	0.00	0.00	0.00
7400	89.64	97.10	4813	659	2013	2057	0.00	0.00	0.00
7500	89.64	97.10	4814	647	2112	2155	0.00	0.00	0.00
7600	89.64	97.10	4814	634	2211	2253	0.00	0.00	0.00
7700	89.64	97.10	4815	622	2311	2351	0.00	0.00	0.00
7800	89.64	97.10	4815	610	2410	2449	0.00	0.00	0.00
7900	89.64	97.10	4816	597	2509	2547	0.00	0.00	0.00
8000	89.64	97.10	4817	585	2608	2645	0.00	0.00	0.00
8100	89.64	97.10	4817	573	2708	2743	0.00	0.00	0.00
8200	89.64	97.10	4818	560	2807	2841	0.00	0.00	0.00
8300	89.64	97.10	4819	548	2906	2939	0.00	0.00	0.00
8400	89.64	97.10	4819	536	3005	3037	0.00	0.00	0.00
8500	89.64	97.10	4820	523	3105	3135	0.00	0.00	0.00
8600	89.64	97.10	4820	511	3204	3233	0.00	0.00	0.00
8700	89.64	97.10	4821	499	3303	3331	0.00	0.00	0.00
8800	89.64	97.10	4822	486	3402	3429	0.00	0.00	0.00
8900	89.64	97.10	4822	474	3502	3527	0.00	0.00	0.00
9000	89.64	97.10	4823	461	3601	3625	0.00	0.00	0.00
9100	89.64	97.10	4824	449	3700	3723	0.00	0.00	0.00
9200	89.64	97.10	4824	437	3799	3821	0.00	0.00	0.00
9300	89.64	97.10	4825	424	3898	3919	0.00	0.00	0.00
9400	89.64	97.10	4826	412	3998	4017	0.00	0.00	0.00
9500	89.64	97.10	4826	400	4097	4115	0.00	0.00	0.00
9600	89.64	97.10	4827	387	4196	4213	0.00	0.00	0.00
9700	89.64	97.10	4827	375	4295	4311	0.00	0.00	0.00
9800	89.64	97.10	4828	363	4395	4409	0.00	0.00	0.00
9900	89.64	97.10	4829	350	4494	4507	0.00	0.00	0.00
9955	89.64	97.10	4829	343	4549	4562	0.00	0.00	0.00

DJR Operating

Lonestar Consulting, LLC
Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Project:	Lybrook Area	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site:	D16 2207 Pad	**North Reference:**	True
Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original drilling		
Design:	APD		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
04H heel - plan hits target center - Circle (radius 50)	0.00	0.00	4800	913	-28	1,872,440.13	2,795,524.27	36.14574780	-107.58800070
04H toe - plan hits target center - Circle (radius 100)	0.00	0.00	4829	343	4549	1,871,881.75	2,800,102.52	36.14418110	-107.57249920

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
350	350	Surface	9.62	12.25
5290	4798	Intermediate	7.00	8.75

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
662	662	Ojo Alamo		0.00	0.00
717	716	Kirtland		0.00	0.00
968	965	Fruitland		0.00	0.00
1211	1201	Pictured Cliffs		0.00	0.00
1325	1310	Lewis		0.00	0.00
2023	1972	Chacra		0.00	0.00
2808	2717	Menefee		0.00	0.00
3763	3623	Point Lookout		0.00	0.00
3897	3750	Mancos		0.00	0.00
4200	4038	Mancos Silt		0.00	0.00
4712	4516	Gallup A		0.00	0.00
4802	4586	Gallup B		0.00	0.00
4979	4699	Gallup C		0.00	0.00

DJR Operating

Lybrook Area
D16 2207 Pad
 # 04H

Original drilling
APD

Anticollision Report

17 February, 2022

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Project:	Lybrook Area	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Reference Site:	D16 2207 Pad	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Reference Datum

Reference APD

Filter type:	NO GLOBAL FILTER: Using user defined selection & filtering criteria		
Interpolation Method	MD Interval 100ft	**Error Model:**	ISCWSA
Depth Range:	Unlimited	**Scan Method:**	Closest Approach 3D
Results Limited by:	Maximum centre distance of 2000ft	**Error Surface:**	Pedal Curve
Warning Levels Evaluated at:	2.00 **Sigma**	**Casing Method:**	Not applied

Survey Tool Program **Date** 2/17/2022

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0	9955	APD (Original drilling)	MWD+IGRF	OWSG MWD + IGRF or WMM

Summary

Site Name / Offset Well - Wellbore - Design	Reference Measured	Offset Measured	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Separation	Warning
D16 2207 Pad						
# 01H - Original drilling - APD	516	516	20	17	6.100	CC, ES
# 01H - Original drilling - APD	600	599	21	17	5.514	SF
# 02H - Original drilling - APD	306	306	20	18	11.195	CC
# 02H - Original drilling - APD	400	400	20	18	8.128	ES
# 02H - Original drilling - APD	600	600	24	20	6.142	SF

Offset Design D16 2207 Pad - # 01H - Original drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
0	0	0	0	0	0	-89.79	0	-20	20				
100	100	100	100	0	0	-89.79	0	-20	20	20	0.31	64.973	
200	200	200	200	1	1	-89.79	0	-20	20	19	1.03	19.537	
300	300	300	300	1	1	-89.79	0	-20	20	18	1.74	11.497	
400	400	400	400	1	1	-89.79	0	-20	20	18	2.46	8.145	
500	500	500	500	2	2	-57.84	-2	-20	20	17	3.16	6.319	
516	516	516	516	2	2	-60.56	-2	-21	20	17	3.27	6.100	CC, ES
600	600	599	599	2	2	-81.49	-7	-22	21	17	3.85	5.514	SF
700	700	697	697	2	2	-109.22	-15	-24	30	25	4.55	6.491	
800	799	794	792	3	3	-126.57	-26	-26	47	42	5.26	8.926	
900	898	888	886	3	3	-135.65	-40	-29	72	66	5.97	12.068	
1000	996	980	976	4	3	-140.59	-57	-33	104	97	6.67	15.531	
1100	1094	1069	1063	4	4	-143.47	-76	-38	141	134	7.37	19.146	
1200	1191	1154	1146	5	4	-145.22	-96	-42	184	176	8.06	22.838	
1300	1286	1236	1224	5	5	-146.28	-118	-48	232	224	8.75	26.552	
1400	1381	1314	1299	6	5	-147.23	-141	-53	285	276	9.43	30.228	
1500	1476	1390	1370	6	6	-147.97	-165	-58	340	330	10.09	33.722	
1600	1571	1465	1441	7	6	-148.38	-191	-64	397	387	10.76	36.918	
1700	1666	1547	1517	8	7	-148.68	-219	-71	455	443	11.52	39.483	
1800	1761	1629	1594	8	7	-148.91	-247	-78	513	500	12.30	41.694	
1900	1856	1710	1670	9	8	-149.09	-276	-84	570	557	13.08	43.616	

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

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Project:	Lybrook Area	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Reference Site:	D16 2207 Pad	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Reference Datum

