Form 3160-3
(June 2015)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

2. Name of Operator

9. API Well No.
30-043-21485

3a. Address

3b. Phone No. *(include area code)*

10. Field and Pool, or Exploratory

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*

12. County or Parish

13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

16. No of acres in lease

17. Spacing Unit dedicated to this well

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth

20. BLM/BIA Bond No. in file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

22. Approximate date work will start*

23. Estimated duration

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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature

Name *(Printed/Typed)*

Date

Title

Approved by *(Signature)*

Name *(Printed/Typed)*

Date

Title

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.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 09/13/2022

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, NM 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, NM 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
30-043-21485	98174	NORTH ALAMITO UNIT MANCOS OIL POOL

4 Property Code	5 Property Name	6 Well Number
325267	NORTH ALAMITO UNIT	565H

7 OGRID No.	8 Operator Name	9 Elevation
371838	DJR OPERATING, LLC	6902'

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	29	23N	7W		1170'	NORTH	818'	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
E	19	23N	7W		1498'	NORTH	1009'	WEST	SANDOVAL

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
PENETRATED SPACING UNIT; SEC 29: NW/NW (40 AC.); SEC 20: SW/SW (40 AC.); SEC 30: NE/NE (40 AC.); SEC. 19: SW/4, SW/NE, NE/SW & NW/4 (401.62 AC.) = 521.62 ACRES			R-14081 R-14081A

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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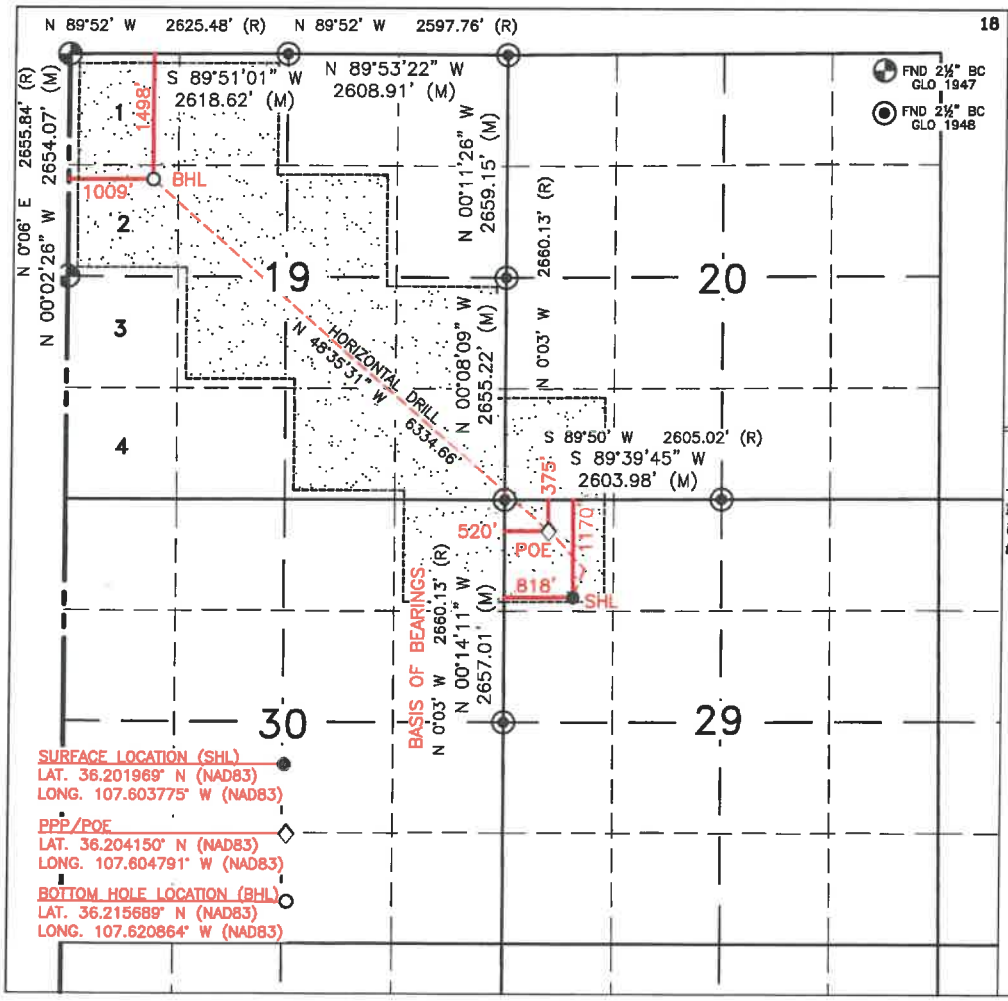

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17 OPERATOR CERTIFICATION

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 01/29/20
Signature Date

Shaw-Marie Ford
Printed Name

sford@djrllc.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.

JULY 24, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number 11393

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:** _09_/_26_/_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
N. Alamito Unit 320H	TBD	D-29-23N-07W	1161 FNL x 800 FWL	220	330	110
N. Alamito Unit 565H	TBD	D-29-23N-07W	1170 FNL x 818 FWL	370	550	120

IV. Central Delivery Point Name: _____Chaco 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
N. Alamito Unit 320H	TBD	01/06/2023	01/17/2023	02/12/2023	02/23/2023	02/24/2023
N. Alamito Unit 565H	TBD	01/07/2023	01/18/2023	02/12/2023	02/23/2023	02/24/2023

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:
Printed Name: Shaw-Marie Ford
Title: Regulatory Specialist
E-mail Address: sford@djrllc.com
Date: 09/26/2022
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

DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
North Alamito Unit 320H and 565H
NWNW D-29-23N-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 separator will be set for the individual well.
- The separator 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 separator will 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 the 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 separator.
- Oil will be separated from the produced water and the oil/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.

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Aztec, NM 87410

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DJR OPERATING, LLC.
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North Alamito Unit 320H and 565H
NWNW D-29-23N-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 its 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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North Alamito Unit 320H and 565H
NWNW D-29-23N-07W

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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DJR Operating, LLC

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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NATURAL GAS MANAGEMENT PLAN
North Alamito Unit 320H and 565H
NWNW D-29-23N-07W

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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Rev 2

DJR Operating

DRILLING PLAN
North Alamito #565H
Sandoval County, New Mexico

Surface Location
818-ft FWL & 1170-ft FNL
Sec 29 T23N R07W
Graded Elevation 6902' MSL
RKB Elevation 6916' (14' KB)

SHL Geographical Coordinates (NAD-83)
Latitude 36.2019690° N
Longitude 107.6037750° W

Kick Off Point for Horizontal Build Curve
4570-ft MD
4554-ft TVD

Local Coordinates (from SHL)
336-ft North
138-ft East

Heel Location (Pay zone entry)
520-ft FWL & 375-ft FNL
Sec 29 T23N R07W

Heel Geographical Coordinates (NAD-83)
Latitude 36.2041495° N
Longitude 107.60479060° W

Bottom Hole Location (TD)
1009-ft FWL & 1498-ft FNL
Sec 19 T23N R07W

BHL Geographical Coordinates (NAD-83)
Latitude 36.215689° N
Longitude 107.6208636° W

Well objectives
This well is planned as a 6330-ft lateral in the Gallup C sand.

Bottom Hole temperature and pressure
The temperature in the Gallup C horizontal objective is 140°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	966	964	Sd	W	8.3	8.4 – 8.8
Kirtland	1065	1063	Sh	-	8.3	8.4 – 8.8
Fruitland	1251	1248	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1545	1541	Sd	W	8.3	9.0 - 9.5
Lewis	1659	1655	Sh	-		9.0 - 9.5
Chacra	2365	2358	Sd	-	8.3	9.0 - 9.5
Menefee	3079	3069	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3931	3917	Sd	-	8.3	9.0 - 9.5
Mancos	4118	4104	Sh	-		9.0 - 9.5
Mancos Silt	4409	4393	Slt	O/G	6.6	9.0 - 9.5
Gallup A	4920	4882	Slt	O/G	6.6	9.0 - 9.5
Gallup B	4969	4922	Sd	O/G	6.6	8.8 -9.0
Gallup C	5107	5021	Sd	O/G	6.6	8.8 -9.0
Target	5546	5169	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	5495	surf	5167	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	5216	11881	5083	5216	5216

Note: all casing will be new

Rev 2

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	4070-ft
Density (ppg)	12.30	13.50
Yield (cf/sx)	2.34	1.50
Mix water (gal/sx)	13.26	7.20
Volume (sx)	395	228
Volume (bbls)	165	61
Volume (cu.ft.)	925	341
Excess %	55	55

4-1/2" Production Liner

	BJ Services
Type	Poz/G
Planned top	5216-ft
Density (ppg)	13.3
Yield (cf/sx)	1.56
Mix water (gal/sx)	7.71
Volume (sx)	560
Volume (bbls)	156
Volume (cu.ft)	875
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 – 5495	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	5495 – 11881	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.

