

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: 2/20/2020

Operator: DJR **Well Name and Number:** Nageezi Unit 318H

API#: 30-045-38198 , **Section:** 35, **Township:** 24N, **Range:** 9 W

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

☒ Notify appropriate OCD district office 24hrs prior to spud, casing & cement.

☒ If cement does not 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

☒ Any change of plans must adhere to 19.15.7.14(A)(1). Field operation changes requiring immediate approval must be approved by the District Office prior to implementation.

☒ 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 freshwater zone or zones and shall immediately set in cement the water protection string

☒ 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.


NMOCD Approved by Signature

12/7/2020
Date

Form 3160-3
(June 2015)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: ☒ DRILL ☐ REENTER		5. Lease Serial No. STATE
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☒ Multiple Zone		7. If Unit or CA Agreement, Name and No. NMNM 132981A
2. Name of Operator DJR OPERATING LLC		8. Lease Name and Well No. NAGEEZI UNIT
3a. Address 1700 LINCOLN STREET, SUITE 2800, DENVER, CO 802		9. API Well No. 30-045-38198
3b. Phone No. (include area code) (505) 632-3476		10. Field and Pool, or Exploratory BASIN MANCOS Nageezi Unit Mancos
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSW / 10 FSL / 275 FWL / LAT 36.263312 / LONG -107.766489 At proposed prod. zone SESE / 354 FSL / 204 FEL / LAT 36.249591 / LONG -107.75003		11. Sec., T R. M. or Blk. and Survey or Area SEC 35/T24N/R9W/NMP
14. Distance in miles and direction from nearest town or post office* 40 miles		12. County or Parish SAN JUAN
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 10 feet		13. State NM
16. No of acres in lease 484		17. Spacing Unit dedicated to this well 401.8
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 20 feet		20. BLM/BIA Bond No. in file IND:
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6864 feet		22. Approximate date work will start* 07/24/2020
		23. Estimated duration 12 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 (Electronic Submission)	Name (Printed/Typed) SHAW N / Ph: (505) 632-3476	Date 02/20/2020
Title Regulatory Specialist		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) RICHARD FIELDS / Ph: (505) 564-7612	Date 11/19/2020
Title Field Manager		
Office Farmington Field Office		

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.



(Continued on page 2)

*(Instructions on page 2)

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1288 Fax: (575) 748-9720

DISTRICT III
1000 Rio Grande 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) 476-3400 Fax: (505) 476-3462

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

¹ API Number 30-045-38198	² Pool Code 98080	³ Pool Name NAGEEZI UNIT MANCOS OIL POOL
⁴ Property Code 325268	⁵ Property Name NAGEEZI UNIT	⁶ Well Number 318H
⁷ OGRID No. 371838	⁸ Operator Name DJR OPERATING, LLC	⁹ Elevation 6864'

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
M	35	24N	9W		10'	SOUTH	275'	WEST	SAN JUAN

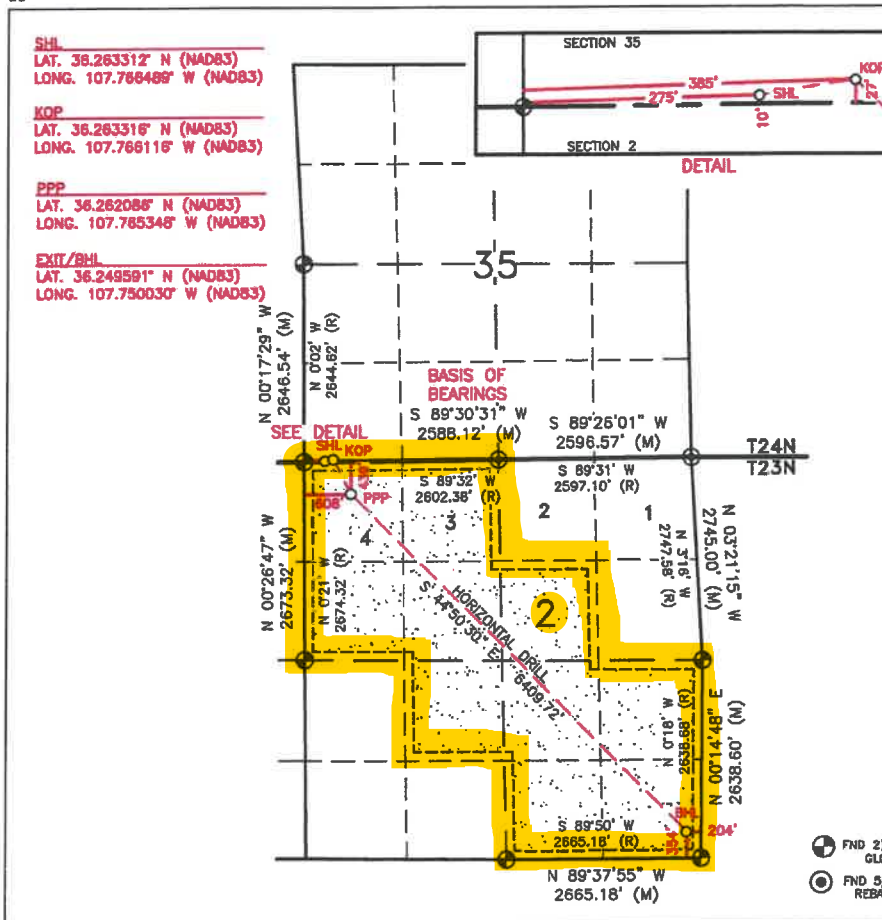
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	23N	9W		354'	SOUTH	204'	EAST	SAN JUAN

¹² Dedicated Acres PENETRATED SPACING UNIT; SEC 2: NW/4, SW/NE, NE/SW & SE/4 = 401.80 ACRES TOTAL	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-13856 R-13856A
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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

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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 02/18/20
Signature Date

Shaw-Marie Ford
Printed Name
sford@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.
APRIL 4, 2019

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number 11393

DISTRICT I

1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 993-8181 Fax: (575) 993-0720

DISTRICT II

611 S. First St., Artesia, N.M. 88210
Phone: (575) 745-1288 Fax: (575) 745-9720

DISTRICT III

1000 Rio Bravo Rd., Artesia, N.M. 87410
Phone: (505) 334-8178 Fax: (505) 334-6170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-8460 Fax: (505) 476-8462