Offset Design D16 2207 Pad - # 01H - Original drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
2000	1951	1792	1746	10	8	-149.24	-304	-91	628	614	13.87	45.297	
2100	2045	1874	1822	10	9	-149.37	-333	-98	686	671	14.66	46.778	
2200	2140	1955	1899	11	10	-149.47	-361	-104	744	728	15.46	48.090	
2300	2235	2037	1975	12	10	-149.56	-390	-111	801	785	16.27	49.260	
2400	2330	2119	2051	12	11	-149.64	-418	-118	859	842	17.08	50.308	
2500	2425	2200	2127	13	12	-149.71	-447	-124	917	899	17.89	51.253	
2600	2520	2282	2204	14	12	-149.77	-475	-131	975	956	18.70	52.106	
2700	2615	2364	2280	14	13	-149.82	-503	-137	1032	1013	19.52	52.882	
2800	2710	2445	2356	15	13	-149.87	-532	-144	1090	1070	20.34	53.589	
2900	2804	2527	2432	16	14	-149.91	-560	-151	1148	1127	21.16	54.237	
3000	2899	2608	2508	17	15	-149.95	-589	-157	1206	1184	21.99	54.831	
3100	2994	2690	2585	17	15	-149.99	-617	-164	1263	1240	22.81	55.378	
3200	3089	2772	2661	18	16	-150.02	-646	-171	1321	1297	23.64	55.884	
3300	3184	2853	2737	19	16	-150.05	-674	-177	1379	1354	24.47	56.352	
3400	3279	2935	2813	19	17	-150.08	-702	-184	1437	1411	25.30	56.786	
3500	3374	3017	2890	20	18	-150.10	-731	-190	1494	1468	26.13	57.191	
3600	3468	3098	2966	21	18	-150.12	-759	-197	1552	1525	26.96	57.568	
3700	3563	3180	3042	21	19	-150.15	-788	-204	1610	1582	27.79	57.921	
3800	3658	3262	3118	22	20	-150.17	-816	-210	1667	1639	28.63	58.251	
3900	3753	3343	3195	23	20	-150.19	-845	-217	1725	1696	29.46	58.561	
4000	3848	3425	3271	24	21	-150.20	-873	-224	1783	1753	30.30	58.852	
4100	3943	3507	3347	24	21	-150.22	-902	-230	1841	1810	31.13	59.126	
4200	4038	3588	3423	25	22	-150.23	-930	-237	1898	1866	31.97	59.384	
4300	4134	3671	3500	26	23	177.36	-959	-244	1954	1922	32.74	59.694	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Project:	Lybrook Area	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Reference Site:	D16 2207 Pad	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Reference Datum

Offset Design D16 2207 Pad - # 02H - Original drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Rule Assigned: Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
0	0	0	0	0	0	90.16	0	20	20				
100	100	100	100	0	0	90.16	0	20	20	20	0.31	64.778	
200	200	200	200	1	1	90.16	0	20	20	19	1.03	19.479	
300	300	300	300	1	1	90.16	0	20	20	18	1.74	11.463	
306	306	306	306	1	1	90.16	0	20	20	18	1.78	11.195	CC
400	400	400	400	1	1	89.85	0	20	20	18	2.46	8.128	ES
500	500	500	500	2	2	126.29	2	20	21	18	3.17	6.580	
600	600	600	600	2	2	130.31	4	21	24	20	3.89	6.142	SF
700	700	700	700	2	2	138.31	5	21	29	25	4.61	6.398	
800	799	799	799	3	3	146.72	7	21	38	33	5.33	7.191	
900	898	898	898	3	3	153.70	9	21	51	45	6.06	8.390	
1000	996	997	997	4	3	158.98	11	22	67	60	6.78	9.874	
1100	1094	1095	1094	4	4	162.85	13	22	87	79	7.51	11.556	
1200	1191	1192	1192	5	4	165.71	14	22	110	102	8.23	13.374	
1300	1286	1288	1288	5	4	167.84	16	22	137	128	8.96	15.288	
1400	1381	1383	1383	6	5	169.51	18	23	167	157	9.68	17.223	
1500	1476	1479	1478	6	5	170.73	20	23	197	187	10.40	18.945	
1600	1571	1574	1574	7	5	171.62	21	23	227	216	11.12	20.443	
1700	1666	1669	1669	8	6	172.31	23	23	258	246	11.84	21.756	
1800	1761	1764	1764	8	6	172.85	25	24	288	275	12.57	22.915	
1900	1856	1859	1859	9	6	173.29	27	24	318	305	13.30	23.944	
2000	1951	1955	1954	10	7	173.65	28	24	349	335	14.03	24.864	
2100	2045	2050	2050	10	7	173.95	30	25	379	364	14.76	25.691	
2200	2140	2145	2145	11	7	174.21	32	25	410	394	15.50	26.437	
2300	2235	2240	2240	12	8	174.43	34	25	440	424	16.23	27.114	
2400	2330	2336	2335	12	8	174.62	35	25	471	454	16.97	27.731	
2500	2425	2431	2431	13	9	174.79	37	26	501	483	17.71	28.296	
2600	2520	2526	2526	14	9	174.94	39	26	531	513	18.44	28.814	
2700	2615	2621	2621	14	9	175.08	41	26	562	543	19.18	29.292	
2800	2710	2717	2716	15	10	175.20	42	26	592	572	19.92	29.733	
2900	2804	2812	2811	16	10	175.31	44	27	623	602	20.66	30.141	
3000	2899	2907	2907	17	10	175.41	46	27	653	632	21.40	30.521	
3100	2994	3002	3002	17	11	175.50	48	27	684	662	22.15	30.875	
3200	3089	3098	3097	18	11	175.58	49	27	714	691	22.89	31.205	
3300	3184	3193	3192	19	11	175.65	51	28	745	721	23.63	31.514	
3400	3279	3288	3288	19	12	175.72	53	28	775	751	24.37	31.804	
3500	3374	3383	3383	20	12	175.79	55	28	806	780	25.11	32.076	
3600	3468	3479	3478	21	12	175.85	56	28	836	810	25.86	32.333	
3700	3563	3574	3573	21	13	175.90	58	29	867	840	26.60	32.574	
3800	3658	3669	3669	22	13	175.95	60	29	897	870	27.35	32.802	
3900	3753	3764	3764	23	13	176.00	62	29	927	899	28.09	33.018	
4000	3848	3860	3859	24	14	176.05	63	30	958	929	28.83	33.222	
4100	3943	3955	3954	24	14	176.09	65	30	988	959	29.58	33.416	
4200	4038	4050	4049	25	14	176.13	67	30	1019	989	30.32	33.600	
4300	4134	4143	4142	26	15	148.03	69	30	1044	1013	31.03	33.637	
4400	4231	4181	4180	26	15	109.88	69	31	1060	1029	31.25	33.919	
4500	4327	4217	4216	26	15	83.69	67	34	1070	1039	31.33	34.159	
4600	4420	4250	4249	26	15	70.73	64	37	1074	1043	31.27	34.355	
4700	4506	4300	4298	26	15	64.85	58	44	1073	1042	31.38	34.207	
4800	4585	4318	4315	26	15	61.56	55	47	1066	1035	31.10	34.288	
4900	4653	4350	4346	26	15	60.68	48	54	1055	1024	31.13	33.892	

