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.
30-045-38365

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: 08/12/2024

Additional Operator Remarks

Location of Well

0. SHL: NWNE / 926 FNL / 2029 FEL / TWSP: 23N / RANGE: 9W / SECTION: 9 / LAT: 36.246187 / LONG: -107.792237 (TVD: 0 feet, MD: 0 feet)

PPP: NWNE / 404 FNL / 2336 FEL / TWSP: 23N / RANGE: 9W / SECTION: 9 / LAT: 36.247614 / LONG: -107.79329 (TVD: 4380 feet, MD: 4648 feet)

PPP: NENW / 95 FNL / 2666 FEL / TWSP: 23N / RANGE: 9W / SECTION: 9 / LAT: 36.24846 / LONG: -107.794228 (TVD: 4421 feet, MD: 11876 feet)

PPP: SESW / 1 FSL / 2581 FWL / TWSP: 23N / RANGE: 9W / SECTION: 4 / LAT: 36.248721 / LONG: -107.794518 (TVD: 4421 feet, MD: 11876 feet)

PPP: SENE / 2429 FNL / 1 FEL / TWSP: 23N / RANGE: 9W / SECTION: 5 / LAT: 36.256585 / LONG: -107.803247 (TVD: 4421 feet, MD: 11876 feet)

PPP: SWNW / 2643 FNL / 192 FWL / TWSP: 23N / RANGE: 9W / SECTION: 4 / LAT: 36.255998 / LONG: -107.802595 (TVD: 4421 feet, MD: 11876 feet)

BHL: LOT 2 / 341 FNL / 1865 FEL / TWSP: 23N / RANGE: 9W / SECTION: 5 / LAT: 36.262289 / LONG: -107.809579 (TVD: 4421 feet, MD: 11876 feet)

BLM Point of Contact

Name: JEFFREY J TAFOYA
Title: Assistant Field Manager
Phone: (505) 564-7672
Email: JTAFOYA@BLM.GOV

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 Submittal Type: ☒ Initial Submittal ☐ Amended Report ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name	
30-045-38365	98080	NAGEEZI UNIT; MANCOS (OIL)	
Property Code	**Property Name**		**Well Number**
325268	NAGEEZI UNIT		702H
OGRID No.	**Operator Name**		**Ground Level Elevation**
371838	DJR OPERATING, LLC		6707'

Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal Mineral Owner: ☐ State ☐ Fee ☒ Tribal ☒ Federal

Surface Location (SHL)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
B	9	23N	9W		926' NORTH	2029' EAST	36.246187° N	107.792237° W	SAN JUAN

Bottom Hole Location (BHL)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
B	5	23N	9W	2	341' NORTH	1865' EAST	36.262289° N	107.809579° W	SAN JUAN

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
PENETRATED SPACING UNIT; SEC 9: NW/NE & NE/NW (80 AC.); SEC 4: SW/SE, SW/4, SW/NW (240 AC.); SEC 5: NE/SE, NE/4 (201.85 AC.) = 521.85 ACRES			N	

Order Numbers: Well Setbacks are under Common Ownership: ☐ Yes ☐ No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
B	9	23N	9W		404' NORTH	2336' EAST	36.247614° N	107.793290° W	SAN JUAN

Fist Take Point (FTP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
B	9	23N	9W		404' NORTH	2336' EAST	36.247614° N	107.793290° W	SAN JUAN

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
B	5	23N	9W	2	341' NORTH	1865' EAST	36.262289° N	107.809579° W	SAN JUAN

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation
NAGEEZI		

OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Shaw-Marie Ford 8/16/2024
Signature Date

Shaw-Marie Ford
Printed Name

sford@enduringresources.com
E-mail Address

SURVEYOR CERTIFICATIONS

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.