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

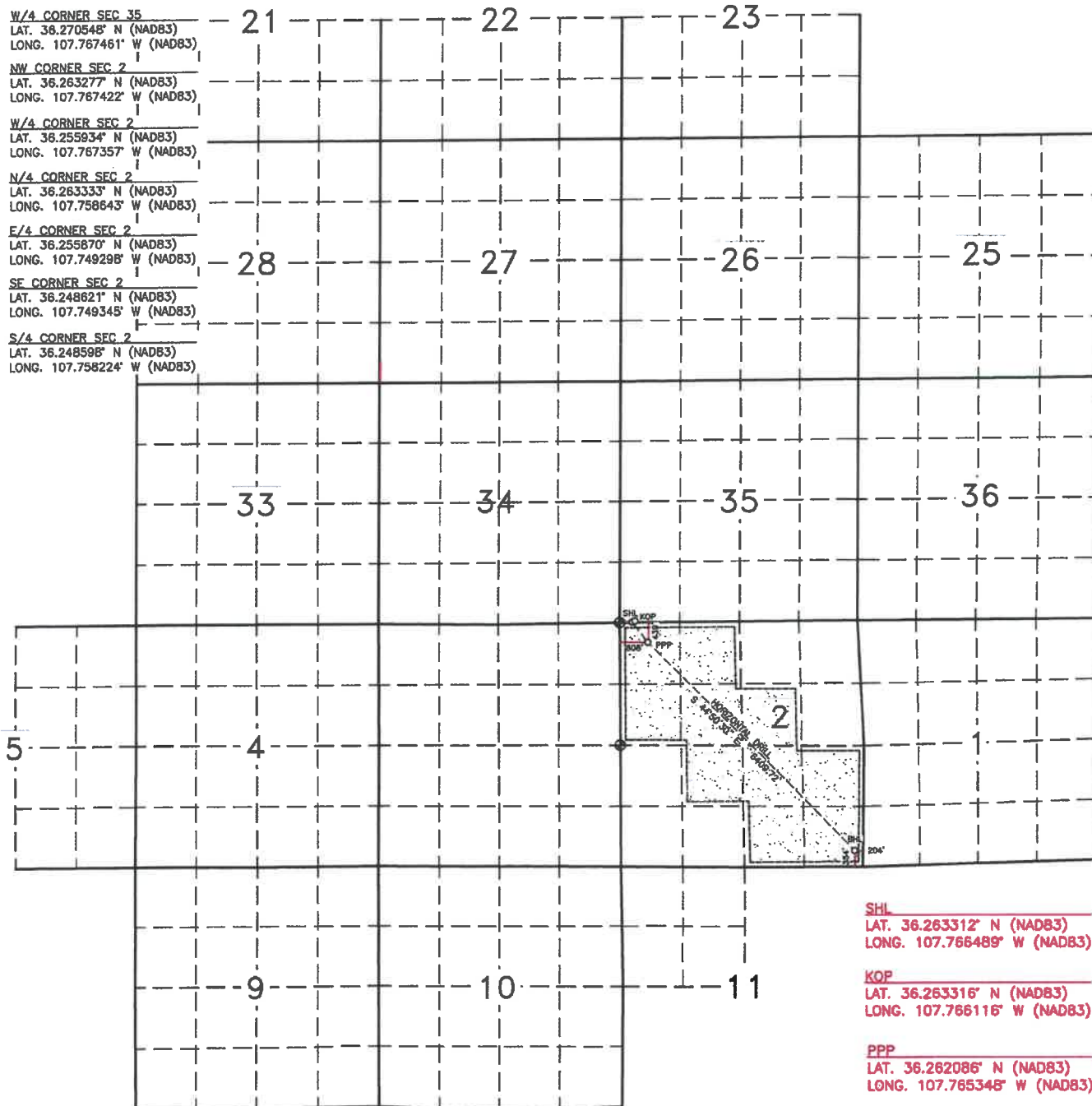
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

DJR OPERATING, LLC
NAGEEZI UNIT #318H



SHL
LAT. 36.263312° N (NAD83)
LONG. 107.766489° W (NAD83)

KOP
LAT. 36.263316° N (NAD83)
LONG. 107.766116° W (NAD83)

PPP
LAT. 36.262086° N (NAD83)
LONG. 107.765348° W (NAD83)

EXIT/BHL
LAT. 36.249591° N (NAD83)
LONG. 107.750030° W (NAD83)

PENETRATED SPACING UNIT:
SEC 2: NW/4, SW/NE, NE/SW & SE/4 = 401.80 ACRES TOTAL
TOTAL 10,415.12 ACRES: SEC. 21-23 (S/2); 25-28, 33-36, 1-4, 9-10
(ALL); 5 (W/2); 11 (NW/4) - UNDIVIDED UNIT

Rev 1



DRILLING PLAN

Nageezi Unit 318H

San Juan County, New Mexico

Surface Location

275-ft FWL & 10-ft FSL
 Sec 35 T24N R09W
 Graded Elevation 6864' MSL
 RKB Elevation 6878' (14' KB)

SHL Geographical Coordinates (NAD-83)

Latitude 36.2633120° N
 Longitude 107.7664890° W

Kick Off Point for Horizontal Build Curve

4515-ft MD
 4513-ft TVD

Local Coordinates (from SHL)

18-ft North
 110-ft East

Heel Location (Pay zone entry)

608-ft FWL & 439-ft FNL
 Sec 2 T23N R9W

Heel Geographical Coordinates (NAD-83)

Latitude 36.2620857° N
 Longitude 107.76534800° W

Bottom Hole Location (TD)

204-ft FEL & 354-ft FNL
 Sec 2 T23N R9W

BHL Geographical Coordinates (NAD-83)

Latitude 36.2495909° N
 Longitude 107.7500298° W

Well objectives

This well is planned as a 6410-ft lateral in the Gallup C R3 sand.

Bottom Hole temperature and pressure

The temperature in the Gallup C R3 horizontal objective is 139°F. Bottom hole pressure in the Gallup C R3 is forecast to be 1985 psi.

Formation Tops (Sd = Sand; Sh = Shale; Siltstone = Silt, 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	685	685	Sd	W	8.3	8.4 - 8.8
Kirtland	838	838	Sh	-	8.3	8.4 - 8.8
Fruitland	1107	1107	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1457	1457	Sd	W	8.3	9.0 - 9.5
Lewis	1565	1565	Sh	-		9.0 - 9.5
Chacra	2243	2242	Sd	-	8.3	9.0 - 9.5
Menefee	2973	2972	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3910	3909	Sd	-	8.3	9.0 - 9.5
Mancos	4075	4074	Sh	-		9.0 - 9.5
Mancos Silt	4404	4403	Silt	O/G	6.6	9.0 - 9.5
Gallup A	4931	4903	Silt	O/G	6.6	9.0 - 9.5
Gallup B	4983	4944	Sd	O/G	6.6	8.8 - 9.0
Gallup C	5162	5061	Sd	O/G	6.6	8.8 - 9.0
Target	5536	5164	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	5473	surf	5162	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	5196	11946	5079	5092	5196

Note: all casing will be new

Rev 1

**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 Design9-5/8" Surface Casing

	<u>Lead</u>
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

	<u>Lead</u>	<u>Tail</u>
Type	BJ Services	BJ Services
Planned top	III	Poz/G
Density (ppg)	Surface	4015-ft
Yield (cf/sx)	12.30	13.50
Mix water (gal/sx)	2.34	1.50
Volume (sx)	13.26	7.20
Volume (bbls)	402	241
Volume (cu.ft.)	167	64
Excess %	940	360
	50	50

Rev 1

4-1/2" Production Liner

	BJ Services
Type	Poz/G
Planned top	5196-ft
Density (ppg)	13.3
Yield (cf/sx)	1.56
Mix water (gal/sx)	7.71
Volume (sx)	567
Volume (bbls)	158
Volume (cu.ft)	886
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 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% 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 – 5473	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	5473 – 11946	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.

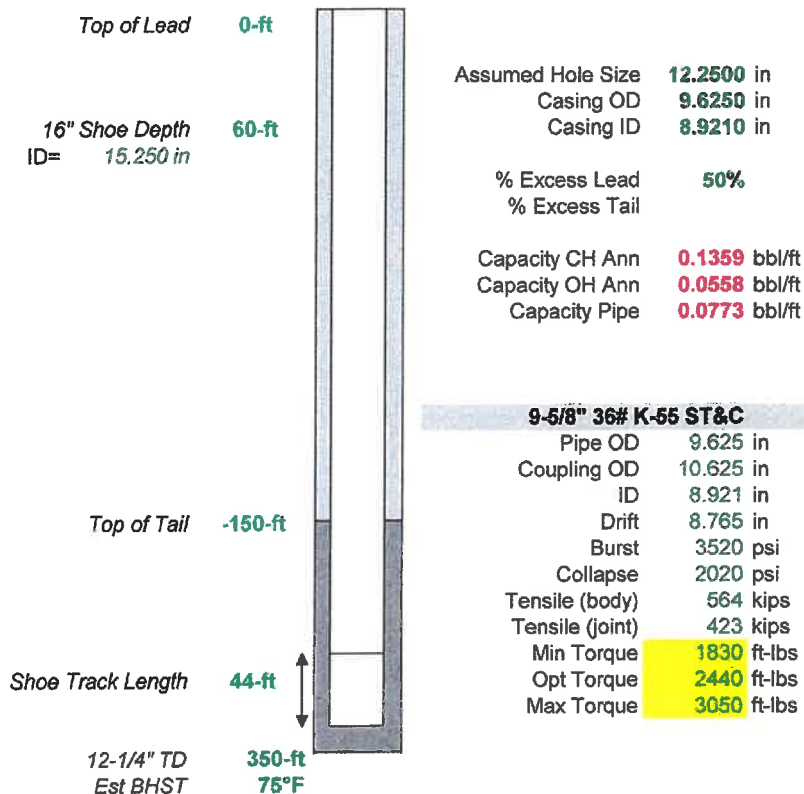
Cuttings and drilling fluids management

- ✓ 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.