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

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Project:	Lybrook Area	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Reference Site:	D16 2207 Pad	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Reference Datum

Offset Design D16 2207 Pad - # 02H - Original drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+IGRF

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
5000	4710	4376	4371	26	15	60.93	42	60	1040	1008	31.30	33.219	
5100	4754	4400	4393	26	16	62.08	36	67	1021	989	31.78	32.133	
5200	4784	4425	4415	25	16	64.04	30	74	1000	967	32.69	30.595	
5300	4798	4450	4438	25	16	66.68	22	82	978	944	34.07	28.707	
5400	4800	4450	4438	25	16	67.38	22	82	957	922	35.36	27.067	
5500	4801	4479	4464	26	16	69.01	12	91	945	907	37.38	25.271	
5579	4801	4500	4482	27	16	70.17	5	99	942	903	39.01	24.141	
5600	4802	4500	4482	27	16	70.17	5	99	942	903	39.32	23.958	
5700	4802	4521	4500	29	16	71.33	-3	107	949	908	41.24	23.011	
5800	4803	4550	4524	30	16	72.88	-15	119	965	922	43.19	22.351	
5900	4804	4573	4542	32	16	74.10	-25	129	990	945	44.88	22.065	
6000	4804	4600	4563	34	16	75.46	-37	141	1023	977	46.44	22.028	
6100	4805	4638	4591	37	16	77.33	-55	159	1063	1014	48.05	22.115	
6200	4805	4677	4618	39	17	79.09	-74	178	1108	1058	49.51	22.379	
6300	4806	4720	4646	41	17	80.90	-98	201	1158	1107	50.95	22.732	
6400	4807	4768	4675	43	17	82.71	-125	228	1212	1160	52.44	23.116	
6500	4807	4821	4703	46	18	84.45	-157	260	1269	1215	54.05	23.483	
6600	4808	4880	4729	48	18	86.04	-195	297	1328	1273	55.84	23.790	
6700	4809	4943	4753	50	19	87.37	-237	338	1389	1331	57.86	24.009	
6800	4809	5011	4771	53	20	88.36	-284	384	1451	1391	60.14	24.127	
6900	4810	5082	4782	55	21	88.96	-334	432	1513	1451	62.64	24.157	
7000	4810	5155	4786	58	22	89.15	-386	483	1576	1511	65.31	24.130	
7100	4811	5233	4786	60	23	89.15	-442	537	1639	1570	68.29	23.995	
7200	4812	5310	4786	63	25	89.16	-498	591	1701	1630	71.38	23.837	
7300	4812	5388	4785	65	26	89.16	-554	645	1764	1690	74.57	23.659	
7400	4813	5466	4785	68	27	89.17	-610	699	1827	1749	77.86	23.468	
7500	4814	5544	4785	70	29	89.17	-666	753	1890	1809	81.21	23.272	
7600	4814	5622	4785	73	30	89.17	-722	807	1953	1868	84.62	23.075	

DJR Operating

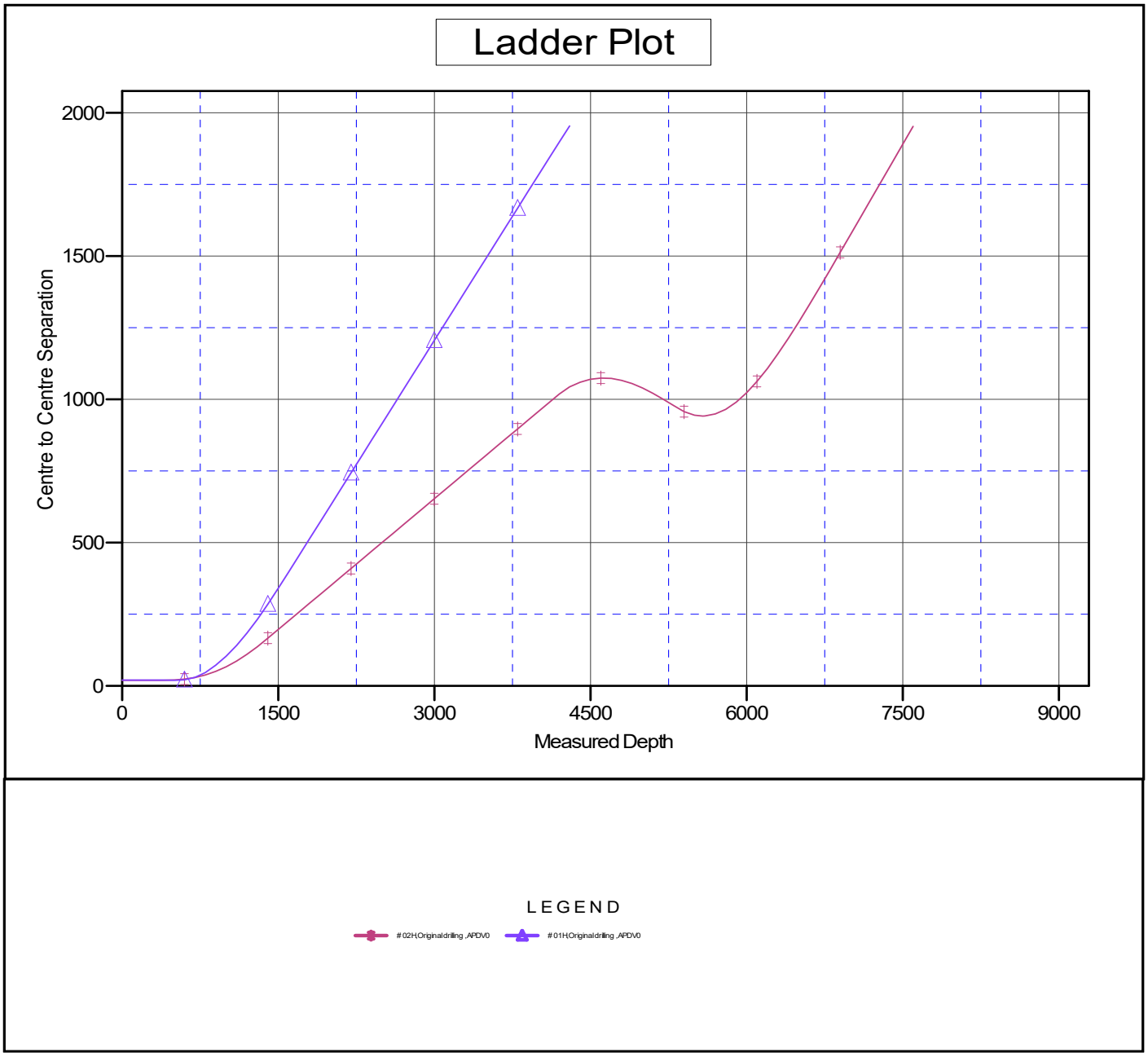
Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Project:	Lybrook Area	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Reference Site:	D16 2207 Pad	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Reference Datum