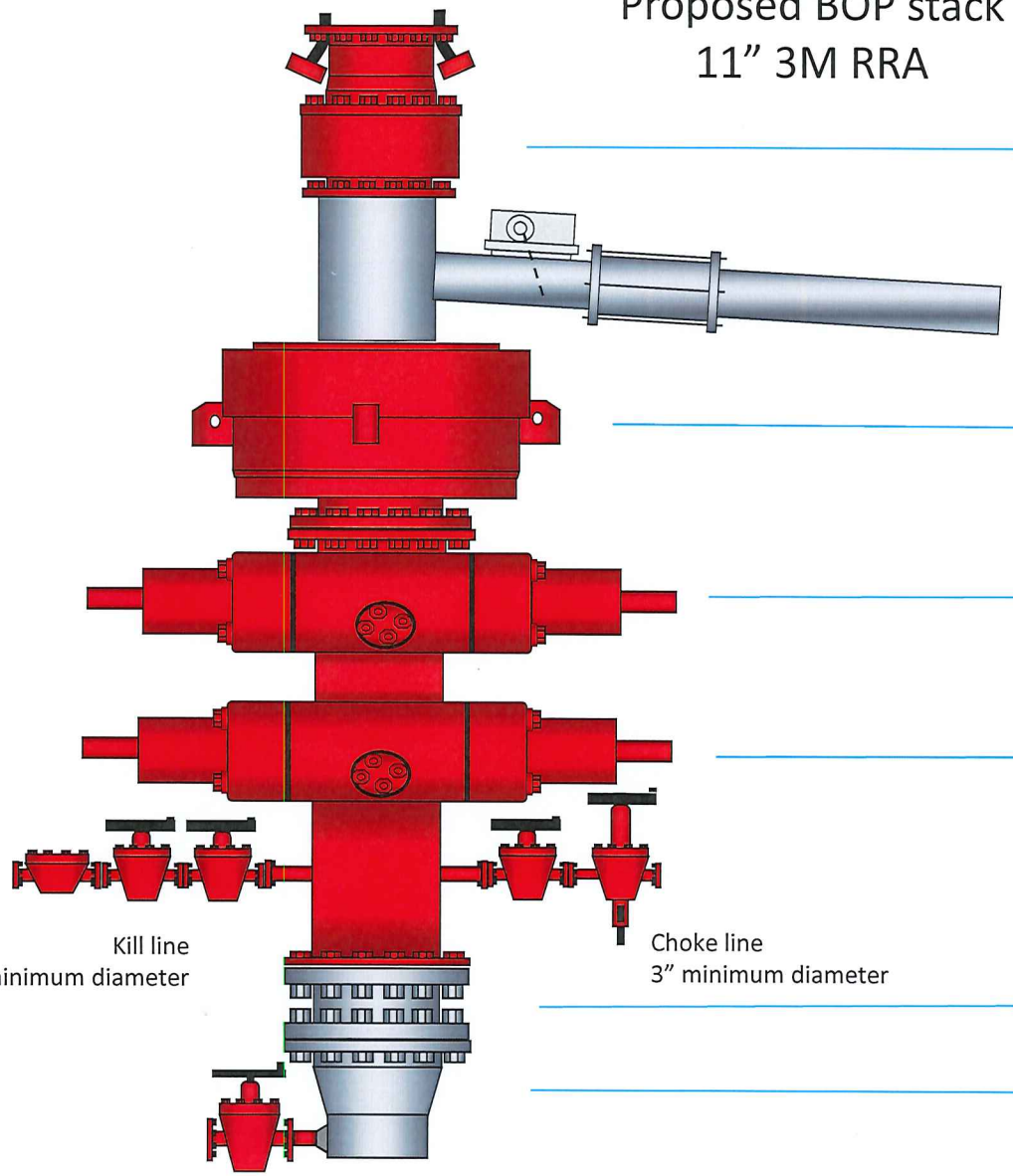
Electric logging: No open hole electric logs are programmed. A cased hole GR/CCL will be run during completions for perforating depth control.

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

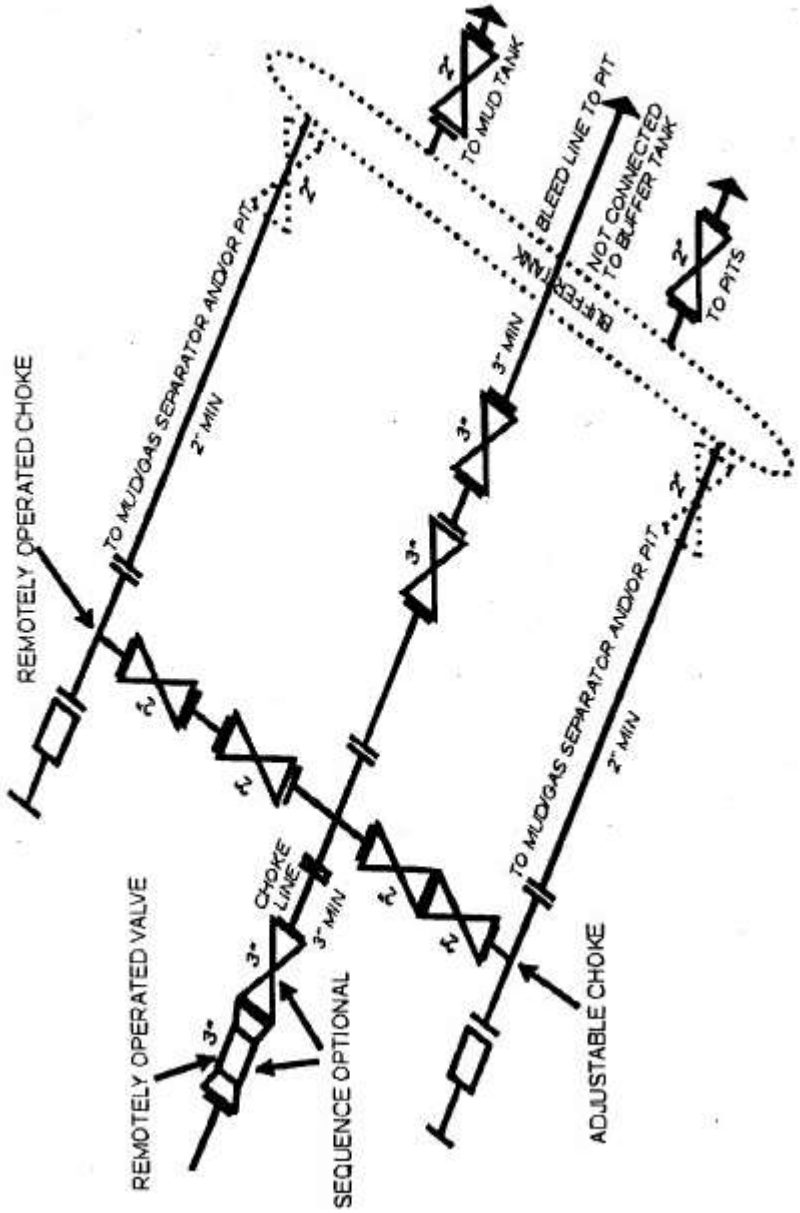
DJR Operating



DJR Operating

Choke Manifold

Actual system to conform with Onshore Order 2



DJR Operating

Company: DJR Operating
Project: North Alamito Unit
Site: D29 2307 Pad
Well: # 565H
Wellbore: Original Drilling
Design: APD Rev 1

PROJECT DETAILS: North Alamito 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

LONESTAR CONSULTING

WELL DETAILS: # 565H

GL 6902' & RKB 14' @ 6916.00usft

+N/-S	+E/-W	Northing	Easting	Latittude	Longitude	
0.00	0.00	1892894.34	2790818.62	36.20196900	-107.60377500	1

Plan: APD Rev 1 (# 565H/Original Drilling)

Created By: Janie Collins Date: 14:47, July 31 2020

Azimuths to True North
Magnetic North: 8.[illegible]°
Magnetic Field
Strength: 49282.[illegible]nT
Dip Angle: 62.[illegible]°
Date: 6/29/2020
Model: HDGM_FILE

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
565H Heel Rev 1	5169.00	793.75	-299.63	1893687.38	2790517.12	36.20414950	-107.60479060
565H Toe Rev 1	5216.00	4994.83	-5040.82	1897877.22	2785766.00	36.21568900	-107.62086360

SECTION DETAILS

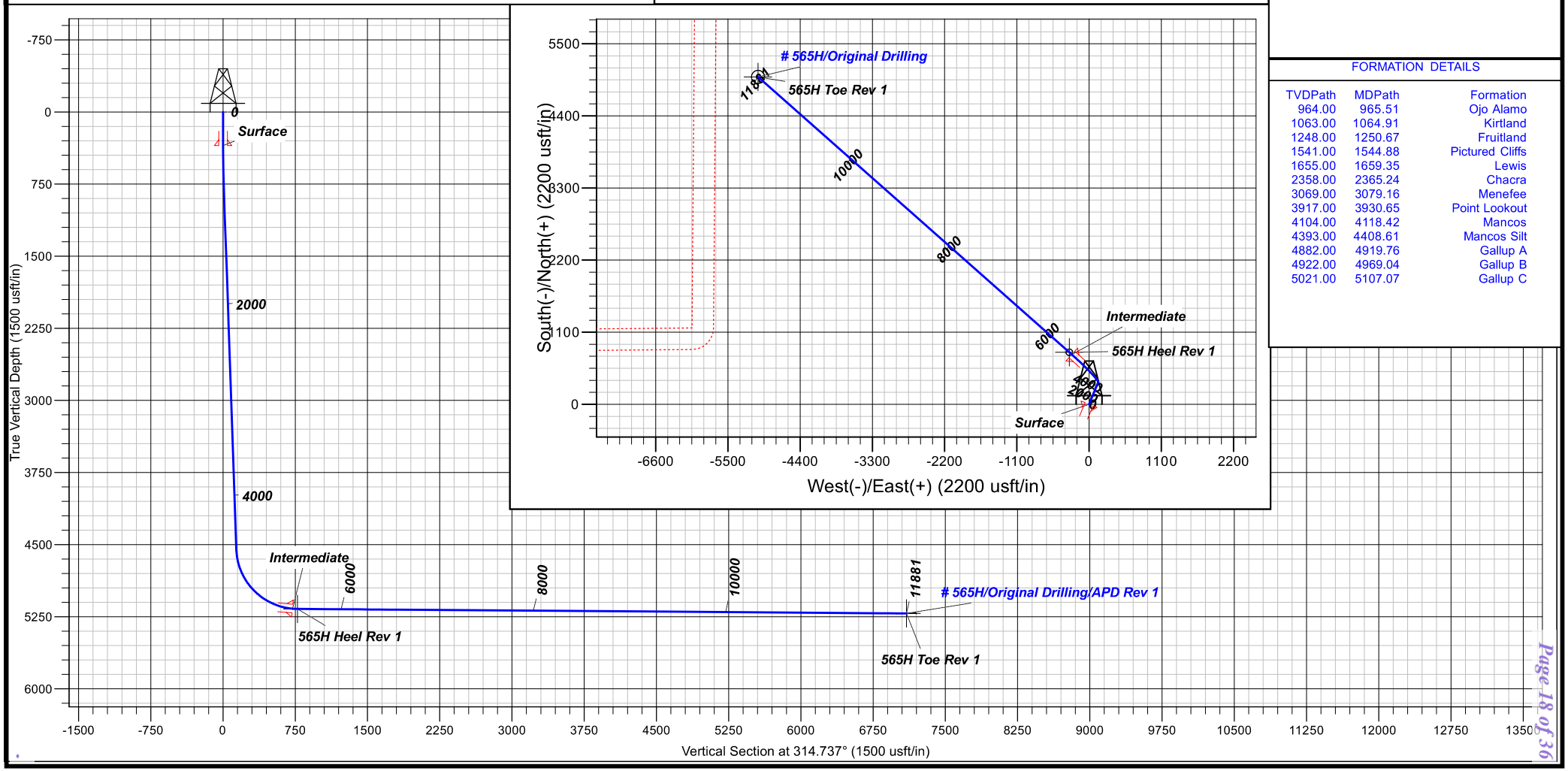
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00	
425.00	0.00	0.000	425.00	0.00	0.00	0.00	0.00	0.00	
684.38	5.19	22.404	684.03	10.85	4.47	2.00	22.40	4.46	
4569.77	5.19	22.404	4553.50	335.64	138.37	0.00	0.00	137.95	
5546.18	89.57	311.543	5169.00	793.75	-299.63	9.00	-70.97	771.53	565H Heel Rev 1
11881.02	89.57	311.543	5216.00	4994.83	-5040.82	0.00	0.00	7096.35	565H Toe Rev 1