9-5/8" Surface Casing & Cementing



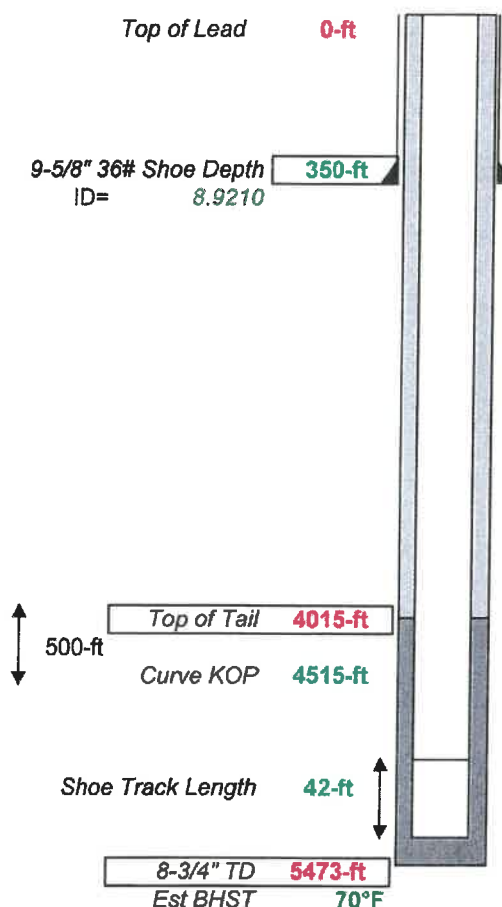
Lead Slurry		Properties	
Redi Mix Type I/II		Density	14.50 ppg
20% Fly Ash		Yield	1.61 cf/sk
		Total Mix Fluid	7.41 gal/sk
		Est pump time (70Bc)	NA
		8-hr compressive	475 psi
		24-hr compressive	1375 psi
Tail Slurry		Properties	
		Density	ppg
		Yield	cf/sk
		Total Mix Fluid	gal/sk
		Est pump time (70Bc)	
		50 psi strength in	
		24/72 hr strength	psi
Volumes			
Lead Volume	33 bbls	114 sx	
Tail Volume	bbls	sx	
Displacement	24 bbls		
Total Volume	56 bbls		

Casing Jewelry and Pump Schedule

Run guide shoe, 1 joint, then float collar. Centralize with 1 one bow spring per joint for the first 500-ft, then 1 every third joint to surface. Bottom centralizer to be 10-ft above guide shoe with stop collar above, thereafter around the coupling. Thread lock guide shoe, shoe track and float collar.

Pump schedule: 40 bbls fresh water, drop bottom plug, lead, tail, top plug, displace with water. Land wellhead housing on u-plate.

7" Intermediate Casing & Cementing Nageezi Unit 318H



Assumed Hole Size Lead	8.7500 in
Assumed Hole Size Tail	8.7500 in
Casing OD	7.0000 in
Casing ID	6.2760 in

% OH Excess Lead	60%
% OH Excess Tail	60%

Capacity CH Ann	0.0297 bbl/ft
Capacity OH Ann Lead	0.0268 bbl/ft
Capacity OH Ann Tail	0.0268 bbl/ft
Capacity Pipe	0.0383 bbl/ft

7" 26# K-55 LT&C

Pipe OD	7.000 in
Weight	26 lbs/ft
Grade	K-55
Coupling	LTC
Coupling OD	7.656 in
ID	6.276 in
Drift	6.151 in
Burst	4980 psi
Collapse	4330 psi
Tensile (body)	415 kips
Tensile (joint)	367 kips
Min Torque	ft-lbs
Opt Torque	ft-lbs
Max Torque	ft-lbs

BJ Lead Slurry

Type III	
BA-90	5 lb/sx%
KCI	3.00%
GW-86	0.10%
FL-66	0.20%
R-3	0.50%
FP-25	0.30%

Properties

Density	12.30 ppg
Yield	2.3404 cf/sk
Total Mix Fluid	13.26 gal/sk
Thickening Time	3:11 hr:min
Time to 50 psi (80°F)	5:10 hr:min
24-hr UCA (80°F)	659 psi

BJ Tail Slurry

G+Pozz	50:50
BA-90	3 lb/sx
FL-66	0.40%
FP-25	0.30%
Sod. Met	0.50%
Gyp	3.00%

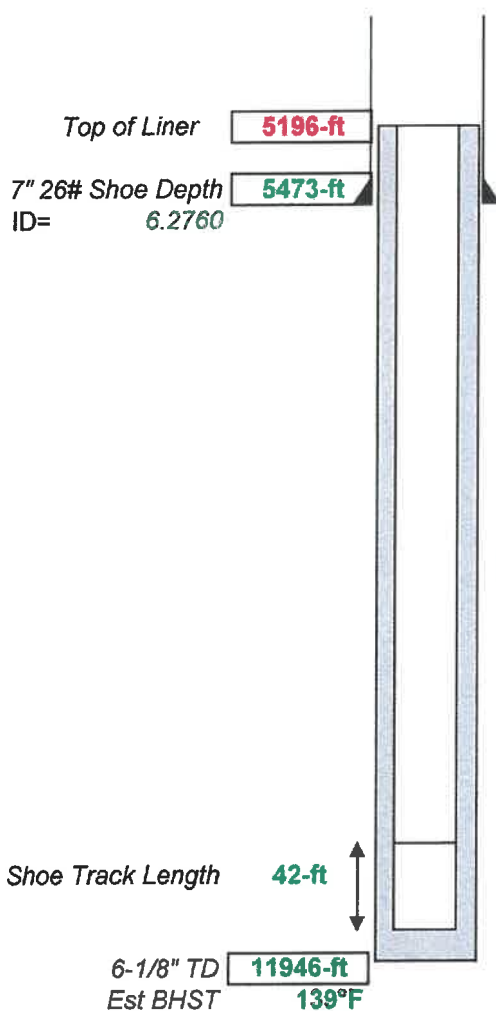
Properties

Density	13.50 ppg
Yield	1.4946 cf/sk
Total Mix Fluid	7.24 gal/sk
Thickening Time	3:26 hr:min
Time to 50 psi (135°F)	2:55 hr:min
Time to 500 psi (135°F)	6:40 hr:min

Volumes

Lead Volume	167 bbls	402 sx
Tail Volume	64 bbls	241 sx
Approx Displacement	208 bbls	
Total Volume	439 bbls	

4-1/2" Liner Cementing Nageezi Unit 318H

Assumed Hole Size **6.1250** inCasing OD **4.5000** inCasing ID **4.0000** in% Excess Open Hole **40%**Capacity CH Ann **0.0186** bbl/ftCapacity OH Ann **0.0168** bbl/ftCapacity Pipe **0.0155** bbl/ft

4-1/2" 11.6# P-110 LT&C

Pipe OD **4.500** inWeight **11.6** lbs/ftGrade **P-110**Coupling **LTC**Coupling OD **5.000** inID **4.000** inDrift **3.875** inBurst **10690** psiCollapse **7580** psiTensile (body) **367** kipsTensile (joint) **279** kipsMin Torque **ft-lbs**Opt Torque **ft-lbs**Max Torque **ft-lbs**

BJ Lead Slurry

G+Pozz 50:50
BA-90 3 lb/sx
GW-86 0.10%
R-3 0.40%
FP-25 30.00%
FL-24 0.40%
Gel 4.00%