Reference Depths are relative to GL 6823' & RKB 14' @ 6837ft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: # 04H - Slot 2
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.14°



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

DJR Operating

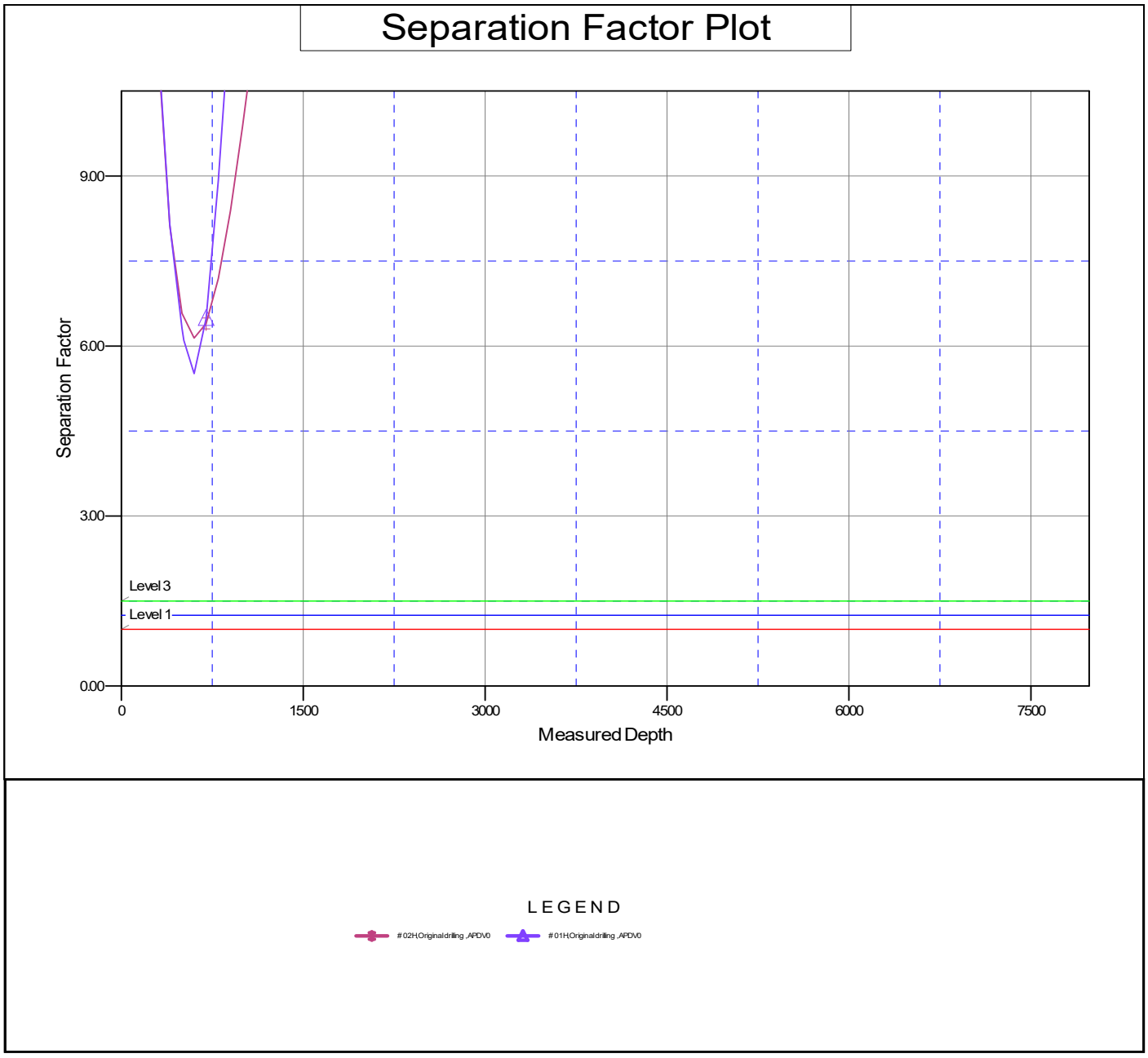
Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference**	Well # 04H - Slot 2
Project:	Lybrook Area	**TVD Reference:**	GL 6823' & RKB 14' @ 6837ft
Reference Site:	D16 2207 Pad	**MD Reference:**	GL 6823' & RKB 14' @ 6837ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	# 04H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Reference Datum

Reference Depths are relative to GL 6823' & RKB 14' @ 6837ft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: # 04H - Slot 2
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.14°



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

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
	52860	RUSTY GALLUP OIL POOL

[4] Property Code	[5] Property Name	[6] Well Number
	LYBROOK D 16 -2207	04H

[7] OGRID No.	[8] Operator Name	[9] Elevation
371838	DJR OPERATING, LLC	6823

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	22 N	7 W		1277	NORTH	363	WEST	SANDOVAL

[11] 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
A	16	22 N	7 W		967	NORTH	330	EAST	SANDOVAL

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
SEC. 16=N/2N/2 TOTAL = 160 ACRES			

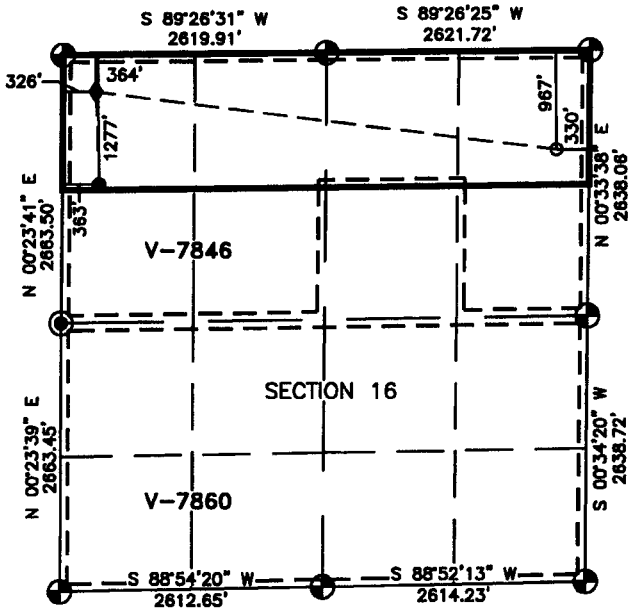
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

SHL
1277' FNL, 363' FWL
SEC. 16, T22N, R7W
LAT: 36.1432388° N
LONG: 107.5879055° W
NAD 83

POE (PPP-1)
364' FNL, 326' FWL
SEC. 16, T22N, R7W
LAT: 36.1457478° N
LONG: 107.5880007° W
NAD 83

BHL
967' FNL, 330' FEL
SEC. 16, T22N, R7W
LAT: 36.1441811° N
LONG: 107.5724992° W
NAD 83



LEGEND:
- ● = SURFACE LOCATION (SHL)
- ○ = BOTTOM HOLE LOCATION (BHL)
- ◊ = POE (PPP-1)
- ◔ = FOUND BRASS CAP USGLO 1948
- ◉ = FOUND ALUM. CAP LS 110141 2002

[17] 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.