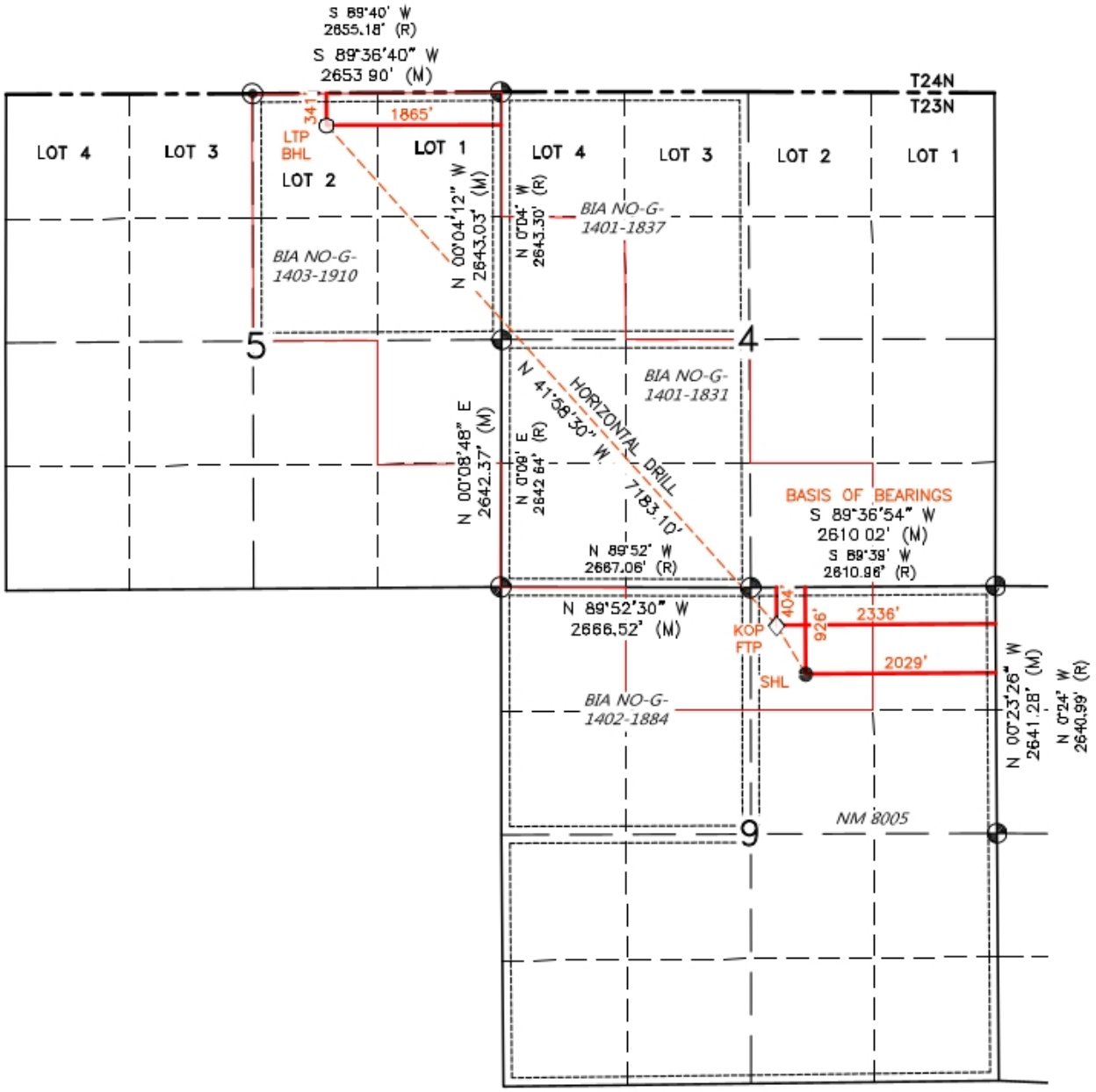
Signature and Seal of Professional Surveyor:

Certificate Number	Date of Survey
11393	MAY 6, 2022

Note: 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.

FND 2½" BC
GLO 1947

FND 2½" BC
GLO 1933



SURFACE LOCATION (SHL)
926' FNL 2029' FEL
SEC. 9, T23N, R9W
LAT. 36.246187° N (NAD83)
LONG. 107.792237° W (NAD83)

FIRST TAKE POINT (FTP)
404' FNL 2336' FEL
SEC. 9, T23N, R9W
LAT. 36.247614° N (NAD83)
LONG. 107.793290° W (NAD83)

BOTTOM HOLE LOCATION (BHL)
341' FNL 1865' FEL
SEC. 5, T23N, R9W
LAT 36.262289° N (NAD83)
LONG. 107.809579° W (NAD83)

KICK OFF POINT (KOP)
404' FNL 2336' FEL
SEC. 9, T23N, R9W
LAT. 36.247614° N (NAD83)
LONG. 107.793290° W (NAD83)

LAST TAKE POINT (LTP)
341' FNL 1865' FEL
SEC. 5, T23N, R9W
LAT. 36 262289° N (NAD83)
LONG. 107.809579° W (NAD83)

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:** _08_/_15_/_2024_

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
NAGEEZI UNIT 702H	TBD	B-09-23N-09W	926 FNL x 2029 FEL	228	59	57
NAGEEZI UNIT 703H	TBD	B-09-23N-09W	941 FNL x 2042 DEL	162	42	41

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
NAGEEZI UNIT 702H	TBD	12/6/2024	12/16/2024	2/3/2025	2/18/2025	2/20/2025
NAGEEZI UNIT 703H	TBD	12/14/2024	12/24/2024	2/3/2025	2/23/2025	2/25/2025

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

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

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

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

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

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

IX. Anticipated Natural Gas Production:

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

X. Natural Gas Gathering System (NGGS):

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

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

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

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

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

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

Section 3 - Certifications

Effective May 25, 2021

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

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

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

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

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

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

Section 4 - Notices

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

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

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

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

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

Signature: Shaw-Marie Ford
Printed Name: Shaw-Marie Ford
Title: Regulatory Specialist
E-mail Address: sford@enduringresources.com
Date: 8/15/2024
Phone: 505-716-3297

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

DJR Operating, LLC

OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
Nageezi Unit 702H and 703H
NWNE B-09-23N-09W

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.