Properties

Density **13.30** ppg
Yield **1.5629** cf/sk
Total Mix Fluid **7.70** gal/sk
Thickening Time **6:04** hr:min
Time to 50 psi (147°F) **7:15** hr:min
24-hr UCA (147°F) **1293** psi

Volumes

Lead Volume **158** bbls **567** sxApprox Displacement **129** bblsTotal Volume **287** bbls



Company: DJR Operating
Project: Nageezi Unit
Site: M35 2409
Well: 318H
Wellbore: Original Drilling
Design: APD

PROJECT DETAILS: Nageezi Unit

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

WELL DETAILS: 318H

GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
+N-S +E-W Northing Easting Longitude
0.00 0.00 1915151.19 2742797.44 -107.7664890 2

Plan: APD (318H/Original Drilling)

Created By: Janie Collins Date: 9:46, January 08 2020

DESIGN TARGET DETAILS

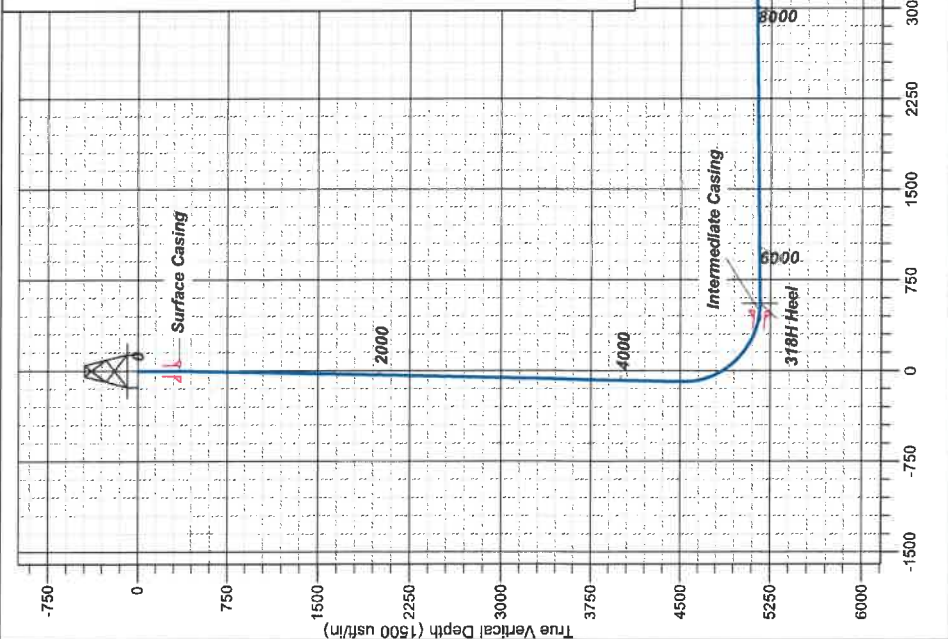
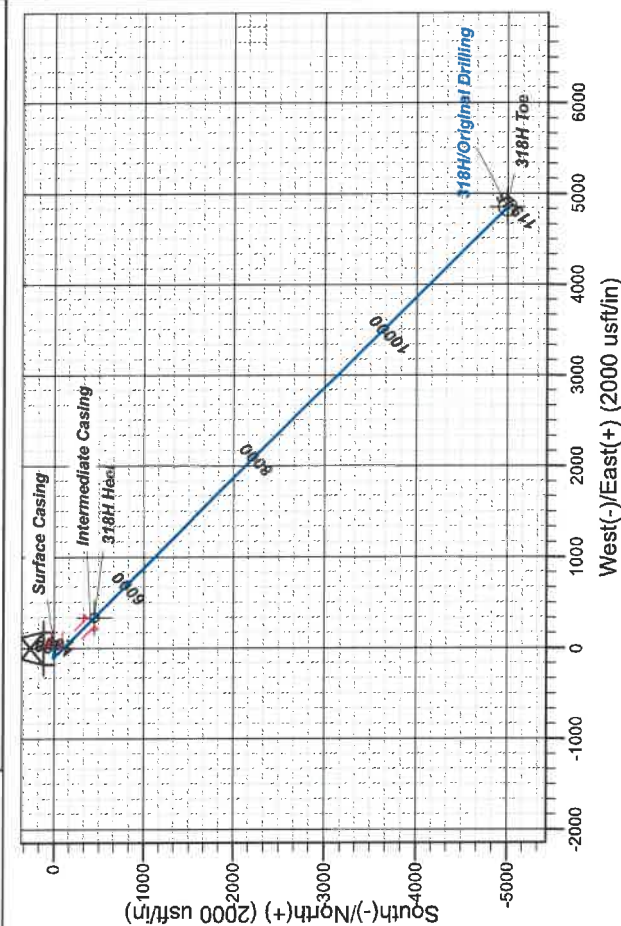
Name	TVD	+N-S	+E-W	Northing	Easting	Latitude	Longitude
318H Heel	5164.00	-446.40	336.38	1914705.02	2743134.12	36.2620857	-107.7655480
318H Toe	5092.00	-4894.39	4853.04	1910160.15	2747653.33	36.2485909	-107.7500298

SECTION DETAILS

MD	Inc	Ad	TVD	+N-S	+E-W	Dleg	TTrace	VSecd	Target
0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	1.56	279.172	478.08	0.00	0.00	0.00	0.00	0.00	0.00
478.09	1.56	279.172	478.08	0.00	0.00	0.00	0.00	0.00	0.00
4514.95	90.84	133.188	5092.00	-4894.39	4853.04	0.00	-143.95	6963.80	318H Heel
5092.00	90.84	133.188	5092.00	-4894.39	4853.04	0.00	-143.95	6963.80	318H Toe

CASING DETAILS

TVD	MD	Name
350.00	350.00	Surface Casing
5161.63	473.45	Intermediate Casing



FORMATION DETAILS	MDPath	Formation
TVDPath	685.09	Ojo Alamo
	838.00	Kirtland
	1107.00	Fruitland
	1457.00	Pictured Cliffs
	1585.00	Lewis
	2242.00	Chacra
	2972.00	Menefee
	3909.00	Point Lookout
	4074.00	Mancos
	4404.47	Mancos Silt
	4903.00	Gallup A
	4944.00	Gallup B
	5061.00	Gallup C



DJR Operating

Nageezi Unit

M35 2409

318H - Slot 2

Original Drilling

Plan: APD

Standard Planning Report

08 January, 2020



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Scientific Drilling, Intl
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well 318H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Project:	Nageezi Unit	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site:	M35 2409	North Reference:	True
Well:	318H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

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

Site	M35 2409			
Site Position:		Northing:	1,915,230.54 usft	Latitude: 36.2635300
From:	Lat/Long	Easting:	2,742,788.84 usft	Longitude: -107.7665180
Position Uncertainty:	0.00 usft	Slot Radius:	13.20 in	Grid Convergence: 0.04 °

Well	318H - Slot 2			
Well Position	+N/-S	-79.36 usft	Northing:	1,915,151.19 usft
	+E/-W	8.55 usft	Easting:	2,742,797.44 usft
Position Uncertainty	0.00 usft	Wellhead Elevation:		Ground Level: 6,864.00 usft

Wellbore	Original Drilling				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM_FILE	12/20/2019	8.78	62.78	49,423.30000000

Design	APD			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	135.822

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
400.00	0.00	0.000	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
478.09	1.56	279.172	478.08	0.17	-1.05	2.00	2.00	0.00	279.17	
4,514.98	1.56	279.172	4,513.48	17.71	-109.67	0.00	0.00	0.00	0.00	
5,536.17	90.64	135.198	5,164.00	-446.40	336.38	9.00	8.72	-14.10	-143.95	318H Heel
11,946.29	90.64	135.198	5,092.00	-4,994.39	4,853.04	0.00	0.00	0.00	0.00	318H Toe