Shaw-Marie Ford 02/17/22
Signature Date

Shaw-Marie Ford
Printed Name

sford@djrllc.com
E-mail Address

[18] 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.

4/29/21
Date of Survey
Plats Revised: 2
Signature and Seal of Professional Surveyor

MARSHALL W. LINDEEN
NEW MEXICO
17078
2-1-22
PROFESSIONAL SURVEYOR

17078
Certificate Number

Rev 0

DJR Operating

DRILLING PLAN
Lybrook D16 2207 04H
Sandoval County, New Mexico

Surface Location
365-ft FWL & 1278-ft FNL
Sec 16 T22 R7
Graded Elevation 6823' MSL
RKB Elevation 6837' (14' KB)

SHL Geographical Coordinates (NAD-83)
Latitude 36.1432388° N
Longitude 107.5879055° W

Kick Off Point for Horizontal Build Curve
4201-ft MD
4038-ft TVD

Local Coordinates (from SHL)
816-ft North
661-ft West

Heel Location (Pay zone entry)
327-ft FWL & 364-ft FNL
Sec 16 T22 R7

Heel Geographical Coordinates (NAD-83)
Latitude 36.1457478° N
Longitude 107.58800070° W

Bottom Hole Location (TD)
325-ft FEL & 970-ft FNL
Sec 16 T22 R7

BHL Geographical Coordinates (NAD-83)
Latitude 36.1441811° N
Longitude 107.5724992° W

Well objectives
This well is planned as a 4600-ft lateral in the Gallup C sand.

Bottom Hole temperature and pressure
The temperature in the Gallup C horizontal objective is 135°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	662	662	Sd	W	8.3	8.4 – 8.8
Kirtland	717	716	Sh	-	8.3	8.4 – 8.8
Fruitland	968	965	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1211	1201	Sd	W	8.3	9.0 - 9.5
Lewis	1325	1310	Sh	-		9.0 - 9.5
Chacra	2023	1972	Sd	-	8.3	9.0 - 9.5
Menefee	2808	2717	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3763	3623	Sd	-	8.3	9.0 - 9.5
Mancos	3897	3750	Sh	-		9.0 - 9.5
Mancos Silt	4200	4038	Slt	O/G	6.6	9.0 - 9.5
Gallup A	4712	4516	Slt	O/G	6.6	9.0 - 9.5
Gallup B	4802	4586	Sd	O/G	6.6	8.8 -9.0
Gallup C	4979	4699	Sd	O/G	6.6	8.8 -9.0
Target	5343	4800	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	5290	surf	4798	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	5004	9955	4712	4829	5004

Note: all casing will be new

Rev 0

DJR Operating

Casing Design Load Cases

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

Note #

1 Fluid level at shoe, air column to surface, pore pressure outside
2 Tested to 80% of minimum internal yield with freshwater inside, pore pressure outside
3 50 bbl kick at TD, 0.50 ppg intensity, 4" drill pipe, 9.0 ppg mud, fracture gradient at shoe
4 2060 psi BHP, 687 psi surface pressure, 12.5 ppg EMW shoe integrity
5 Surface stimulation pressure of 8000 psi on 8.3 ppg fluid column. Stimulation will be down frac string, so load does not apply to 7" intermediate casing.
6 Shock load from abrupt pipe deceleration, evaluated against coupling rating
7 Overpull values as follows: Surface casing 20,000 lbs, Intermediate & Production 100,000 lbs

Casing Design Factors

Casing string	Casing OD	Design Factors 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

9-5/8" Surface Casing	Lead
Name	Redi-Mix
Type	I-II
Planned top	Surface
Density (ppg)	14.50
Yield (cf/sx)	1.61
Mix water (gal/sx)	7.41
Volume (sx)	114
Volume (bbls)	33
Volume (cu. ft.)	185
Excess %	50

7" Intermediate Casing	Lead	Tail
	BJ Services	BJ Services
Type	III	Poz/G
Planned top	Surface	3701-ft
Density (ppg)	12.30	13.50
Yield (cf/sx)	2.34	1.50
Mix water (gal/sx)	13.26	7.20
Volume (sx)	359	254
Volume (bbls)	149	68
Volume (cu.ft.)	839	379
Excess %	55	55

4-1/2" Production Liner

	BJ Services
Type	Poz/G
Planned top	5004-ft
Density (ppg)	13.3
Yield (cf/sx)	1.56
Mix water (gal/sx)	7.71
Volume (sx)	415
Volume (bbls)	116
Volume (cu.ft)	649
Excess %	40

Wellhead & Pressure Control
The well head will be an 11" 5M multi-bowl system. A 3M BOPE conforming to Onshore Order #2 will be installed on the surface casing. The BOP and accumulator will meet API 16D and 16E respectively.

A PVT mud monitoring system and a trip tank will be rigged up and operational for all hole intervals. An electronic geolograph will be employed to monitor and record drilling data (ROP, WOB, SPM, Pressure, RPM and torque).

Mud Program
Surface hole will be drilled with a fresh water, native mud system. In intermediate hole, a low weight 7% KCl LSND drilling fluid will be used, with KCl providing chemical stability for the young shales and clays present in the interval. In production hole a LSND system with polymer and lubricant additives is programmed. Sufficient drill water and mud additives will be on hand to maintain adequate pit volumes and maintain well control.

Hole Section	Fluid type	Interval (MD)	Density (ppg)	Funnel Viscosity	Yield Point	Fluid Loss (cc/30 min)
Surface	Fresh water spud mud	0 – 350	8.4 – 8.8	32 – 44	2 – 12	NC
Intermediate	7% KCl Low solids, non-dispersed	350 – 5290	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	5290 – 9955	8.8 – 9.2	34 – 38	6 – 8	6 – 8

Cores, tests and logs
Wellbore surveying: Drift (inclination only) surveys will be obtained in surface hole. MWD directional surveys will be taken in intermediate and production hole.

Logging while drilling: None in surface hole. MWD GR in intermediate and production hole.

Mud logging: a two-person mud logging unit with C1 – C4 gas analysis will be operational in intermediate and production hole.

