

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, 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 3160-4 or 3160-5 form.

Operator Signature Date: 10-15-18
Well information:

30-039-06552 CANDADO #002

DJR OPERATING, LLC

Application Type:

- P&A Drilling/Casing Change Location Change
- Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
- Other: SHL correction

DJR has 30 days to file the appropriate administrative request for NSL to Santa Fe and notice the Aztec office that the request has been filed.

A handwritten signature in black ink, appearing to read "Heather Riley".

NMOCD Approved by Signature

12/24/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 13 2018

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

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

Farmington Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on page 2		7. If Unit of CA/Agreement, Name and/or No. N/A
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Candado #2
2. Name of Operator DJR Operating, LLC		9. API Well No. 30-039-06552
3a. Address 1 Road 3263, Aztec, NM 87410	3b. Phone No. (include area code) 505-632-3476	10. Field and Pool or Exploratory Area Blanco P.C. South Prorated
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 583 FSL, 1262 FEL, P-Sec. 9-T26N, R7W		11. Country or Parish, State Rio Arriba County, New Mexico

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

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

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

DJR Operating, LLC requests approval of this sundry for the following reason:

On a recent inspection of the Candado #2 well location by Mr. Jonathan Kelly of the Aztec office of the New Mexico Oil Conservation Division, it was discovered that the Candado #2 coordinates were off by 495 feet. Mr. Kelly requested a new survey and revised C-102. The new and revised C-102 showing the accurate location for the Candado #2 as 583 FSL/1262 FEL-P- Section 9-T26N, R7W, Rio Arriba County, New Mexico is attached.

The email from Mr. Kelly is attached for reference.

NMOCDD
DEC 13 2018
DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Paul Lehrman	Title Landman
Signature 	Date 11/15/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
		11/29/2018
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	
		FARMINGTON FIELD OFFICE

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.

NMOCDD

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

As-Drilled

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06552		² Pool Code		³ Pool Name Blanco Pictured Cliffs South	
⁴ Property Code		⁵ Property Name Candado			⁶ Well Number 2
⁷ GRID No.		⁸ Operator Name DJR Operating, LLC			⁹ Elevation 6118

¹⁰ Surface Location

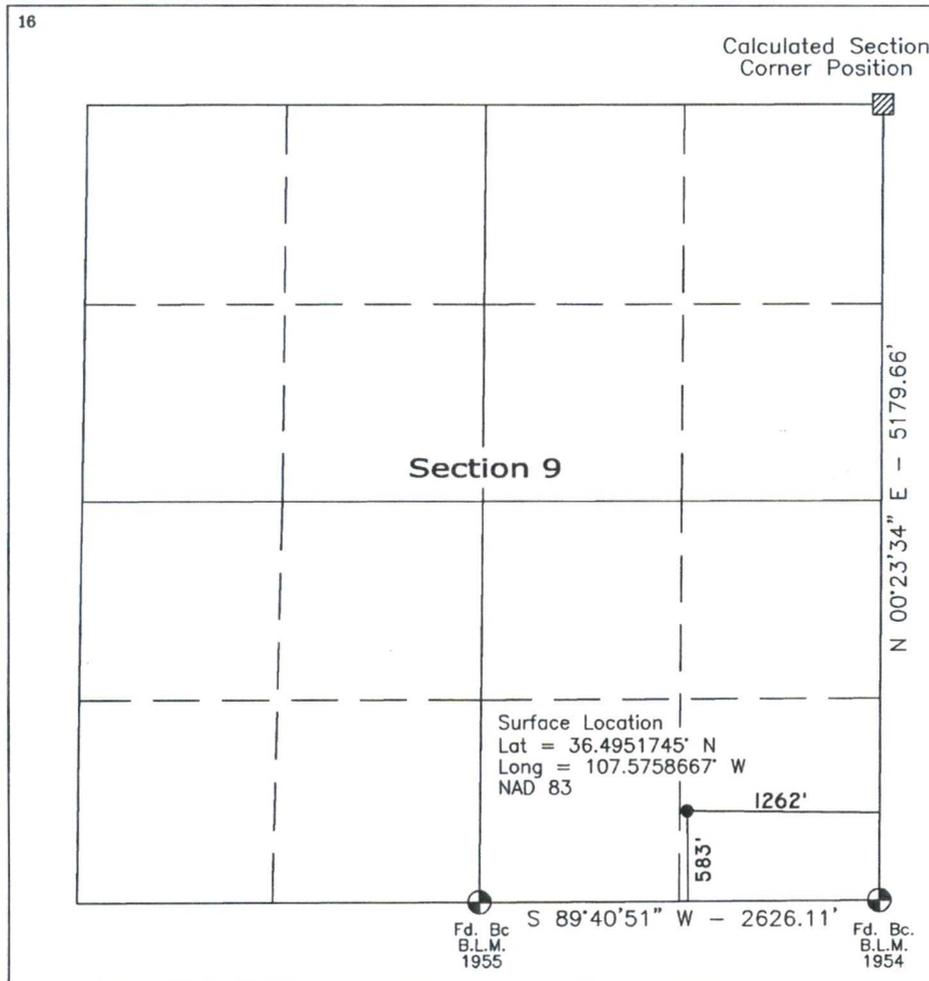
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	26 N	7 W		583	South	1262	East	Rio Arriba

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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



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.

Signature: Paul Lehman Date: 11-13-18
Printed Name: Paul Lehman
E-mail/Address: plehman@djrlc.com

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.

Date of Survey: 10-16-18
Signature and Seal of Professional Surveyor: Marshall W. Lindem
Professional Surveyor License No. 17078
Date of Survey: 11-6-18
Certificate Number: 17078

From: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>

Sent: Wednesday, October 3, 2018 2:30 PM

To: Amy Archuleta <aarchuleta@djrlc.com>

Cc: Powell, Brandon, EMNRD <Brandon.Powell@state.nm.us>; Vermersch, Amy H, EMNRD <AmyH.Vermersch@state.nm.us>

Subject: Footages on Candado #2 (30-039-06552)

Good afternoon,

While inspecting recently I found that the coordinates we have listed for the Candado #2 that are based off of the footages are about 495 ft off. The current footages and coordinates places the well on the same location as the Candado #23A, but the well is located across the main road to the SW of the #23A. I performed a well file review and found no documentation that matches what was found during the inspection.

Please perform a well file review and resurvey the #2's location and submit on the appropriate Sundry and C-103. Please make sure to make appropriate changes to the well's signage.

If you have any questions regarding the above, please do not hesitate to contact me.

Thank you,

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 122