Scientific Drilling, Intl
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well 318H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Project:	Nageezi Unit	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site:	M35 2409	North Reference:	True
Well:	318H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.000	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.000	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.000	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.000	400.00	0.00	0.00	0.00	0.00	0.00	0.00
478.09	1.56	279.172	478.08	0.17	-1.05	-0.85	2.00	2.00	0.00
500.00	1.56	279.172	499.98	0.26	-1.64	-1.33	0.00	0.00	0.00
600.00	1.56	279.172	599.94	0.70	-4.33	-3.52	0.00	0.00	0.00
700.00	1.56	279.172	699.91	1.13	-7.02	-5.71	0.00	0.00	0.00
800.00	1.56	279.172	799.87	1.57	-9.71	-7.89	0.00	0.00	0.00
900.00	1.56	279.172	899.83	2.00	-12.40	-10.08	0.00	0.00	0.00
1,000.00	1.56	279.172	999.79	2.44	-15.09	-12.27	0.00	0.00	0.00
1,100.00	1.56	279.172	1,099.76	2.87	-17.78	-14.45	0.00	0.00	0.00
1,200.00	1.56	279.172	1,199.72	3.31	-20.47	-16.64	0.00	0.00	0.00
1,300.00	1.56	279.172	1,299.68	3.74	-23.16	-18.83	0.00	0.00	0.00
1,400.00	1.56	279.172	1,399.65	4.17	-25.86	-21.01	0.00	0.00	0.00
1,500.00	1.56	279.172	1,499.61	4.61	-28.55	-23.20	0.00	0.00	0.00
1,600.00	1.56	279.172	1,599.57	5.04	-31.24	-25.39	0.00	0.00	0.00
1,700.00	1.56	279.172	1,699.53	5.48	-33.93	-27.57	0.00	0.00	0.00
1,800.00	1.56	279.172	1,799.50	5.91	-36.62	-29.76	0.00	0.00	0.00
1,900.00	1.56	279.172	1,899.46	6.35	-39.31	-31.95	0.00	0.00	0.00
2,000.00	1.56	279.172	1,999.42	6.78	-42.00	-34.13	0.00	0.00	0.00
2,100.00	1.56	279.172	2,099.38	7.22	-44.69	-36.32	0.00	0.00	0.00
2,200.00	1.56	279.172	2,199.35	7.65	-47.38	-38.50	0.00	0.00	0.00
2,300.00	1.56	279.172	2,299.31	8.08	-50.07	-40.69	0.00	0.00	0.00
2,400.00	1.56	279.172	2,399.27	8.52	-52.76	-42.88	0.00	0.00	0.00
2,500.00	1.56	279.172	2,499.23	8.95	-55.45	-45.06	0.00	0.00	0.00
2,599.99	1.56	279.172	2,599.20	9.39	-58.14	-47.25	0.00	0.00	0.00
2,699.99	1.56	279.172	2,699.16	9.82	-60.83	-49.44	0.00	0.00	0.00
2,799.99	1.56	279.172	2,799.12	10.26	-63.52	-51.62	0.00	0.00	0.00
2,899.99	1.56	279.172	2,899.08	10.69	-66.21	-53.81	0.00	0.00	0.00
2,999.99	1.56	279.172	2,999.05	11.13	-68.90	-56.00	0.00	0.00	0.00
3,099.99	1.56	279.172	3,099.01	11.56	-71.60	-58.18	0.00	0.00	0.00
3,199.99	1.56	279.172	3,198.97	11.99	-74.29	-60.37	0.00	0.00	0.00
3,299.99	1.56	279.172	3,298.94	12.43	-76.98	-62.56	0.00	0.00	0.00
3,399.99	1.56	279.172	3,398.90	12.86	-79.67	-64.74	0.00	0.00	0.00
3,499.99	1.56	279.172	3,498.86	13.30	-82.36	-66.93	0.00	0.00	0.00
3,599.99	1.56	279.172	3,598.82	13.73	-85.05	-69.12	0.00	0.00	0.00
3,699.99	1.56	279.172	3,698.79	14.17	-87.74	-71.30	0.00	0.00	0.00
3,799.99	1.56	279.172	3,798.75	14.60	-90.43	-73.49	0.00	0.00	0.00
3,899.99	1.56	279.172	3,898.71	15.04	-93.12	-75.68	0.00	0.00	0.00
3,999.99	1.56	279.172	3,998.67	15.47	-95.81	-77.86	0.00	0.00	0.00
4,099.99	1.56	279.172	4,098.64	15.90	-98.50	-80.05	0.00	0.00	0.00
4,199.99	1.56	279.172	4,198.60	16.34	-101.19	-82.24	0.00	0.00	0.00
4,299.99	1.56	279.172	4,298.56	16.77	-103.88	-84.42	0.00	0.00	0.00
4,399.99	1.56	279.172	4,398.52	17.21	-106.57	-86.61	0.00	0.00	0.00
4,499.99	1.56	279.172	4,498.49	17.64	-109.26	-88.80	0.00	0.00	0.00
4,514.98	1.56	279.172	4,513.48	17.71	-109.67	-89.12	0.00	0.00	0.00
4,599.99	6.45	143.361	4,598.32	14.05	-107.96	-85.31	9.00	5.75	-159.77
4,699.99	15.41	138.543	4,696.41	-0.45	-95.78	-66.43	9.00	8.96	-4.82
4,799.99	24.40	137.234	4,790.34	-25.62	-72.91	-32.43	9.00	8.99	-1.31
4,899.99	33.40	136.602	4,877.79	-60.86	-39.90	15.84	9.00	8.99	-0.63