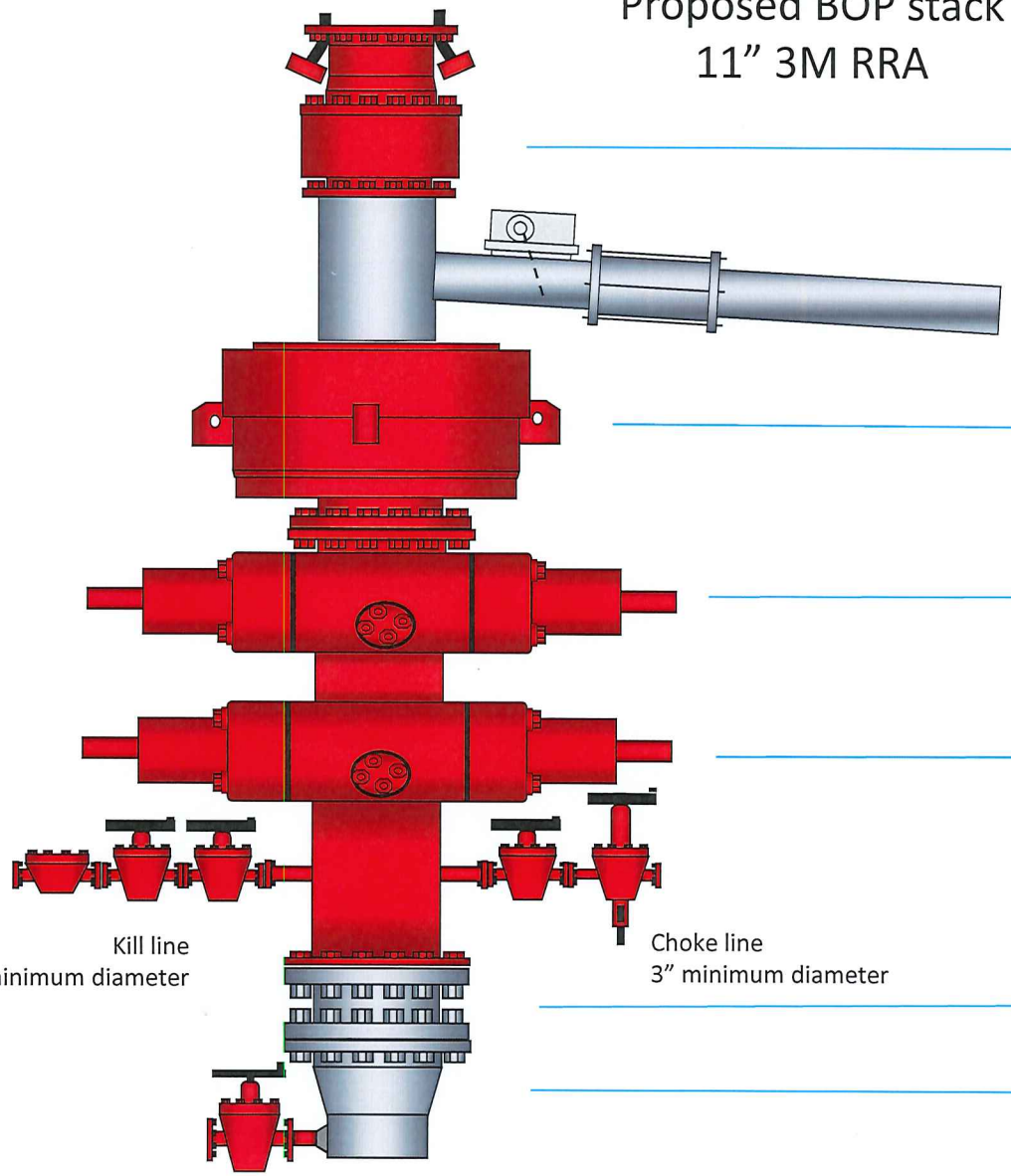
Electric logging: No open hole electric logs are programmed. A cased hole GR/CCL will be run during completions for perforating depth control.

Cuttings and drilling fluids management
A closed loop, steel tank-based circulating system will be used. In addition to the rig solids control equipment, a dewatering centrifuge and chemical flocculation system will be operational to strip solids from the whole mud. All solids will be collected in 3-sided bins and will then be put into transports with a bucket loader. Drying agents will be used if necessary. The solids will be taken to a licensed commercial disposal facility. Whole mud will be dewatered back to drill water and used as make up for subsequent wells or hauled off for disposal. A diagram of the closed loop system is included.

Completion
It is envisioned that this well will be completed with a multi-stage sand frac, using the plug and perf technique. After drilling out the plugs, the current plan is to install a 2-7/8" plunger-assisted gas lift tubing string. The stimulation and completion plan will be sundried at a later date.