CASING DETAILS

TVD	MD	Name
350.00	350.00	Surface
5166.59	5495.16	Intermediate

FORMATION DETAILS

TVDPath	MDPath	Formation
964.00	965.51	Ojo Alamo
1063.00	1064.91	Kirtland
1248.00	1250.67	Fruitland
1541.00	1544.88	Pictured Cliffs
1655.00	1659.35	Lewis
2358.00	2365.24	Chacra
3069.00	3079.16	Menefee
3917.00	3930.65	Point Lookout
4104.00	4118.42	Mancos
4393.00	4408.61	Mancos Silt
4882.00	4919.76	Gallup A
4922.00	4969.04	Gallup B
5021.00	5107.07	Gallup C



DJR Operating

North Alamito Unit
D29 2307 Pad
 # 565H - Slot 1

Original Drilling

Plan: APD Rev 1

Standard Planning Report

31 July, 2020

DJR Operating

Lonestar Consulting, LLC
Planning Report

Database:	DJR	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Project:	North Alamito Unit	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site:	D29 2307 Pad	**North Reference:**	True
Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Project North Alamito 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 D29 2307 Pad

Site Position:		**Northing:**	1,892,894.34 usft	**Latitude:**	36.20196900
From:	Lat/Long	**Easting:**	2,790,818.63 usft	**Longitude:**	-107.60377500
Position Uncertainty:	0.00 usft	**Slot Radius:**	13.20 in	**Grid Convergence:**	0.14 °

Well # 565H - Slot 1

Well Position	**+N/-S**	0.00 usft	**Northing:**	1,892,894.34 usft	**Latitude:**	36.20196900
	+E/-W	0.00 usft	**Easting:**	2,790,818.63 usft	**Longitude:**	-107.60377500
Position Uncertainty		0.00 usft	**Wellhead Elevation:**		**Ground Level:**	6,902.00 usft

Wellbore Original Drilling

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM_FILE	6/29/2020	8.63	62.77	49,282.20000000

Design APD Rev 1

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	314.737

Plan Survey Tool Program **Date** 7/31/2020

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	11,880.89	APD Rev 1 (Original Drilling)	MWD+HDGM	
				OWSG MWD + HDGM	

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
425.00	0.00	0.000	425.00	0.00	0.00	0.00	0.00	0.00	0.00	
684.38	5.19	22.404	684.03	10.85	4.47	2.00	2.00	0.00	22.40	
4,569.77	5.19	22.404	4,553.50	335.64	138.37	0.00	0.00	0.00	0.00	
5,546.18	89.57	311.543	5,169.00	793.75	-299.63	9.00	8.64	-7.26	-70.97	565H Heel Rev 1
11,881.02	89.57	311.543	5,216.00	4,994.83	-5,040.82	0.00	0.00	0.00	0.00	565H Toe Rev 1

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	DJR	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Project:	North Alamito Unit	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site:	D29 2307 Pad	**North Reference:**	True
Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
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
425.00	0.00	0.000	425.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	1.50	22.404	499.99	0.91	0.37	0.37	2.00	2.00	0.00
600.00	3.50	22.404	599.89	4.94	2.04	2.03	2.00	2.00	0.00
684.38	5.19	22.404	684.03	10.85	4.47	4.46	2.00	2.00	0.00
700.00	5.19	22.404	699.58	12.15	5.01	5.00	0.00	0.00	0.00
800.00	5.19	22.404	799.17	20.51	8.46	8.43	0.00	0.00	0.00
900.00	5.19	22.404	898.76	28.87	11.90	11.87	0.00	0.00	0.00
1,000.00	5.19	22.404	998.35	37.23	15.35	15.30	0.00	0.00	0.00
1,100.00	5.19	22.404	1,097.94	45.59	18.80	18.74	0.00	0.00	0.00
1,200.00	5.19	22.404	1,197.53	53.95	22.24	22.17	0.00	0.00	0.00
1,300.00	5.19	22.404	1,297.12	62.31	25.69	25.61	0.00	0.00	0.00
1,400.00	5.19	22.404	1,396.71	70.67	29.13	29.05	0.00	0.00	0.00
1,500.00	5.19	22.404	1,496.30	79.03	32.58	32.48	0.00	0.00	0.00
1,600.00	5.19	22.404	1,595.90	87.39	36.03	35.92	0.00	0.00	0.00
1,700.00	5.19	22.404	1,695.49	95.75	39.47	39.35	0.00	0.00	0.00
1,800.00	5.19	22.404	1,795.08	104.11	42.92	42.79	0.00	0.00	0.00
1,900.00	5.19	22.404	1,894.67	112.47	46.36	46.23	0.00	0.00	0.00
2,000.00	5.19	22.404	1,994.26	120.83	49.81	49.66	0.00	0.00	0.00
2,100.00	5.19	22.404	2,093.85	129.18	53.26	53.10	0.00	0.00	0.00
2,200.00	5.19	22.404	2,193.44	137.54	56.70	56.53	0.00	0.00	0.00
2,300.00	5.19	22.404	2,293.03	145.90	60.15	59.97	0.00	0.00	0.00
2,400.00	5.19	22.404	2,392.62	154.26	63.59	63.41	0.00	0.00	0.00
2,500.00	5.19	22.404	2,492.21	162.62	67.04	66.84	0.00	0.00	0.00
2,600.00	5.19	22.404	2,591.80	170.98	70.49	70.28	0.00	0.00	0.00
2,700.00	5.19	22.404	2,691.39	179.34	73.93	73.71	0.00	0.00	0.00
2,800.00	5.19	22.404	2,790.98	187.70	77.38	77.15	0.00	0.00	0.00
2,900.00	5.19	22.404	2,890.57	196.06	80.83	80.58	0.00	0.00	0.00
3,000.00	5.19	22.404	2,990.16	204.42	84.27	84.02	0.00	0.00	0.00
3,100.00	5.19	22.404	3,089.75	212.78	87.72	87.46	0.00	0.00	0.00
3,200.00	5.19	22.404	3,189.34	221.14	91.16	90.89	0.00	0.00	0.00
3,300.00	5.19	22.404	3,288.93	229.50	94.61	94.33	0.00	0.00	0.00
3,400.00	5.19	22.404	3,388.52	237.86	98.06	97.76	0.00	0.00	0.00
3,500.00	5.19	22.404	3,488.11	246.21	101.50	101.20	0.00	0.00	0.00
3,600.00	5.19	22.404	3,587.70	254.57	104.95	104.64	0.00	0.00	0.00
3,700.00	5.19	22.404	3,687.29	262.93	108.39	108.07	0.00	0.00	0.00
3,800.00	5.19	22.404	3,786.88	271.29	111.84	111.51	0.00	0.00	0.00
3,900.00	5.19	22.404	3,886.47	279.65	115.29	114.94	0.00	0.00	0.00
4,000.00	5.19	22.404	3,986.06	288.01	118.73	118.38	0.00	0.00	0.00
4,100.00	5.19	22.404	4,085.66	296.37	122.18	121.81	0.00	0.00	0.00
4,200.00	5.19	22.404	4,185.25	304.73	125.63	125.25	0.00	0.00	0.00
4,300.00	5.19	22.404	4,284.84	313.09	129.07	128.69	0.00	0.00	0.00
4,400.00	5.19	22.404	4,384.43	321.45	132.52	132.12	0.00	0.00	0.00
4,500.00	5.19	22.404	4,484.02	329.81	135.96	135.56	0.00	0.00	0.00
4,569.77	5.19	22.404	4,553.50	335.64	138.37	137.95	0.00	0.00	0.00
4,600.00	6.60	359.405	4,583.57	338.64	138.87	139.71	9.00	4.66	-76.07
4,700.00	14.27	331.221	4,681.90	355.22	132.87	155.64	9.00	7.67	-28.18
4,800.00	22.92	323.214	4,776.61	381.67	115.24	186.78	9.00	8.65	-8.01
4,900.00	31.76	319.473	4,865.36	417.34	86.42	232.36	9.00	8.84	-3.74
5,000.00	40.66	317.239	4,945.97	461.35	47.11	291.26	9.00	8.90	-2.23