Scientific Drilling, Intl Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well 318H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Project:	Nageezi Unit	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site:	M35 2409	North Reference:	True
Well:	318H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,999.99	42.40	136.215	4,956.62	-105.29	2.42	77.20	9.00	9.00	-0.39
5,099.99	51.39	135.942	5,024.89	-157.81	53.03	150.13	9.00	9.00	-0.27
5,199.99	60.39	135.731	5,080.90	-217.14	110.66	232.85	9.00	9.00	-0.21
5,299.99	69.39	135.554	5,123.29	-281.82	173.90	323.30	9.00	9.00	-0.18
5,399.99	78.39	135.397	5,151.01	-350.24	241.20	419.28	9.00	9.00	-0.16
5,499.99	87.39	135.250	5,163.38	-420.73	310.90	518.40	9.00	9.00	-0.15
5,536.17	90.64	135.198	5,164.00	-446.40	336.38	554.57	9.00	9.00	-0.14
5,599.99	90.64	135.198	5,163.28	-491.68	381.35	618.38	0.00	0.00	0.00
5,699.99	90.64	135.198	5,162.16	-562.63	451.81	718.37	0.00	0.00	0.00
5,799.99	90.64	135.198	5,161.04	-633.58	522.27	818.36	0.00	0.00	0.00
5,899.99	90.64	135.198	5,159.91	-704.53	592.73	918.34	0.00	0.00	0.00
5,999.99	90.64	135.198	5,158.79	-775.48	663.19	1,018.33	0.00	0.00	0.00
6,099.99	90.64	135.198	5,157.67	-846.43	733.65	1,118.32	0.00	0.00	0.00
6,199.99	90.64	135.198	5,156.54	-917.38	804.11	1,218.31	0.00	0.00	0.00
6,299.99	90.64	135.198	5,155.42	-988.33	874.58	1,318.29	0.00	0.00	0.00
6,399.99	90.64	135.198	5,154.30	-1,059.28	945.04	1,418.28	0.00	0.00	0.00
6,499.99	90.64	135.198	5,153.17	-1,130.23	1,015.50	1,518.27	0.00	0.00	0.00
6,599.99	90.64	135.198	5,152.05	-1,201.18	1,085.96	1,618.26	0.00	0.00	0.00
6,699.99	90.64	135.198	5,150.93	-1,272.13	1,156.42	1,718.24	0.00	0.00	0.00
6,799.99	90.64	135.198	5,149.80	-1,343.08	1,226.88	1,818.23	0.00	0.00	0.00
6,899.99	90.64	135.198	5,148.68	-1,414.03	1,297.34	1,918.22	0.00	0.00	0.00
6,999.99	90.64	135.198	5,147.56	-1,484.98	1,367.81	2,018.21	0.00	0.00	0.00
7,099.99	90.64	135.198	5,146.43	-1,555.93	1,438.27	2,118.19	0.00	0.00	0.00
7,199.99	90.64	135.198	5,145.31	-1,626.88	1,508.73	2,218.18	0.00	0.00	0.00
7,299.99	90.64	135.198	5,144.19	-1,697.83	1,579.19	2,318.17	0.00	0.00	0.00
7,399.99	90.64	135.198	5,143.07	-1,768.78	1,649.65	2,418.16	0.00	0.00	0.00
7,499.99	90.64	135.198	5,141.94	-1,839.73	1,720.11	2,518.15	0.00	0.00	0.00
7,599.98	90.64	135.198	5,140.82	-1,910.68	1,790.57	2,618.13	0.00	0.00	0.00
7,699.98	90.64	135.198	5,139.70	-1,981.63	1,861.03	2,718.12	0.00	0.00	0.00
7,799.98	90.64	135.198	5,138.57	-2,052.58	1,931.50	2,818.11	0.00	0.00	0.00
7,899.98	90.64	135.198	5,137.45	-2,123.53	2,001.96	2,918.10	0.00	0.00	0.00
7,999.98	90.64	135.198	5,136.33	-2,194.48	2,072.42	3,018.08	0.00	0.00	0.00
8,099.98	90.64	135.198	5,135.20	-2,265.43	2,142.88	3,118.07	0.00	0.00	0.00
8,199.98	90.64	135.198	5,134.08	-2,336.38	2,213.34	3,218.06	0.00	0.00	0.00
8,299.98	90.64	135.198	5,132.96	-2,407.33	2,283.80	3,318.05	0.00	0.00	0.00
8,399.98	90.64	135.198	5,131.83	-2,478.28	2,354.26	3,418.03	0.00	0.00	0.00
8,499.98	90.64	135.198	5,130.71	-2,549.23	2,424.72	3,518.02	0.00	0.00	0.00
8,599.98	90.64	135.198	5,129.59	-2,620.18	2,495.19	3,618.01	0.00	0.00	0.00
8,699.98	90.64	135.198	5,128.46	-2,691.13	2,565.65	3,718.00	0.00	0.00	0.00
8,799.98	90.64	135.198	5,127.34	-2,762.08	2,636.11	3,817.98	0.00	0.00	0.00
8,899.98	90.64	135.198	5,126.22	-2,833.03	2,706.57	3,917.97	0.00	0.00	0.00
8,999.98	90.64	135.198	5,125.09	-2,903.98	2,777.03	4,017.96	0.00	0.00	0.00
9,099.98	90.64	135.198	5,123.97	-2,974.93	2,847.49	4,117.95	0.00	0.00	0.00
9,199.98	90.64	135.198	5,122.85	-3,045.88	2,917.95	4,217.93	0.00	0.00	0.00
9,299.98	90.64	135.198	5,121.72	-3,116.83	2,988.42	4,317.92	0.00	0.00	0.00
9,399.98	90.64	135.198	5,120.60	-3,187.78	3,058.88	4,417.91	0.00	0.00	0.00
9,499.98	90.64	135.198	5,119.48	-3,258.73	3,129.34	4,517.90	0.00	0.00	0.00
9,599.98	90.64	135.198	5,118.35	-3,329.68	3,199.80	4,617.88	0.00	0.00	0.00
9,699.98	90.64	135.198	5,117.23	-3,400.63	3,270.26	4,717.87	0.00	0.00	0.00
9,799.98	90.64	135.198	5,116.11	-3,471.58	3,340.72	4,817.86	0.00	0.00	0.00
9,899.98	90.64	135.198	5,114.98	-3,542.53	3,411.18	4,917.85	0.00	0.00	0.00
9,999.98	90.64	135.198	5,113.86	-3,613.48	3,481.64	5,017.83	0.00	0.00	0.00



Scientific Drilling, Intl
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well 318H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Project:	Nageezi Unit	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site:	M35 2409	North Reference:	True
Well:	318H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,099.98	90.64	135.198	5,112.74	-3,684.43	3,552.11	5,117.82	0.00	0.00	0.00
10,199.98	90.64	135.198	5,111.62	-3,755.38	3,622.57	5,217.81	0.00	0.00	0.00
10,299.98	90.64	135.198	5,110.49	-3,826.33	3,693.03	5,317.80	0.00	0.00	0.00
10,399.98	90.64	135.198	5,109.37	-3,897.28	3,763.49	5,417.78	0.00	0.00	0.00
10,499.98	90.64	135.198	5,108.25	-3,968.23	3,833.95	5,517.77	0.00	0.00	0.00
10,599.98	90.64	135.198	5,107.12	-4,039.18	3,904.41	5,617.76	0.00	0.00	0.00
10,699.98	90.64	135.198	5,106.00	-4,110.13	3,974.87	5,717.75	0.00	0.00	0.00
10,799.98	90.64	135.198	5,104.88	-4,181.08	4,045.34	5,817.73	0.00	0.00	0.00
10,899.98	90.64	135.198	5,103.75	-4,252.03	4,115.80	5,917.72	0.00	0.00	0.00
10,999.98	90.64	135.198	5,102.63	-4,322.98	4,186.26	6,017.71	0.00	0.00	0.00
11,099.98	90.64	135.198	5,101.51	-4,393.93	4,256.72	6,117.70	0.00	0.00	0.00
11,199.98	90.64	135.198	5,100.38	-4,464.88	4,327.18	6,217.68	0.00	0.00	0.00
11,299.98	90.64	135.198	5,099.26	-4,535.83	4,397.64	6,317.67	0.00	0.00	0.00
11,399.98	90.64	135.198	5,098.14	-4,606.78	4,468.10	6,417.66	0.00	0.00	0.00
11,499.98	90.64	135.198	5,097.01	-4,677.73	4,538.56	6,517.65	0.00	0.00	0.00
11,599.98	90.64	135.198	5,095.89	-4,748.68	4,609.03	6,617.64	0.00	0.00	0.00
11,699.98	90.64	135.198	5,094.77	-4,819.63	4,679.49	6,717.62	0.00	0.00	0.00
11,799.98	90.64	135.198	5,093.64	-4,890.58	4,749.95	6,817.61	0.00	0.00	0.00
11,899.98	90.64	135.198	5,092.52	-4,961.53	4,820.41	6,917.60	0.00	0.00	0.00
11,946.29	90.64	135.198	5,092.00	-4,994.39	4,853.04	6,963.90	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
318H Toe - plan hits target center - Circle (radius 100.00)	0.00	0.000	5,092.00	-4,994.39	4,853.04	1,910,160.15	2,747,653.93	36.2495909	-107.7500298
318H Heel - plan hits target center - Circle (radius 50.00)	0.00	0.000	5,164.00	-446.40	336.38	1,914,705.02	2,743,134.13	36.2620857	-107.7653480

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (in)	Hole Diameter (in)
350.00	350.00	Surface Casing	9.62	12.25
5,473.45	5,161.62	Intermediate Casing	7.00	8.75



Scientific Drilling, Intl
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well 318H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Project:	Nageezi Unit	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site:	M35 2409	North Reference:	True
Well:	318H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
685.09	685.00	Ojo Alamo		0.00	0.000	
838.14	838.00	Kirtland		0.00	0.000	
1,107.24	1,107.00	Fruitland		0.00	0.000	
1,457.37	1,457.00	Pictured Cliffs		0.00	0.000	
1,565.41	1,565.00	Lewis		0.00	0.000	
2,242.67	2,242.00	Chacra		0.00	0.000	
2,972.94	2,972.00	Menefee		0.00	0.000	
3,910.28	3,909.00	Point Lookout		0.00	0.000	
4,075.35	4,074.00	Mancos		0.00	0.000	
4,404.47	4,403.00	Mancos Silt		0.00	0.000	
4,930.69	4,903.00	Gallup A		0.00	0.000	
4,983.10	4,944.00	Gallup B		0.00	0.000	
5,161.71	5,061.00	Gallup C		0.00	0.000	