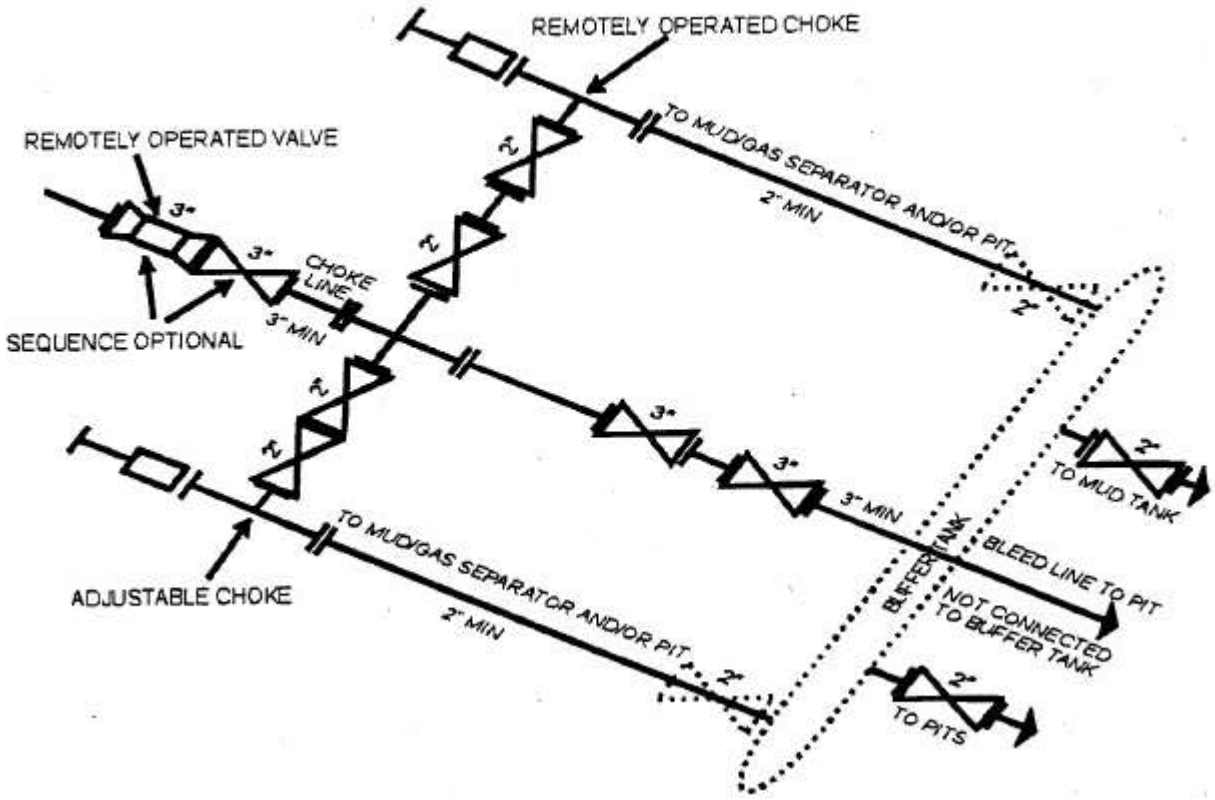
Proposed BOP stack
11" 3M RRA

DJR Operating

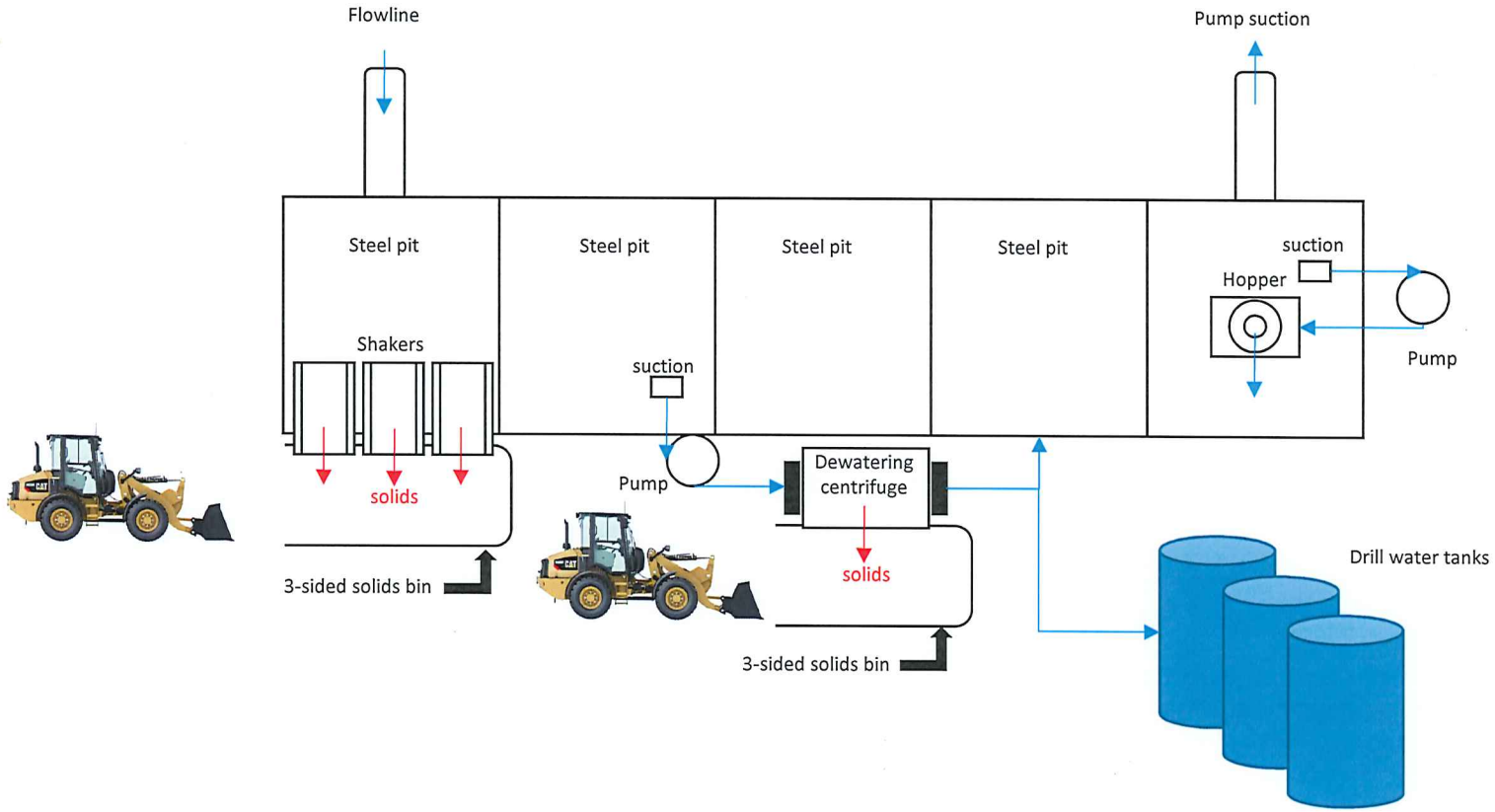


Choke Manifold

Actual system to conform with Onshore Order 2



Closed Loop Mud System



State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: _DJR Operating, LLC_____ **OGRID:** _371838_____ **Date:** _02_/_25_/_2022_

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Lybrook D16-2207 01H	TBD	D-16-22N-07W	1277 FNL x 343 FWL	401	598	143
Lybrook D16-2207 02H	TBD	D-16-22N-07W	1278 FNL x 383 FWL	257	384	92
Lybrook D16-2207 04H	TBD	D-16-22N-07W	1277 FNL x 363 FWL	224	335	80

IV. Central Delivery Point Name: _Ignacio Natural Gas Processing Plant_____ [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Lybrook D16-2207 01H	TBD	11/03/2023	11/13/2023	03/18/2024	04/15/2024	04/15/2024
Lybrook D16-2207 02H	TBD	10/18/2023	10/28/2023	03/10/2024	04/15/2024	04/15/2024
Lybrook D16-2207 04H	TBD	10/27/2023	11/06/2023	03/14/2024	04/15/2024	04/15/2024

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Shaw-Marie Ford
Printed Name: Shaw-Marie Ford
Title: Regulatory Specialist
E-mail Address: sford@djrllc.com
Date: 02/25/2022
Phone: 505-716-3297

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
LYBROOK D16-2207 01H, 02H, 04H
NWNW D-16-22N-07W

SEPARATION EQUIPMENT

DJR Operating, LLC (DJR) has pulled representative pressurized samples from wells in the same producing formation. DJR has utilized these samples in process simulations to determine the amount of gas anticipated in each stage of the process and utilized this information with a safety factor to size the equipment listed below:

Separation equipment will be set as follows:

- Individual 3 phase separators will be set for each individual well.
- The separators will be sized based on the anticipated volume of the well and the pressure of the lines utilized for oil, gas, and water takeaway.
- The 3 phase production separators will each be equipped with a 0.75 MMBtu/hr indirect fired heater.

Heater treaters will be set as follows:

- Individual heater treaters will be set for each individual well.
- The heater treaters are sized based on the anticipated combined volume of oil and produced water predicted to come from the initial 3 phase separators.
- Oil will be separated from the produced water and the produced water will be sent to its respective tanks.
- The combined oil and natural gas stream is routed to the Vapor Recovery Tower.

Vapor Recovery Equipment will be set as follows:

- The Vapor Recovery Tower has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks.
- The Vapor Recovery Unit has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks. The Vapor Recovery Unit is utilized to push the recovered gas into the sales pipeline.

Production storage tanks will be set as follows:

- The oil and produced water tanks utilize a closed vent capture system to ensure all breathing, working, and flashing losses are routed to the Vapor Recovery Tower and Vapor Recovery Unit.
- Each of the production storage tanks will be equipped with a 0.5 MMBtu/hr indirect heater.

1 Road 3263
Aztec, NM 87410

Phone (505)-632-3476
Fax (505)-632-8151

DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
LYBROOK D16-2207 01H, 02H, 04H
NWNW D-16-22N-07W

VENTING and FLARING

DJR Operating, LLC (DJR) has a natural gas system available prior to startup of completion operations. DJR utilizes a Vapor Recovery Unit System and sells all natural gas except during periods of startup, shutdown, maintenance, or malfunction for the gas capturing equipment, including the vapor recovery tower, vapor recovery unit, storage tanks, and pipelines.