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	DJR	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Project:	North Alamito Unit	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site:	D29 2307 Pad	**North Reference:**	True
Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,100.00	49.60	315.695	5,016.45	512.63	-1.70	362.03	9.00	8.93	-1.54
5,200.00	58.55	314.515	5,075.07	569.90	-58.83	442.91	9.00	8.95	-1.18
5,300.00	67.50	313.543	5,120.38	631.75	-122.86	531.93	9.00	8.96	-0.97
5,400.00	76.47	312.690	5,151.28	696.67	-192.22	626.90	9.00	8.96	-0.85
5,500.00	85.43	311.900	5,166.99	763.05	-265.20	725.46	9.00	8.97	-0.79
5,546.18	89.57	311.543	5,169.00	793.75	-299.63	771.53	9.00	8.97	-0.77
5,600.00	89.57	311.543	5,169.40	829.44	-339.90	825.26	0.00	0.00	0.00
5,700.00	89.57	311.543	5,170.14	895.76	-414.75	925.10	0.00	0.00	0.00
5,800.00	89.57	311.543	5,170.88	962.07	-489.59	1,024.94	0.00	0.00	0.00
5,900.00	89.57	311.543	5,171.63	1,028.39	-564.43	1,124.78	0.00	0.00	0.00
6,000.00	89.57	311.543	5,172.37	1,094.71	-639.28	1,224.62	0.00	0.00	0.00
6,100.00	89.57	311.543	5,173.11	1,161.03	-714.12	1,324.47	0.00	0.00	0.00
6,200.00	89.57	311.543	5,173.85	1,227.34	-788.96	1,424.31	0.00	0.00	0.00
6,300.00	89.57	311.543	5,174.59	1,293.66	-863.81	1,524.15	0.00	0.00	0.00
6,400.00	89.57	311.543	5,175.33	1,359.98	-938.65	1,623.99	0.00	0.00	0.00
6,500.00	89.57	311.543	5,176.08	1,426.29	-1,013.49	1,723.83	0.00	0.00	0.00
6,600.00	89.57	311.543	5,176.82	1,492.61	-1,088.34	1,823.68	0.00	0.00	0.00
6,700.00	89.57	311.543	5,177.56	1,558.93	-1,163.18	1,923.52	0.00	0.00	0.00
6,800.00	89.57	311.543	5,178.30	1,625.24	-1,238.02	2,023.36	0.00	0.00	0.00
6,900.00	89.57	311.543	5,179.04	1,691.56	-1,312.87	2,123.20	0.00	0.00	0.00
7,000.00	89.57	311.543	5,179.79	1,757.88	-1,387.71	2,223.04	0.00	0.00	0.00
7,100.00	89.57	311.543	5,180.53	1,824.20	-1,462.55	2,322.89	0.00	0.00	0.00
7,200.00	89.57	311.543	5,181.27	1,890.51	-1,537.40	2,422.73	0.00	0.00	0.00
7,300.00	89.57	311.543	5,182.01	1,956.83	-1,612.24	2,522.57	0.00	0.00	0.00
7,400.00	89.57	311.543	5,182.75	2,023.15	-1,687.08	2,622.41	0.00	0.00	0.00
7,500.00	89.57	311.543	5,183.50	2,089.46	-1,761.93	2,722.25	0.00	0.00	0.00
7,600.00	89.57	311.543	5,184.24	2,155.78	-1,836.77	2,822.10	0.00	0.00	0.00
7,700.00	89.57	311.543	5,184.98	2,222.10	-1,911.61	2,921.94	0.00	0.00	0.00
7,800.00	89.57	311.543	5,185.72	2,288.41	-1,986.46	3,021.78	0.00	0.00	0.00
7,900.00	89.57	311.543	5,186.46	2,354.73	-2,061.30	3,121.62	0.00	0.00	0.00
8,000.00	89.57	311.543	5,187.21	2,421.05	-2,136.14	3,221.46	0.00	0.00	0.00
8,100.00	89.57	311.543	5,187.95	2,487.37	-2,210.99	3,321.31	0.00	0.00	0.00
8,200.00	89.57	311.543	5,188.69	2,553.68	-2,285.83	3,421.15	0.00	0.00	0.00
8,300.00	89.57	311.543	5,189.43	2,620.00	-2,360.67	3,520.99	0.00	0.00	0.00
8,400.00	89.57	311.543	5,190.17	2,686.32	-2,435.51	3,620.83	0.00	0.00	0.00
8,500.00	89.57	311.543	5,190.92	2,752.63	-2,510.36	3,720.67	0.00	0.00	0.00
8,600.00	89.57	311.543	5,191.66	2,818.95	-2,585.20	3,820.51	0.00	0.00	0.00
8,700.00	89.57	311.543	5,192.40	2,885.27	-2,660.04	3,920.36	0.00	0.00	0.00
8,800.00	89.57	311.543	5,193.14	2,951.58	-2,734.89	4,020.20	0.00	0.00	0.00
8,900.00	89.57	311.543	5,193.88	3,017.90	-2,809.73	4,120.04	0.00	0.00	0.00
9,000.00	89.57	311.543	5,194.62	3,084.22	-2,884.57	4,219.88	0.00	0.00	0.00
9,100.00	89.57	311.543	5,195.37	3,150.54	-2,959.42	4,319.72	0.00	0.00	0.00
9,200.00	89.57	311.543	5,196.11	3,216.85	-3,034.26	4,419.57	0.00	0.00	0.00
9,300.00	89.57	311.543	5,196.85	3,283.17	-3,109.10	4,519.41	0.00	0.00	0.00
9,400.00	89.57	311.543	5,197.59	3,349.49	-3,183.95	4,619.25	0.00	0.00	0.00
9,500.00	89.57	311.543	5,198.33	3,415.80	-3,258.79	4,719.09	0.00	0.00	0.00
9,600.00	89.57	311.543	5,199.08	3,482.12	-3,333.63	4,818.93	0.00	0.00	0.00
9,700.00	89.57	311.543	5,199.82	3,548.44	-3,408.48	4,918.78	0.00	0.00	0.00
9,800.00	89.57	311.543	5,200.56	3,614.75	-3,483.32	5,018.62	0.00	0.00	0.00
9,900.00	89.57	311.543	5,201.30	3,681.07	-3,558.16	5,118.46	0.00	0.00	0.00
10,000.00	89.57	311.543	5,202.04	3,747.39	-3,633.01	5,218.30	0.00	0.00	0.00
10,100.00	89.57	311.543	5,202.79	3,813.71	-3,707.85	5,318.14	0.00	0.00	0.00
10,200.00	89.57	311.543	5,203.53	3,880.02	-3,782.69	5,417.99	0.00	0.00	0.00
10,300.00	89.57	311.543	5,204.27	3,946.34	-3,857.54	5,517.83	0.00	0.00	0.00

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	DJR	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Project:	North Alamito Unit	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site:	D29 2307 Pad	**North Reference:**	True
Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,400.00	89.57	311.543	5,205.01	4,012.66	-3,932.38	5,617.67	0.00	0.00	0.00
10,500.00	89.57	311.543	5,205.75	4,078.97	-4,007.22	5,717.51	0.00	0.00	0.00
10,600.00	89.57	311.543	5,206.50	4,145.29	-4,082.07	5,817.35	0.00	0.00	0.00
10,700.00	89.57	311.543	5,207.24	4,211.61	-4,156.91	5,917.20	0.00	0.00	0.00
10,800.00	89.57	311.543	5,207.98	4,277.92	-4,231.75	6,017.04	0.00	0.00	0.00
10,900.00	89.57	311.543	5,208.72	4,344.24	-4,306.59	6,116.88	0.00	0.00	0.00
11,000.00	89.57	311.543	5,209.46	4,410.56	-4,381.44	6,216.72	0.00	0.00	0.00
11,100.00	89.57	311.543	5,210.21	4,476.88	-4,456.28	6,316.56	0.00	0.00	0.00
11,200.00	89.57	311.543	5,210.95	4,543.19	-4,531.12	6,416.40	0.00	0.00	0.00
11,300.00	89.57	311.543	5,211.69	4,609.51	-4,605.97	6,516.25	0.00	0.00	0.00
11,400.00	89.57	311.543	5,212.43	4,675.83	-4,680.81	6,616.09	0.00	0.00	0.00
11,500.00	89.57	311.543	5,213.17	4,742.14	-4,755.65	6,715.93	0.00	0.00	0.00
11,600.00	89.57	311.543	5,213.92	4,808.46	-4,830.50	6,815.77	0.00	0.00	0.00
11,700.00	89.57	311.543	5,214.66	4,874.78	-4,905.34	6,915.61	0.00	0.00	0.00
11,800.00	89.57	311.543	5,215.40	4,941.09	-4,980.18	7,015.46	0.00	0.00	0.00
11,881.02	89.57	311.543	5,216.00	4,994.83	-5,040.82	7,096.35	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
565H Heel Rev 1 - plan hits target center - Circle (radius 50.00)	0.00	0.000	5,169.00	793.75	-299.63	1,893,687.38	2,790,517.12	36.20414950	-107.60479060
565H Toe Rev 1 - plan hits target center - Circle (radius 100.00)	0.00	0.000	5,216.00	4,994.83	-5,040.82	1,897,877.22	2,785,766.00	36.21568900	-107.62086360

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (in)	Hole Diameter (in)
350.00	350.00	Surface	9.62	12.25
5,495.16	5,166.59	Intermediate	7.00	8.75

DJR Operating

Lonestar Consulting, LLC
Planning Report

LONESTAR CONSULTING

Database:	DJR	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Company:	DJR Operating	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Project:	North Alamito Unit	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site:	D29 2307 Pad	**North Reference:**	True
Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD Rev 1		

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
965.51	964.00	Ojo Alamo		0.00	0.000
1,064.91	1,063.00	Kirtland		0.00	0.000
1,250.67	1,248.00	Fruitland		0.00	0.000
1,544.88	1,541.00	Pictured Cliffs		0.00	0.000
1,659.35	1,655.00	Lewis		0.00	0.000
2,365.24	2,358.00	Chacra		0.00	0.000
3,079.16	3,069.00	Menefee		0.00	0.000
3,930.65	3,917.00	Point Lookout		0.00	0.000
4,118.42	4,104.00	Mancos		0.00	0.000
4,408.61	4,393.00	Mancos Silt		0.00	0.000
4,919.76	4,882.00	Gallup A		0.00	0.000
4,969.04	4,922.00	Gallup B		0.00	0.000
5,107.07	5,021.00	Gallup C		0.00	0.000