DJR Operating

Nageezi Unit

M35 2409

318H

Original Drilling

APD

Anticollision Report

08 January, 2020



www.scientificdrilling.com



Scientific Drilling, Intl

Anticollision Report



Company:	DJR Operating	Local Co-ordinate Reference:	Well 318H - Slot 2
Project:	Nageezi Unit	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Reference Site:	M35 2409	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site Error:	0.00 usft	North Reference:	True
Reference Well:	318H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	Original Drilling	Database:	Grand Junction
Reference Design:	APD	Offset TVD Reference:	Offset Datum

Reference	APD		
Filter type:	NO GLOBAL FILTER: Using user defined selection & filtering criteria		
Interpolation Method:	MD Interval 100.00usft	Error Model:	ISCWSA
Depth Range:	Unlimited	Scan Method:	Closest Approach 3D
Results Limited by:	Maximum ellipse separation of 1,000.00 usft	Error Surface:	Pedal Curve
Warning Levels Evaluated at:	2.00 Sigma	Casing Method:	Not applied

Survey Tool Program		Date	1/8/2020		
From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description	
0.00	11,946.29	APD (Original Drilling)	MWD+IGRF	OWSG MWD + IGRF or WMM	

Summary						
Site Name	Reference Measured Depth (usft)	Offset Measured Depth (usft)	Distance Between Centres (usft)	Distance Between Ellipses (usft)	Separation Factor	Warning
Offset Well - Wellbore - Design						
M35 2409						
314H - Original Drilling - APD	305.56	305.56	60.02	58.24	33.684	CC
314H - Original Drilling - APD	400.00	399.49	60.13	57.67	24.469	ES
314H - Original Drilling - APD	11,946.29	12,508.40	1,125.06	780.89	3.269	SF
315H - Original Drilling - APD	305.56	305.56	20.13	18.34	11.294	CC
315H - Original Drilling - APD	400.00	399.84	20.23	17.77	8.227	ES
315H - Original Drilling - APD	500.00	499.09	22.36	19.20	7.063	SF
316H - Original Drilling - APD	400.00	400.00	39.90	37.44	16.224	CC, ES
316H - Original Drilling - APD	11,946.29	12,529.38	1,022.21	668.42	2.889	SF
319H - Original Drilling - APD	305.56	305.56	20.13	18.35	11.295	CC
319H - Original Drilling - APD	400.00	399.83	20.23	17.78	8.244	ES
319H - Original Drilling - APD	5,000.00	5,192.73	248.95	211.87	6.715	SF

Offset Design M35 2409 - 314H - Original Drilling - APD													Offset Site Error:	0.00 usft
Survey Program: 0-MWD+IGRF													Offset Well Error:	0.00 usft
Reference Measured Depth (usft)	Vertical Depth (usft)	Offset Measured Depth (usft)	Vertical Depth (usft)	Semi Major Axis Reference (usft)	Offset (usft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (usft)	Offset Wellbore Centre +E/-W (usft)	Distance Between Centres (usft)	Distance Between Ellipses (usft)	Minimum Separation (usft)	Separation Factor	Warning	
0.00	0.00	0.00	0.00	0.00	0.00	-5.92	59.70	-6.19	60.02					
100.00	100.00	100.00	100.00	0.15	0.15	-5.92	59.70	-6.19	60.02	59.72	0.31	194.703		
200.00	200.00	200.00	200.00	0.51	0.51	-5.92	59.70	-6.19	60.02	59.00	1.03	58.547		
300.00	300.00	300.00	300.00	0.87	0.87	-5.92	59.70	-6.19	60.02	58.28	1.74	34.454		
305.56	305.56	305.56	305.56	0.89	0.89	-5.92	59.70	-6.19	60.02	58.24	1.78	33.684	CC	
400.00	400.00	399.49	399.49	1.23	1.23	-5.90	59.81	-6.19	60.13	57.67	2.46	24.469	ES	
500.00	499.98	497.37	497.34	1.58	1.58	76.64	62.32	-6.11	62.27	59.11	3.16	19.703		
600.00	599.95	594.98	594.76	1.93	1.94	76.34	68.14	-5.95	67.66	63.80	3.86	17.521		
700.00	699.91	692.10	691.45	2.29	2.29	81.87	77.23	-5.69	76.58	72.01	4.56	16.788		
800.00	799.87	788.51	787.08	2.64	2.67	83.46	89.48	-5.33	88.95	83.69	5.26	16.924		
900.00	899.83	884.02	881.34	3.00	3.07	84.73	104.79	-4.89	104.71	98.76	5.94	17.616		
1,000.00	999.80	978.42	973.97	3.36	3.49	85.58	122.99	-4.37	123.76	117.13	6.62	18.684		
1,100.00	1,099.76	1,071.53	1,064.69	3.72	3.94	86.12	143.93	-3.77	146.03	138.73	7.30	20.016		
1,200.00	1,199.72	1,163.18	1,153.28	4.08	4.42	86.44	167.40	-3.09	171.43	163.48	7.95	21.569		
1,300.00	1,299.69	1,253.24	1,239.54	4.44	4.92	86.61	193.22	-2.35	199.88	191.28	8.60	23.237		