Currently, DJR utilizes the following from list A-I of Section 3 for its operations to minimize flaring:

a) DJR utilizes natural gas powered generators to power it's leases where grid power isn't available.
b) When electrical grid power is unavailable, natural gas generators will be used for major equipment onsite.
c) DJR's in service compression will be natural gas powered.
d) Should liquids removal, such as dehydration be required, units will be powered by natural gas.

DJR will only flare gas during the following times:

- Scheduled maintenance for gas capturing equipment including:
  - Vapor Recovery Tower
  - Vapor Recovery Unit
  - Storage tanks
  - Pipelines
  - Emergency flaring

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OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
LYBROOK D16-2207 01H, 02H, 04H
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OPERATIONAL PRACTICES

19.15.27.8 A. Venting and Flaring of Natural Gas

DJR Operating, LLC (DJR) understands the requirements of NMAC 19.15.27.8 which states that the venting and flaring of natural gas during drilling, completion or production that constitutes waste as defined in 19.15.2 are prohibited.

19.15.27.8 B. Venting and flaring during drilling operations

- DJR shall capture or combust natural gas if technically feasible during drilling operations using best industry practices.
- A flare stack with a 100% capacity for expected volumes will be set on location of the facility at least 100 feet from the nearest surface hole location, well heads, and storage tanks.
- In the event of an emergency, DJR will vent natural gas in order to avoid substantial impact. DJR shall report the vented or flared gas to the NMOCD.

19.15.27.8 E. Venting and flaring during completion or recompletion operations

During Completion Operations, DJR utilizes the following:

- DJR facilities are built and ready from day 1 of Flowback.
- Individual well test separators will be set to properly separate gas and liquids. Temporary test separator will be utilized initially to process volumes. In addition, separators will be tied into flowback tanks which will be tied into the gas processing equipment for sales down a pipeline. See Separation Equipment for details.
- Should the facility not yet be capable of processing gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or temporary flare to manage natural gas. This flare would meet the following requirements:
    1) An appropriately sized flare stack with an automatic igniter.
    2) DJR analyzes the natural gas samples twice per week.
    3) DJR routes the natural gas into a gathering pipeline as soon as the pipeline specifications are met.
    4) DJR provides the NMOCD with pipeline specifications and natural gas data.

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19.15.27.8 D. Venting and flaring during production operations

During Production Operations DJR will not vent or flare natural gas except under the following circumstances:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided:
    a. DJR does not vent after the well achieves a stabilized rate and pressure.
    b. DJR will remain present on-site during liquids unloading by manual purging and tall all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time.
    c. DJR will optimize the system to minimize natural gas venting on any well equipped with a plunger lift or auto control system.
    d. Best Management Practices will be used during downhole well maintenance.
3. During the first year of production from an exploratory well provided:
    a. DJR receives approval from the NMOCD.
    b. DJR remains in compliance with the NM gas capture requirements.
    c. DJR submits an updated C-129 form to the NMOCD.
4. During the following activities unless prohibited:
    a. Gauging or sampling a storage tank or low-pressure production vessel.
    b. Loading out liquids from a storage tank.
    c. Repair and maintenance.
    d. Normal operation of gas activated pneumatic controller or pump.
    e. Normal operation of a storage tank but not including venting from a thief hatch.
    f. Normal operation of dehydration units.
    g. Normal operations of compressors, compressor engines, turbines, valves, flanges, and connectors.
    h. During a bradenhead, packer leakage test, or production test lasting less than 24-hours.
    i. When natural gas does not meet the gathering pipeline specifications.
    j. Commissioning of pipelines, equipment, or facilities only for as long as necessary to purge introduced impurities.

19.15.27.8 E. Performance standards

1. DJR has utilized process simulations with a safety factor to design all separation and storage equipment. The equipment is routed to a Vapor Recovery System and utilizes a flare as back up for periods of startup, shutdown, maintenance, or malfunction of the VRU System.
2. DJR will install a flare that designed to handle the full volume of vapors from the facility in case of the VRU failure and it its designed with an auto ignition system.
3. Flare stacks will appropriately sized and designed to ensure proper combustion efficiency.

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a. Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.
b. Previously installed flare stacks will be retrofitted with an automatic ignitor, continuous pilot, or technology that alerts DJR of flare malfunction within 18 months after May 25, 2021.
c. Flare stacks replaced after May 25, 2021, will be equipped with an automatic ignitor or continuous pilot if located at a well or facility with average daily production of 60,000 cubic feet of natural gas or less.
d. Flare stacks will be located at least 100 feet from the well and storage tanks and securely anchored.

4. DJR will conduct an AVO inspection on all components for leaks and defects on a weekly basis.
5. DJR will make and keep records of AVO inspections which will be available to the NMOCD for at least 5 years.
6. DJR may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. DJR will resolve emergencies as promptly as possible.

19.15.27.8 F. Measurement or estimation of vented and flared natural gas

1. DJR will have meters on both the low- and high-pressure sides of the flares and the volumes will be recorded in DJR's SCADA system.
2. DJR will install equipment to measure the volume of flared natural gas that has an average daily production of 60,000 cubic feet or greater of natural gas.
3. DJR's measuring equipment will conform to the industry standards.
4. The measurement system is designed such that it cannot be bypassed except for inspections and servicing meters.
5. DJR will estimate the volume of vented or flared natural gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.
6. DJR will estimate the volume of flared and vented natural gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on Form C-116.
7. DJR will install measuring equipment whenever the NMOCD determines that metering is necessary.

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BEST MANAGEMENT PRACTICES

DJR Operating, LLC (DJR) utilizes the following Best Management Practices to minimize venting during active and planned maintenance.

DJR has a closed vent capture system to route emissions from the heater treater, tanks, and vapor recovery to the vapor recovery unit with an enclosed combustion device (ECD) for backup. The system is designed such that if the vapor recovery unit is taken out of service for any reason, the vapors will be routed to the ECD for combustion.

DJR will isolate and attempt to route all vapors to the vapor recovery unit or ECD prior to opening any lines for maintenance to minimize venting from the equipment.

DJR shall notify the NMOCD of venting or flaring that exceeds 50 MCF but less than 500 MCF in volume that either resulted from an emergency or malfunction, or an event lasting over eight hours or more cumulatively within any 24-hour period from a single event by filing a form C-129 no later than 15 days following the discovery or commencement of venting or flaring.

DJR shall notify the NMOCD verbally or by e-mail within 24-hours following discovery or commencement of venting or flaring that exceeds 500 MCF in volume or otherwise qualifies as a major release as defined in 19.15.29.7 NMAC from a single event and provide the information required in form C-129 to the NMOCD no later than 15 days that verifies, updates, or corrects the verbal or e-mail notification.

DJR will install measuring equipment to conform to industry standards such as American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS) Chapter 14.10 Measurement of Flow to Flares.

DJRs measuring equipment shall not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

DJR shall report the volume of vented and flared natural gas for each well or facility at which venting or flaring occurred on a monthly basis.

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