DJR Operating

North Alamito Unit
D29 2307 Pad
 # 565H

Original Drilling
APD Rev 1

Anticollision Report

31 July, 2020

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Project:	North Alamito Unit	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Reference Site:	D29 2307 Pad	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site Error:	0.00 usft	**North Reference:**	True
Reference Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	DJR
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Reference APD Rev 1

Filter type:	NO GLOBAL FILTER: Using user defined selection & filtering criteria		
Interpolation Method:	Stations	**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** 7/31/2020

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
0.00	11,880.89	APD Rev 1 (Original Drilling)	MWD+HDGM	OWSG MWD + HDGM

Summary

Site Name / Offset Well - Wellbore - Design	Reference Measured Depth (usft)	Offset Measured Depth (usft)	Distance Between Centres (usft)	Distance Between Ellipses (usft)	Separation Factor	Warning
D29 2307 Pad						
# 320H - Original Drilling - APD Rev 1	425.00	425.00	20.07	17.43	7.608	CC
# 320H - Original Drilling - APD Rev 1	500.00	499.86	20.24	17.06	6.375	ES
# 320H - Original Drilling - APD Rev 1	800.00	799.20	24.44	19.10	4.578	SF

Offset Design D29 2307 Pad - # 320H - Original Drilling - APD Rev 1 — **Offset Site Error:** 0.00 usft

Survey Program: 0-MWD+HDGM — **Offset Well Error:** 0.00 usft

Reference Measured Depth (usft)	Reference Vertical Depth (usft)	Offset Measured Depth (usft)	Offset Vertical Depth (usft)	Semi Major Axis Reference (usft)	Semi Major Axis 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	-61.87	9.46	-17.70	20.07				
100.00	100.00	100.00	100.00	0.15	0.15	-61.87	9.46	-17.70	20.07	19.77	0.31	65.113	
200.00	200.00	200.00	200.00	0.51	0.51	-61.87	9.46	-17.70	20.07	19.05	1.03	19.579	
300.00	300.00	300.00	300.00	0.87	0.87	-61.87	9.46	-17.70	20.07	18.33	1.74	11.522	
400.00	400.00	400.00	400.00	1.23	1.23	-61.87	9.46	-17.70	20.07	17.61	2.46	8.163	
425.00	425.00	425.00	425.00	1.32	1.32	-61.87	9.46	-17.70	20.07	17.43	2.64	7.608	CC
500.00	499.99	499.86	499.85	1.59	1.59	-84.36	10.42	-17.49	20.24	17.06	3.17	6.375	ES
600.00	599.89	599.67	599.56	1.95	1.95	-84.74	14.66	-16.54	20.96	17.08	3.89	5.391	
684.38	684.03	683.88	683.53	2.26	2.25	-85.24	20.87	-15.14	22.03	17.54	4.50	4.900	
700.00	699.58	699.47	699.05	2.31	2.31	-85.25	22.28	-14.83	22.28	17.67	4.61	4.834	
800.00	799.17	799.20	798.13	2.67	2.68	-80.71	33.28	-12.36	24.44	19.10	5.34	4.578	SF
900.00	898.76	898.74	896.60	3.04	3.05	-70.58	47.52	-9.16	28.22	22.14	6.07	4.647	
1,000.00	998.35	998.50	995.11	3.41	3.43	-61.52	62.83	-5.73	33.31	26.51	6.81	4.892	
1,100.00	1,097.94	1,098.25	1,093.62	3.78	3.82	-54.98	78.14	-2.29	39.02	31.47	7.55	5.170	
1,200.00	1,197.53	1,198.00	1,192.13	4.15	4.22	-50.15	93.44	1.14	45.10	36.82	8.28	5.445	
1,300.00	1,297.12	1,297.75	1,290.64	4.52	4.62	-46.49	108.75	4.58	51.42	42.40	9.02	5.701	
1,400.00	1,396.71	1,397.51	1,389.15	4.90	5.02	-43.63	124.06	8.01	57.91	48.15	9.76	5.935	
1,500.00	1,496.30	1,497.26	1,487.67	5.27	5.43	-41.36	139.37	11.45	64.51	54.02	10.50	6.146	
1,600.00	1,595.90	1,597.01	1,586.18	5.65	5.83	-39.51	154.67	14.89	71.19	59.96	11.23	6.337	
1,700.00	1,695.49	1,696.76	1,684.69	6.02	6.24	-37.98	169.98	18.32	77.94	65.97	11.97	6.510	
1,800.00	1,795.08	1,796.52	1,783.20	6.40	6.64	-36.69	185.29	21.76	84.73	72.02	12.71	6.666	
1,900.00	1,894.67	1,896.27	1,881.71	6.77	7.05	-35.59	200.60	25.19	91.56	78.11	13.45	6.807	
2,000.00	1,994.26	1,996.02	1,980.22	7.15	7.46	-34.65	215.90	28.63	98.42	84.23	14.19	6.936	
2,100.00	2,093.85	2,095.77	2,078.73	7.52	7.87	-33.83	231.21	32.06	105.30	90.37	14.93	7.053	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Project:	North Alamito Unit	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Reference Site:	D29 2307 Pad	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site Error:	0.00 usft	**North Reference:**	True
Reference Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	DJR
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design D29 2307 Pad - # 320H - Original Drilling - APD Rev 1

Offset Site Error: 0.00 usft

Survey Program: 0-MWD+HDGM

Offset Well Error: 0.00 usft

Reference Measured Depth (usft)	Reference Vertical Depth (usft)	Offset Measured Depth (usft)	Offset Vertical Depth (usft)	Semi Major Axis Reference (usft)	Semi Major Axis 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
2,200.00	2,193.44	2,195.53	2,177.24	7.90	8.28	-33.11	246.52	35.50	112.19	96.52	15.67	7.160	
2,300.00	2,293.03	2,295.28	2,275.75	8.27	8.69	-32.47	261.83	38.93	119.11	102.70	16.41	7.259	
2,400.00	2,392.62	2,395.03	2,374.27	8.65	9.10	-31.91	277.13	42.37	126.03	108.89	17.15	7.349	
2,500.00	2,492.21	2,494.78	2,472.78	9.02	9.51	-31.40	292.44	45.80	132.97	115.08	17.89	7.433	
2,600.00	2,591.80	2,594.54	2,571.29	9.40	9.92	-30.94	307.75	49.24	139.92	121.29	18.63	7.510	
2,700.00	2,691.39	2,694.29	2,669.80	9.78	10.33	-30.53	323.06	52.67	146.87	127.50	19.37	7.582	
2,800.00	2,790.98	2,794.04	2,768.31	10.15	10.74	-30.15	338.36	56.11	153.84	133.73	20.11	7.649	
2,900.00	2,890.57	2,893.79	2,866.82	10.53	11.15	-29.81	353.67	59.54	160.81	139.95	20.85	7.712	
3,000.00	2,990.16	2,993.55	2,965.33	10.91	11.56	-29.50	368.98	62.98	167.78	146.19	21.59	7.770	
3,100.00	3,089.75	3,093.30	3,063.84	11.28	11.98	-29.21	384.29	66.41	174.76	152.42	22.33	7.825	
3,200.00	3,189.34	3,193.05	3,162.35	11.66	12.39	-28.94	399.59	69.85	181.74	158.66	23.07	7.876	
3,300.00	3,288.93	3,292.80	3,260.87	12.03	12.80	-28.69	414.90	73.28	188.73	164.91	23.82	7.924	
3,400.00	3,388.52	3,392.56	3,359.38	12.41	13.21	-28.46	430.21	76.72	195.71	171.16	24.56	7.970	
3,500.00	3,488.11	3,492.31	3,457.89	12.79	13.62	-28.25	445.52	80.15	202.71	177.41	25.30	8.013	
3,600.00	3,587.70	3,592.06	3,556.40	13.16	14.04	-28.05	460.82	83.59	209.70	183.66	26.04	8.053	
3,700.00	3,687.29	3,691.81	3,654.91	13.54	14.45	-27.86	476.13	87.03	216.70	189.92	26.78	8.092	
3,800.00	3,786.88	3,791.57	3,753.42	13.92	14.86	-27.68	491.44	90.46	223.70	196.18	27.52	8.128	
3,900.00	3,886.47	3,891.32	3,851.93	14.29	15.27	-27.52	506.75	93.90	230.70	202.44	28.26	8.162	
4,000.00	3,986.06	3,991.07	3,950.44	14.67	15.69	-27.36	522.05	97.33	237.70	208.70	29.00	8.195	
4,100.00	4,085.66	4,090.82	4,048.96	15.05	16.10	-27.22	537.36	100.77	244.71	214.96	29.75	8.226	
4,200.00	4,185.25	4,190.58	4,147.47	15.42	16.51	-27.08	552.67	104.20	251.71	221.22	30.49	8.256	
4,300.00	4,284.84	4,290.33	4,245.98	15.80	16.92	-26.95	567.97	107.64	258.72	227.49	31.23	8.284	
4,400.00	4,384.43	4,390.08	4,344.49	16.18	17.34	-26.83	583.28	111.07	265.73	233.76	31.97	8.312	
4,500.00	4,484.02	4,489.83	4,443.00	16.55	17.75	-26.71	598.59	114.51	272.74	240.03	32.71	8.337	
4,569.77	4,553.50	4,570.67	4,522.89	16.82	18.08	-26.46	610.31	118.11	277.11	243.81	33.30	8.321	
4,600.00	4,583.57	4,613.85	4,565.63	16.93	18.24	-2.78	614.37	122.62	276.79	243.25	33.54	8.253	
4,650.00	4,633.04	4,682.69	4,633.38	17.12	18.49	19.58	616.89	134.38	271.24	237.46	33.78	8.030	
4,700.00	4,681.90	4,745.46	4,694.14	17.31	18.68	33.72	614.93	149.88	260.55	226.63	33.93	7.680	
4,750.00	4,729.86	4,800.02	4,745.72	17.51	18.84	45.77	609.93	166.94	246.71	212.59	34.12	7.230	
4,800.00	4,776.61	4,845.58	4,787.59	17.70	18.95	57.05	603.44	183.64	232.34	197.86	34.48	6.738	
4,850.00	4,821.87	4,882.30	4,820.40	17.90	19.04	67.22	596.70	198.68	220.53	185.50	35.03	6.295	
4,900.00	4,865.36	4,910.95	4,845.34	18.10	19.10	75.56	590.52	211.34	214.47	178.86	35.62	6.022	
4,912.76	4,876.14	4,917.09	4,850.60	18.15	19.11	77.32	589.10	214.16	214.19	178.45	35.74	5.993	
4,950.00	4,906.81	4,932.52	4,863.71	18.31	19.14	81.56	585.34	221.40	216.76	180.79	35.98	6.025	
5,000.00	4,945.97	4,950.00	4,878.31	18.53	19.18	85.62	580.82	229.88	228.59	192.58	36.01	6.348	
5,050.00	4,982.59	4,958.44	4,885.26	18.78	19.19	86.32	578.54	234.07	249.42	213.83	35.59	7.008	
5,100.00	5,016.45	4,964.54	4,890.25	19.06	19.21	85.30	576.84	237.14	277.66	242.58	35.09	7.914	
5,150.00	5,047.34	4,967.04	4,892.29	19.38	19.21	82.21	576.14	238.41	311.41	276.81	34.60	9.000	
5,200.00	5,075.07	4,966.51	4,891.86	19.76	19.21	77.26	576.29	238.14	349.00	314.77	34.22	10.198	
5,250.00	5,099.47	4,963.43	4,889.35	20.20	19.20	70.76	577.15	236.58	389.09	355.12	33.97	11.454	
5,300.00	5,120.38	4,950.00	4,878.31	20.70	19.18	61.39	580.82	229.88	430.83	397.33	33.50	12.860	
5,350.00	5,137.69	4,950.00	4,878.31	21.27	19.18	55.16	580.82	229.88	473.12	439.35	33.77	14.012	
5,400.00	5,151.28	4,950.00	4,878.31	21.90	19.18	49.06	580.82	229.88	515.85	481.72	34.13	15.114	
5,450.00	5,161.06	4,932.52	4,863.70	22.59	19.14	40.90	585.35	221.40	558.19	524.20	33.99	16.423	
5,500.00	5,166.99	4,921.38	4,854.27	23.33	19.12	34.92	588.08	216.15	600.09	565.93	34.17	17.564	
5,546.18	5,169.00	4,900.00	4,835.88	24.06	19.08	29.37	592.98	206.41	638.24	604.17	34.07	18.735	
5,600.00	5,169.40	4,900.00	4,835.88	24.95	19.08	29.37	592.98	206.41	682.35	647.66	34.69	19.670	
5,700.00	5,170.14	4,875.47	4,814.37	26.73	19.02	27.42	598.06	195.78	766.77	731.74	35.04	21.885	
5,800.00	5,170.88	4,850.00	4,791.59	28.66	18.96	25.55	602.70	185.38	853.58	818.32	35.27	24.204	
5,900.00	5,171.63	4,850.00	4,791.59	30.69	18.96	25.55	602.70	185.38	942.27	906.36	35.91	26.240	
6,000.00	5,172.37	4,824.63	4,768.49	32.81	18.90	23.82	606.69	175.69	1,032.21	996.23	35.98	28.686	
6,100.00	5,173.11	4,800.00	4,745.69	35.01	18.84	22.26	609.93	166.93	1,123.67	1,087.63	36.04	31.180	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Project:	North Alamito Unit	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Reference Site:	D29 2307 Pad	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site Error:	0.00 usft	**North Reference:**	True
Reference Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	DJR
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design D29 2307 Pad - # 320H - Original Drilling - APD Rev 1

