

|                               |                                                       |                                |
|-------------------------------|-------------------------------------------------------|--------------------------------|
| Well Name: VENADO CANYON UNIT | Well Location: T22N / R6W / SEC 11 / SWSE /           | County or Parish/State:        |
| Well Number: 505H             | Type of Well: OIL WELL                                | Allottee or Tribe Name:        |
| Lease Number: NMNM117562      | Unit or CA Name: VENADO CANYON UNIT                   | Unit or CA Number: NMNM135367A |
| US Well Number:               | Well Status: Approved Application for Permit to Drill | Operator: DJR OPERATING LLC    |

Notice of Intent

Sundry ID: 2674934

Type of Submission: Notice of Intent

Date Sundry Submitted: 06/03/2022

Date proposed operation will begin: 06/03/2022

Type of Action: APD Change

Time Sundry Submitted: 02:03

**Procedure Description:** DJR Operating has an approved APD for the subject well. US Well Number: 30-043-21406. DJR respectfully requests to change the Surface Casing & Cement Program. Original plans were to drill the 12.25" surface hole to 350'. Due to foreseen issues with formation stability, DJR requests approval to drill the 12.25" surface hole to 800'. Set 9.625" 36# J55 STC casing from surface to 800' & cement with Type I-II with 50% excess. New slurry volumes calculated: 70 bbls (245 sx) at 14.5 ppg, 1.61 yield, 7.41 gps. Attached please find revised wellbore diagram with 9.625" surface casing and cement assumptions.

NOI Attachments

**Procedure Description**

VCU\_505H\_Surface\_Casing\_Cement\_Change\_20220603140329.pdf

|                                      |                                                              |                                       |
|--------------------------------------|--------------------------------------------------------------|---------------------------------------|
| <b>Well Name:</b> VENADO CANYON UNIT | <b>Well Location:</b> T22N / R6W / SEC 11 / SWSE /           | <b>County or Parish/State:</b>        |
| <b>Well Number:</b> 505H             | <b>Type of Well:</b> OIL WELL                                | <b>Allottee or Tribe Name:</b>        |
| <b>Lease Number:</b> NMNM117562      | <b>Unit or CA Name:</b> VENADO CANYON UNIT                   | <b>Unit or CA Number:</b> NMNM135367A |
| <b>US Well Number:</b>               | <b>Well Status:</b> Approved Application for Permit to Drill | <b>Operator:</b> DJR OPERATING LLC    |

Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

|                                                       |                                         |
|-------------------------------------------------------|-----------------------------------------|
| <b>Operator Electronic Signature:</b> SHAW-MARIE FORD | <b>Signed on:</b> JUN 03, 2022 02:03 PM |
| <b>Name:</b> DJR OPERATING LLC                        |                                         |
| <b>Title:</b> Regulatory Specialist                   |                                         |
| <b>Street Address:</b> 1 Road 3263                    |                                         |
| <b>City:</b> Aztec                                    | <b>State:</b> NM                        |
| <b>Phone:</b> (505) 632-3476                          |                                         |
| <b>Email address:</b> sford@djrlc.com                 |                                         |

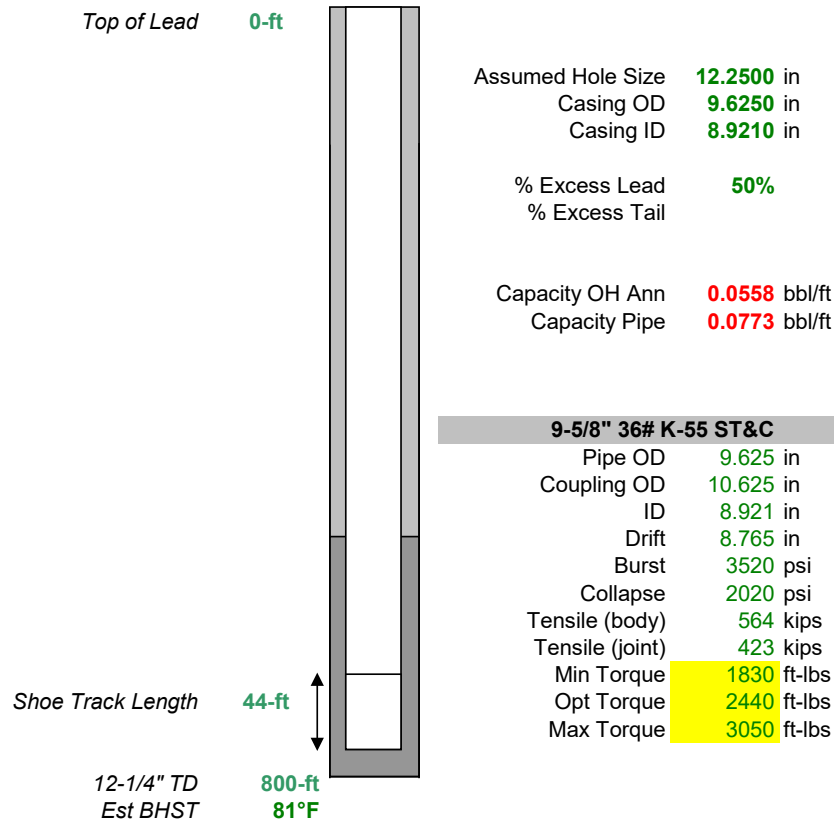
Field

|                             |               |             |
|-----------------------------|---------------|-------------|
| <b>Representative Name:</b> |               |             |
| <b>Street Address:</b>      |               |             |
| <b>City:</b>                | <b>State:</b> | <b>Zip:</b> |
| <b>Phone:</b>               |               |             |
| <b>Email address:</b>       |               |             |

BLM Point of Contact

|                                        |                                                |
|----------------------------------------|------------------------------------------------|
| <b>BLM POC Name:</b> KENNETH G RENNICK | <b>BLM POC Title:</b> Petroleum Engineer       |
| <b>BLM POC Phone:</b> 5055647742       | <b>BLM POC Email Address:</b> krennick@blm.gov |
| <b>Disposition:</b> Approved           | <b>Disposition Date:</b> 06/06/2022            |
| <b>Signature:</b> Kenneth Rennick      |                                                |

**9-5/8" Surface Casing & Cementing  
Venado Canyon Unit 505H**



| 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           |             |
| None               |          | 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        | 70 bbls  | 245                  | sx          |
| Tail Volume        | bbls     |                      | sx          |
| Displacement       | 58 bbls  |                      |             |
| Total Volume       | 129 bbls |                      |             |

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

**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**

CONDITIONS

Action 113777

CONDITIONS

|                                                                   |                                                      |
|-------------------------------------------------------------------|------------------------------------------------------|
| Operator:<br>DJR OPERATING, LLC<br>1 Road 3263<br>Aztec, NM 87410 | OGRID:<br>371838                                     |
|                                                                   | Action Number:<br>113777                             |
|                                                                   | Action Type:<br>[C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition                                       | Condition Date |
|------------|-------------------------------------------------|----------------|
| kpickford  | Adhere to previous NMOCD Conditions of Approval | 6/6/2022       |