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

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COMPASS 5000.15 Build 91D



Scientific Drilling, Intl

Anticollision Report

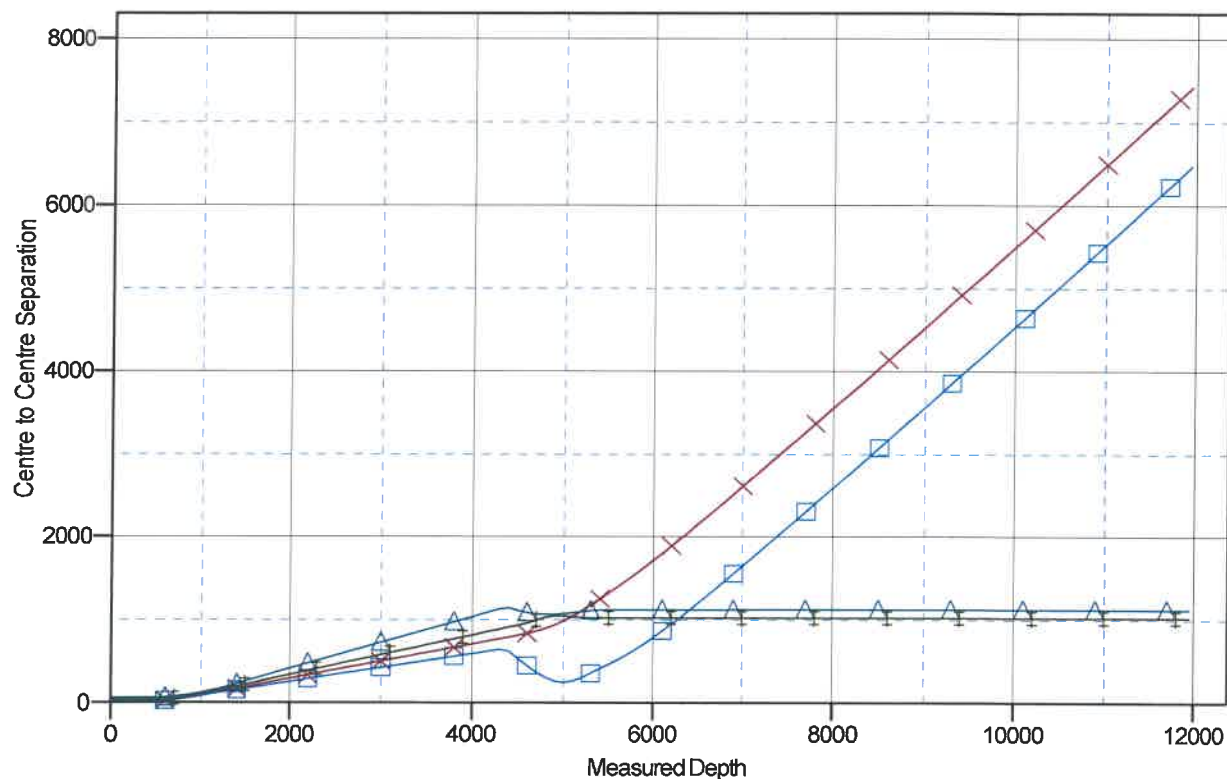


Company:	DJR Operating	Local Co-ordinate Reference:	Well 318H - Slot 2
Project:	Nageezi Unit	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Reference Site:	M35 2409	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site Error:	0.00 usft	North Reference:	True
Reference Well:	318H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	Original Drilling	Database:	Grand Junction
Reference Design:	APD	Offset TVD Reference:	Offset Datum

Reference Depths are relative to GL 6864' & RKB 14' @ 6878.00usft (A)
 Offset Depths are relative to Offset Datum
 Central Meridian is -107.833334

Coordinates are relative to: 318H - Slot 2
 Coordinate System is US State Plane 1983, New Mexico Western Zone
 Grid Convergence at Surface is: 0.04°

Ladder Plot



LEGEND

- ✕ 315H, Original Drilling, APD V0
- 316H, Original Drilling, APD V0
- ▲ 314H, Original Drilling, APD V0
- 319H, Original Drilling, APD V0

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

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COMPASS 5000.15 Build 91D



Scientific Drilling, Intl Anticollision Report

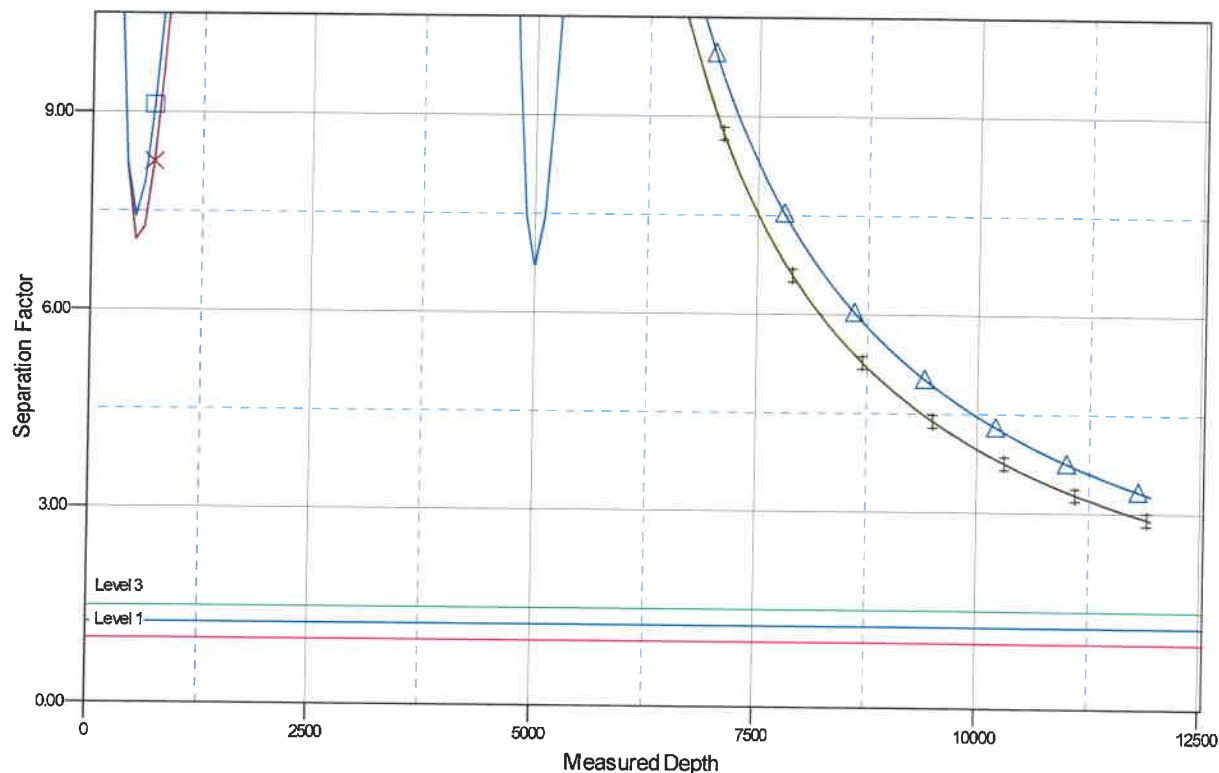


Company:	DJR Operating	Local Co-ordinate Reference:	Well 318H - Slot 2
Project:	Nageezi Unit	TVD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Reference Site:	M35 2409	MD Reference:	GL 6864' & RKB 14' @ 6878.00usft (Aztec 920)
Site Error:	0.00 usft	North Reference:	True
Reference Well:	318H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	Original Drilling	Database:	Grand Junction
Reference Design:	APD	Offset TVD Reference:	Offset Datum

Reference Depths are relative to GL 6864' & RKB 14' @ 6878.00usft (A)
Offset Depths are relative to Offset Datum
Central Meridian is -107.8333334

Coordinates are relative to: 318H - Slot 2
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.04°

Separation Factor Plot



LEGEND

- ✕ 315H, Original Drilling, APD V0
- ⬤ 316H, Original Drilling, APD V0
- ⬢ 314H, Original Drilling, APD V0
- ⬢ 319H, Original Drilling, APD V0

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

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 2/4/2020

☒ Original

Operator & OGRID No.: DJR Operating LLC. ; 371838

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Nageezi Unit 314H	Pending	SWSW, Section 35, T24N, R9W	70' FSL, 269' FWL	835	Flared	
Nageezi Unit 315H	Pending	SWSW, Section 35, T24N, R9W	30' FSL, 273' FEL	690	Flared	
Nageezi Unit 316H	Pending	SWSW, Section 35, T24N, R9W	50' FSL, 271' FWL	700	Flared	
Nageezi Unit 318H	Pending	SWSW, Section 35, T24N, R9W	10' FSL, 275' FWL	660	Flared	
Nageezi Unit 319H	Pending	NWNW, Section 2, T23N, R9W	10' FNL, 277' FWL	640	Flared	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC (Enterprise) and will be connected to Enterprise's low/high pressure gathering system located in San Juan County, New Mexico. It will require approximately 5,974' of pipeline to connect the facility to DJR Operating LLC. low/high pressure Escrito Trunk in Sec. 3, T23N, R9W which ties into Enterprise's existing pipeline in Section 12, T24N, R10W. DJR Operating LLC. provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, DJR Operating LLC. and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at the Chaco Processing Plant located in Sec. 16, Twn 26N, Rng 12W, San Juan County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise system at that time. Based on current information, it is DJR Operating LLC.'s belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

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1000 Rio Brazos Rd., Aztec, NM 87410
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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

COMMENTS

Action 19319

COMMENTS

Operator:				OGRID:		Action Number:	Action Type:
DJR OPERATING, LLC	1 Road 3263	Aztec, NM87410		371838		19319	FORM 3160-3

Created By	Comment	Comment Date
ahvermersch	See additional NMOCD COA's on attached cover letter.	03/01/2021

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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

CONDITIONS

Action 19319

CONDITIONS OF APPROVAL

Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM87410			OGRID: 371838	Action Number: 19319	Action Type: FORM 3160-3
OCD Reviewer		Condition			
ahvermersch		Notify OCD 24 hours prior to casing & cement			