Offset Site Error: 0.00 usft

Survey Program: 0-MWD+HDGM

Offset Well Error: 0.00 usft

Reference Measured Depth (usft)	Reference Vertical Depth (usft)	Offset Measured Depth (usft)	Offset Vertical Depth (usft)	Semi Major Axis Reference (usft)	Semi Major Axis 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
6,200.00	5,173.85	4,800.00	4,745.69	37.27	18.84	22.26	609.93	166.93	1,215.83	1,179.41	36.43	33.379	
6,300.00	5,174.59	4,800.00	4,745.69	39.58	18.84	22.26	609.93	166.93	1,309.14	1,272.40	36.74	35.631	
6,400.00	5,175.33	4,778.71	4,725.73	41.93	18.78	21.01	612.25	159.89	1,402.86	1,366.12	36.74	38.180	
6,500.00	5,176.08	4,769.80	4,717.32	44.32	18.75	20.51	613.08	157.08	1,497.34	1,460.46	36.88	40.600	
6,600.00	5,176.82	4,750.00	4,698.49	46.73	18.70	19.44	614.63	151.17	1,592.50	1,555.62	36.88	43.186	
6,700.00	5,177.56	4,750.00	4,698.49	49.18	18.70	19.44	614.63	151.17	1,687.82	1,650.75	37.07	45.531	
6,800.00	5,178.30	4,750.00	4,698.49	51.64	18.70	19.44	614.63	151.17	1,783.66	1,746.42	37.24	47.898	
6,900.00	5,179.04	4,750.00	4,698.49	54.12	18.70	19.44	614.63	151.17	1,879.93	1,842.54	37.39	50.282	
7,000.00	5,179.79	4,750.00	4,698.49	56.62	18.70	19.44	614.63	151.17	1,976.57	1,939.05	37.52	52.681	
7,100.00	5,180.53	4,729.69	4,679.01	59.14	18.63	18.42	615.80	145.57	2,073.11	2,035.65	37.46	55.335	
7,200.00	5,181.27	4,724.63	4,674.13	61.66	18.62	18.17	616.03	144.24	2,170.12	2,132.58	37.54	57.812	
7,300.00	5,182.01	4,719.91	4,669.57	64.20	18.60	17.95	616.22	143.03	2,267.34	2,229.73	37.61	60.292	
7,400.00	5,182.75	4,700.00	4,650.26	66.75	18.54	17.03	616.76	138.21	2,364.99	2,327.44	37.55	62.982	
7,500.00	5,183.50	4,700.00	4,650.26	69.30	18.54	17.03	616.76	138.21	2,462.46	2,424.81	37.65	65.409	
7,600.00	5,184.24	4,700.00	4,650.26	71.87	18.54	17.03	616.76	138.21	2,560.13	2,522.39	37.74	67.840	
7,700.00	5,184.98	4,700.00	4,650.26	74.44	18.54	17.03	616.76	138.21	2,657.97	2,620.15	37.82	70.275	
7,800.00	5,185.72	4,700.00	4,650.26	77.01	18.54	17.03	616.76	138.21	2,755.97	2,718.06	37.90	72.712	
7,900.00	5,186.46	4,700.00	4,650.26	79.60	18.54	17.03	616.76	138.21	2,854.10	2,816.12	37.98	75.150	
8,000.00	5,187.21	4,700.00	4,650.26	82.19	18.54	17.03	616.76	138.21	2,952.36	2,914.31	38.05	77.588	
8,100.00	5,187.95	4,700.00	4,650.26	84.78	18.54	17.03	616.76	138.21	3,050.74	3,012.61	38.12	80.026	
8,200.00	5,188.69	4,700.00	4,650.26	87.37	18.54	17.03	616.76	138.21	3,149.21	3,111.02	38.19	82.463	
8,300.00	5,189.43	4,700.00	4,650.26	89.98	18.54	17.03	616.76	138.21	3,247.78	3,209.53	38.25	84.899	
8,400.00	5,190.17	4,700.00	4,650.26	92.58	18.54	17.03	616.76	138.21	3,346.43	3,308.12	38.32	87.332	
8,500.00	5,190.92	4,700.00	4,650.26	95.19	18.54	17.03	616.76	138.21	3,445.17	3,406.79	38.38	89.763	
8,600.00	5,191.66	4,678.78	4,629.55	97.80	18.47	16.11	616.88	133.56	3,543.55	3,505.24	38.31	92.492	
8,700.00	5,192.40	4,676.63	4,627.45	100.41	18.47	16.03	616.87	133.12	3,642.33	3,603.97	38.36	94.949	
8,800.00	5,193.14	4,674.59	4,625.45	103.03	18.46	15.94	616.85	132.71	3,741.17	3,702.76	38.41	97.401	
8,900.00	5,193.88	4,672.63	4,623.54	105.65	18.45	15.86	616.83	132.32	3,840.06	3,801.61	38.46	99.849	
9,000.00	5,194.62	4,650.00	4,601.31	108.27	18.38	14.96	616.30	128.10	3,939.40	3,901.01	38.39	102.620	
9,100.00	5,195.37	4,650.00	4,601.31	110.89	18.38	14.96	616.30	128.10	4,038.32	3,999.87	38.45	105.031	
9,200.00	5,196.11	4,650.00	4,601.31	113.51	18.38	14.96	616.30	128.10	4,137.29	4,098.78	38.51	107.437	
9,300.00	5,196.85	4,650.00	4,601.31	116.14	18.38	14.96	616.30	128.10	4,236.31	4,197.75	38.57	109.837	
9,400.00	5,197.59	4,650.00	4,601.31	118.77	18.38	14.96	616.30	128.10	4,335.38	4,296.75	38.63	112.233	
9,500.00	5,198.33	4,650.00	4,601.31	121.40	18.38	14.96	616.30	128.10	4,434.49	4,395.80	38.69	114.622	
9,600.00	5,199.08	4,650.00	4,601.31	124.03	18.38	14.96	616.30	128.10	4,533.64	4,494.89	38.75	117.006	
9,700.00	5,199.82	4,650.00	4,601.31	126.66	18.38	14.96	616.30	128.10	4,632.82	4,594.01	38.81	119.384	
9,800.00	5,200.56	4,650.00	4,601.31	129.29	18.38	14.96	616.30	128.10	4,732.04	4,693.17	38.87	121.755	
9,900.00	5,201.30	4,650.00	4,601.31	131.93	18.38	14.96	616.30	128.10	4,831.29	4,792.37	38.92	124.120	
10,000.00	5,202.04	4,650.00	4,601.31	134.56	18.38	14.96	616.30	128.10	4,930.57	4,891.59	38.98	126.478	
10,100.00	5,202.79	4,650.00	4,601.31	137.20	18.38	14.96	616.30	128.10	5,029.88	4,990.84	39.04	128.829	
10,200.00	5,203.53	4,650.00	4,601.31	139.84	18.38	14.96	616.30	128.10	5,129.22	5,090.11	39.10	131.173	
10,300.00	5,204.27	4,650.00	4,601.31	142.48	18.38	14.96	616.30	128.10	5,228.58	5,189.42	39.16	133.510	
10,400.00	5,205.01	4,650.00	4,601.31	145.12	18.38	14.96	616.30	128.10	5,327.96	5,288.74	39.22	135.839	
10,500.00	5,205.75	4,650.00	4,601.31	147.76	18.38	14.96	616.30	128.10	5,427.37	5,388.09	39.28	138.161	
10,600.00	5,206.50	4,650.00	4,601.31	150.40	18.38	14.96	616.30	128.10	5,526.80	5,487.46	39.34	140.475	
10,700.00	5,207.24	4,650.00	4,601.31	153.04	18.38	14.96	616.30	128.10	5,626.25	5,586.85	39.40	142.781	
10,800.00	5,207.98	4,650.00	4,601.31	155.68	18.38	14.96	616.30	128.10	5,725.72	5,686.25	39.47	145.079	
10,900.00	5,208.72	4,650.00	4,601.31	158.33	18.38	14.96	616.30	128.10	5,825.21	5,785.68	39.53	147.369	
11,000.00	5,209.46	4,650.00	4,601.31	160.97	18.38	14.96	616.30	128.10	5,924.71	5,885.12	39.59	149.651	
11,100.00	5,210.21	4,650.00	4,601.31	163.62	18.38	14.96	616.30	128.10	6,024.23	5,984.58	39.65	151.925	
11,200.00	5,210.95	4,650.00	4,601.31	166.26	18.38	14.96	616.30	128.10	6,123.77	6,084.05	39.72	154.190	
11,300.00	5,211.69	4,650.00	4,601.31	168.91	18.38	14.96	616.30	128.10	6,223.32	6,183.54	39.78	156.446	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Project:	North Alamito Unit	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Reference Site:	D29 2307 Pad	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site Error:	0.00 usft	**North Reference:**	True
Reference Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	DJR
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Offset Design D29 2307 Pad - # 320H - Original Drilling - APD Rev 1

Survey Program: 0-MWD+HDGM

Offset Site Error: 0.00 usft

Offset Well Error: 0.00 usft

Reference Measured Depth (usft)	Reference Vertical Depth (usft)	Offset Measured Depth (usft)	Offset Vertical Depth (usft)	Semi Major Axis Reference (usft)	Semi Major Axis 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
11,400.00	5,212.43	4,650.00	4,601.31	171.55	18.38	14.96	616.30	128.10	6,322.88	6,283.04	39.84	158.694	
11,500.00	5,213.17	4,650.00	4,601.31	174.20	18.38	14.96	616.30	128.10	6,422.46	6,382.56	39.91	160.933	
11,600.00	5,213.92	4,650.00	4,601.31	176.85	18.38	14.96	616.30	128.10	6,522.05	6,482.08	39.97	163.163	
11,700.00	5,214.66	4,650.00	4,601.31	179.50	18.38	14.96	616.30	128.10	6,621.66	6,581.62	40.04	165.385	
11,800.00	5,215.40	4,650.00	4,601.31	182.14	18.38	14.96	616.30	128.10	6,721.27	6,681.17	40.10	167.597	
11,881.02	5,216.00	4,650.00	4,601.31	184.29	18.38	14.96	616.30	128.10	6,801.99	6,761.83	40.16	169.383	

DJR Operating

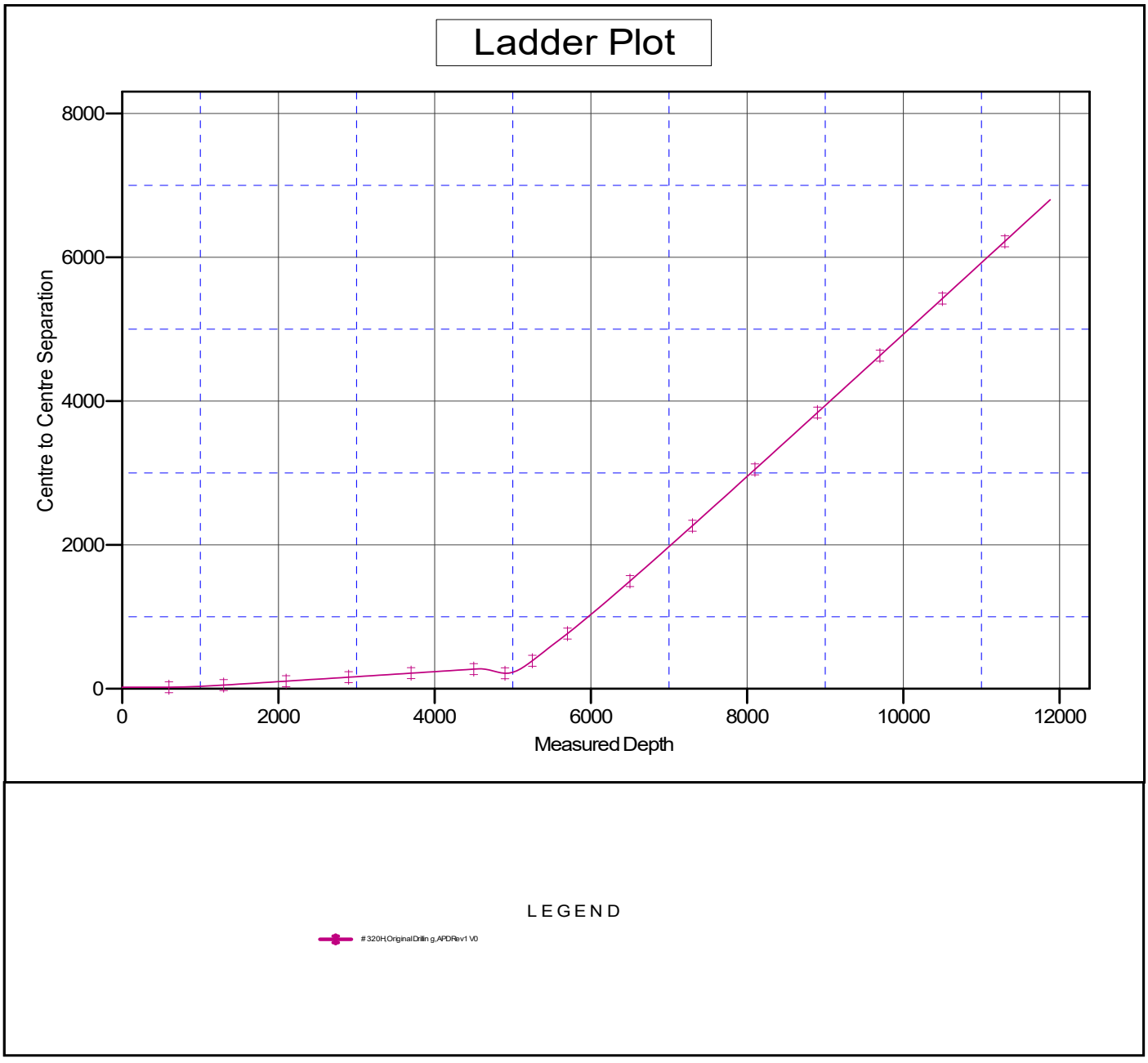
Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Project:	North Alamito Unit	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Reference Site:	D29 2307 Pad	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site Error:	0.00 usft	**North Reference:**	True
Reference Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	DJR
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 6902' & RKB 14' @ 6916.00usft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: # 565H - Slot 1
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.14°



DJR Operating

Lonestar Consulting, LLC

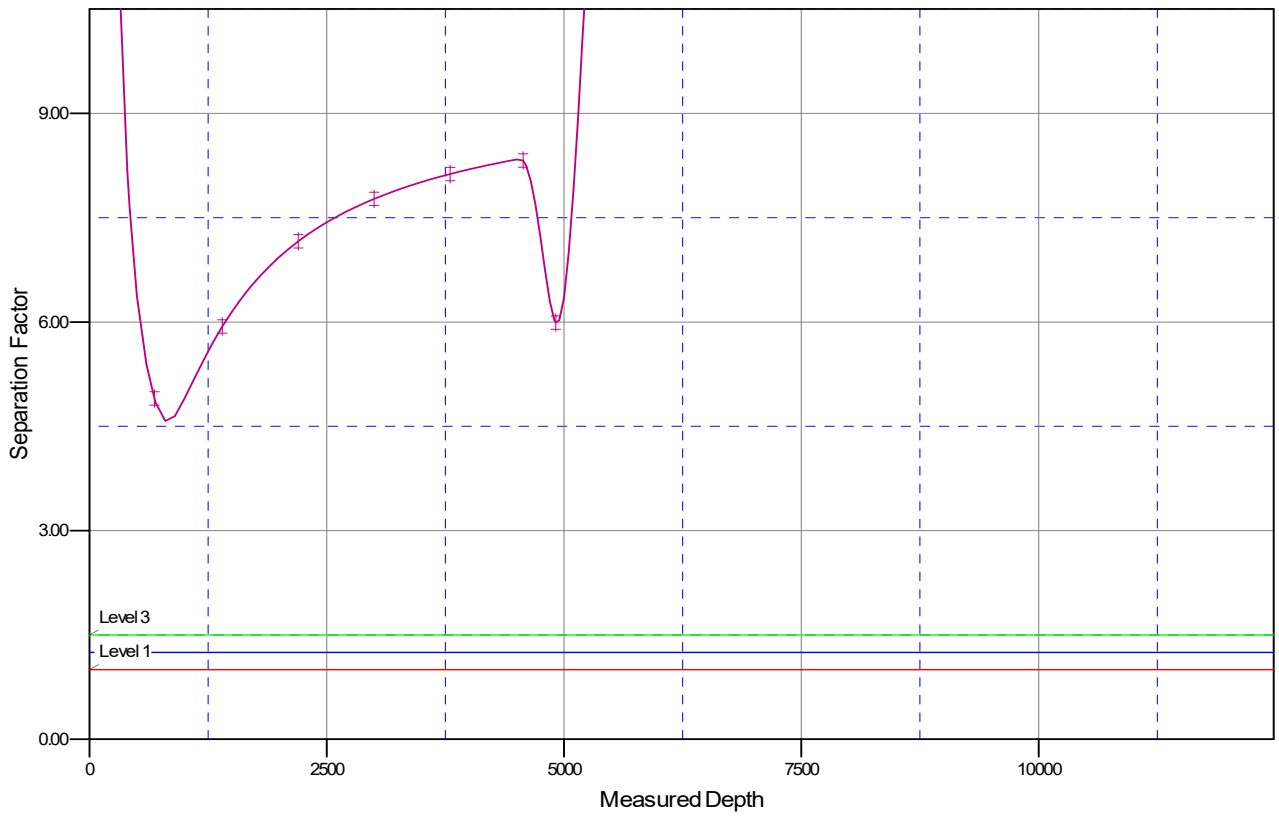
Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well # 565H - Slot 1
Project:	North Alamito Unit	**TVD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Reference Site:	D29 2307 Pad	**MD Reference:**	GL 6902' & RKB 14' @ 6916.00usft
Site Error:	0.00 usft	**North Reference:**	True
Reference Well:	# 565H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	DJR
Reference Design:	APD Rev 1	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 6902' & RKB 14' @ 6916.00usft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: # 565H - Slot 1
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.14°

Separation Factor Plot



LEGEND

320H, Original Drilling, APD Rev1 V0

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Blvd, Suite A
Farmington, New Mexico 87402

In Reply Refer To:
3162.3-1(NMF0110)

* DJR OPERATING LLC

#565H NORTH ALAMITO UNIT

Lease: NMNM036943
SH: NW¼NW¼ Section 29, T.23 N., R.7W.
Sandoval County, New Mexico
BH: SW¼NW¼ Section 19, T.23 N., R7 W.
Sandoval County, New Mexico
***Above Data Required on Well Sign**

GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

The following special requirements apply and are effective when **checked**:

A. ☒ Note all surface/drilling conditions of approval attached.

B. ☒ The required wait on cement (WOC) time will be a minimum of 500 psi compressive strength at 60 degrees. Blowout preventor (BOP) nipple-up operations may then be initiated

C. ☐ Test the surface casing to a minimum of _____ psi for 30 minutes.

D. ☐ Test all casing strings below the surface casing to .22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield burst) for a minimum of 30 minutes.

E. ☐ Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the Bureau of Land Management, Farmington District Office, Branch of Reservoir Management, 6251 College Blvd. Suite A, Farmington, New Mexico 87402. The effective date of the agreement must be **prior** to any sales.

F. ☒ The use of co-flex hose is authorized contingent upon the following:
1. From the BOP to the choke manifold: the co-flex hose must be hobbled on both ends and saddle to prevent whip.
2. From the choke manifold to the discharge tank: the co-flex hoses must be as straight as practical, hobbled on both ends and anchored to prevent whip.
3. The co-flex hose pressure rating must be at least commensurate with approved BOPE.

I. GENERAL

A. Full compliance with all applicable laws, regulations, and Onshore Orders, with the approved Permit to drill, and with the approved Surface Use and Operations Plan is required. Lessees and/or operators are fully accountable for the actions of their contractors and subcontractors. Failure to comply with these requirements and the filing of required reports will result in strict enforcement pursuant to 43 CFR 3163.1 or 3163.2.

B. Each well shall have a well sign in legible condition from spud date to final abandonment. The sign should show the operator's name, lease serial number, or unit name, well number, location of the well, and whether lease is Tribal or Allotted, (See 43 CFR 3162.6(b)).

C. A complete copy of the approved Application for Permit to Drill, along with any conditions of approval, shall be available to authorized personnel at the drill site whenever active drilling operations are under way.

D. For Wildcat wells only, a drilling operations progress report is to be submitted, to the BLM-Field Office, weekly from the spud date until the well is completed and the Well Completion Report (Form 3160-4) is filed. The report should be on 8-1/2 x 11 inch paper, and each page should identify the well by; operator's name, well number, location and lease number.

E. As soon as practical, notice is required of all blowouts, fires and accidents involving life-threatening injuries or loss of life. (See NTL-3A).

F. Prior approval by the BLM-Authorized Office (Drilling and Production Section) is required for variance from the approved drilling program and before commencing plugging operations, plug back work casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent (on a Sundry Notice, Form 3160-5) within three business days (original and three copies of Federal leases and an original and four copies on Indian leases). **Any changes to the approved plan or any questions regarding drilling operations should be directed to BLM during regular business hours at 505-564-7600. Emergency program changes after hours should be directed to at Virgil Lucero at 505-793-1836.**

G. The Inspection and Enforcement Section (I&E), phone number (505-564-7750) is to be notified at least 24 hours in advance of BOP test, spudding, cementing, or plugging operations so that a BLM representative may witness the operations.

H. Unless drilling operations are commenced within two years, approval of the Application for Permit to Drill will expire. A written request for a two years extension may be granted if submitted prior to expiration.

I. From the time drilling operations are initiated and until drilling operations are completed, a member of the drilling crew or the tool pusher shall maintain rig surveillance at all time, unless the well is secured with blowout preventers or cement plugs.

J. If for any reason, drilling operations are suspended for more than 90 days, a written notice must be provided to this office outlining your plans for this well.

II. REPORTING REQUIREMENTS

A. For reporting purposes, all well Sundry notices, well completion and other well actions shall be referenced by the appropriate lease, communitization agreement and/or unit agreement numbers.

B. The following reports shall be filed with the BLM-Authorized Officer within 30 days after the work is completed.

1 .Original and three copies on Federal and an Original and five copies on Indian leases of Sundry Notice (Form 3150-5), giving complete information concerning.

a. Setting of each string of casing. Show size and depth of hole, grade and weight of casing, depth set, depth of any and all cementing tools that are used, amount (in cubic feet) and types of cement used, whether cement circulated to surface and all cement tops in the casing annulus, casing test method and results, and the date work was done. Show spud date on first report submitted.

b. Intervals tested, perforated (include; size, number and location of perforations), acidized, or fractured; and results obtained. Provide date work was done on well completion report and completion sundry notice.

c. Subsequent Report of Abandonment, show the manner in which the well was plugged, including depths where casing was cut and pulled, intervals (by depths) where cement plugs were replaced, and dates of the operations.

2. Well Completion Report (Form 3160-4) will be submitted with 30 days after well has been completed.

a. Initial Bottom Hole Pressure (BHP) for the producing formations. Show the BHP on the completion report. The pressure may be: 1) measured with a bottom hole bomb, or; 2) calculated based on shut in surface pressures (minimum seven day buildup) and fluid level shot.

3. Submit a cement evaluation log, if cement is not circulated to surface.

III. DRILLER'S LOG

The following shall be entered in the daily driller's log: 1) Blowout preventer pressures tests, including test pressures and results. 2) Blowout preventer tests for proper functioning, 3) Blowout prevention drills conducted, 4) Casing run, including size, grade, weight, and depth set, 5) How pipe was cemented, including amount of cement, type, whether cement circulated to surface, location of cementing tools, etc., 6) Waiting on cement time for each casing string, 7) Casing pressure tests after cementing, including test pressure and results and 8) Estimated amounts of oil and gas recovered and/or produced during drill stem test.

IV. GAS FLARING

Gas produced from this well may not be vented or flared beyond an initial, authorized test period of * Days or 50 MMCF following its (completion)(recompletion), whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the test period authorized above, you may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted. You shall be required to compensate the lessor for the portion of the gas vented or flared without approval which is determined to have been avoidably lost.

*30 days, unless a longer test period is specifically approved by the authorized officer. The 30-day period will commence upon the first gas to surface.

V. SAFETY

A. All rig heating stoves are to be of the explosion-proof type.

B. Rig safety lines are to be installed.

C. Hard hats and other Personal Protective Equipment (PPE) must be utilized.

VI. CHANGE OF PLANS OR ABANDONMENT

A. Any changes of plans required in order to mitigate unanticipated conditions encountered during drilling operations, will require approval as set forth in Section 1.F.

B. If the well is dry, it is to be plugged in accordance with 43 CFR 3162.3-4, approval of the proposed plugging program is required as set forth in Section 1.F. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where cement plugs are to be placed, type of plugging mud, etc. A Subsequent Report of Abandonment is required as set forth in Section II.B.1c.

C. Unless a well has been properly cased and cemented, or properly plugged, the drilling rig must not be moved from the drill site without prior approval from the BLM-Authorized Officer.

VII. PHONE NUMBERS

A. For BOPE tests, cementing, and plugging operations the phone number is 505-564-7750 and must be called 24 hours in advance in order that a BLM representative may witness the operations.

B. Emergency program changes after hours contact:

Virgil Lucero (505) 793-1836
Joe Killins (505) 564-7736

Approval Date: 09/13/2022

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 146052

CONDITIONS

Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410	OGRID: 371838
	Action Number: 146052
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify OCD 24 hours prior to casing & cement	9/27/2022
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	9/27/2022
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	9/27/2022
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	9/27/2022
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	9/27/2022