200 Energy Court
Farmington, NM 87401
Phone (505) 636-9720

DJR Operating, LLC

OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
Nageezi Unit 702H and 703H
NWNE B-09-23N-09W

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

200 Energy Court
Farmington, NM 87401

Phone (505) 636-9720

DJR Operating, LLC

OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
Nageezi Unit 702H and 703H
NWNE B-09-23N-09W

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.

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.
    a. Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.

200 Energy Court
Farmington, NM 87401
Phone (505) 636-9720

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.

200 Energy Court
Farmington, NM 87401
Phone (505) 636-9720

OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
Nageezi Unit 702H and 703H
NWNE B-09-23N-09W

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.

200 Energy Court
Farmington, NM 87401
Phone (505) 636-9720

Rev 0

DJR Operating

DRILLING PLAN
Nageezi Unit 702H
San Juan County, New Mexico

Surface Location
2029-ft FEL & 926-ft FNL
Sec 9 T23N R9W
Graded Elevation 6707' MSL
RKB Elevation 6721' (14' KB)

SHL Geographical Coordinates (NAD-83)
Latitude 36.2461870° N
Longitude 107.7922370° W

Kick Off Point for Horizontal Build Curve
3847-ft MD
3845-ft TVD

Local Coordinates (from SHL)
105-ft North
40-ft East

Heel Location (Pay zone entry)
2336-ft FEL & 404-ft FNL
Sec 9 T23N R9W

Heel Geographical Coordinates (NAD-83)
Latitude 36.24761434° N
Longitude 107.79329023° W

Bottom Hole Location (TD)
1865-ft FEL & 341-ft FNL
Sec 5 T23N R9W

BHL Geographical Coordinates (NAD-83)
Latitude 36.2622886° N
Longitude 107.8095786° W

Well objectives
This well is planned as a 7180-ft lateral in the Mancos Silt sand.

Bottom Hole temperature and pressure
The temperature in the Mancos Silt horizontal objective is 130°F. Bottom hole pressure in the Mancos Silt 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	404	404	Sd	W	8.3	8.4 – 8.8
Kirtland	536	536	Sh	-	8.3	8.4 – 8.8
Fruitland	846	846	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1112	1112	Sd	W	8.3	9.0 - 9.5
Lewis	1215	1215	Sh	-		9.0 - 9.5
Chacra	1803	1802	Sd	-	8.3	9.0 - 9.5
Menefee	2546	2545	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3522	3520	Sd	-	8.3	9.0 - 9.5
Mancos	3671	3669	Sh	-		9.0 - 9.5
Mancos Silt	3995	3991	Slt	O/G	6.6	9.0 - 9.5
Gallup A	NP	NP	Slt	O/G	6.6	9.0 - 9.5
Gallup B	NP	NP	Sd	O/G	6.6	8.8 -9.0
Gallup C	NP	NP	Sd	O/G	6.6	8.8 -9.0
Target	4693	4382	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	380	surf	380	surface
7"	8-3/4"	26	K-55	LTC	surf	4648	surf	4380	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	4410	11876	4309	4421	4410

Note: all casing will be new

Rev 0

DJR Operating

Casing Design Load Cases

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

Note #

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

Casing Design Factors

Casing string	Casing OD	Design Factors Burst	Collapse	Axial	Triaxial
Surface	9-5/8"	1.25	13.38	8.16	1.56
Intermediate	7"	1.25	1.50	1.68	1.34
Production liner	4-1/2"	1.37	3.68	1.88	1.69

Cement Design

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

7" Intermediate Casing	Lead	Tail
	American	American
Type	I/II	Poz/G
Planned top	Surface	3671-ft
Density (ppg)	12.30	13.50
Yield (cf/sx)	2.32	1.51
Mix water (gal/sx)	13.22	7.13
Volume (sx)	407	103
Volume (bbls)	168	28
Volume (cu.ft.)	944	156
Excess %	78	0

4-1/2" Production Liner

	American Poz/G
Type	
Planned top	4410-ft
Density (ppg)	13.3
Yield (cf/sx)	1.52
Mix water (gal/sx)	7.52
Volume (sx)	646
Volume (bbls)	175
Volume (cu.ft)	982
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 – 380	8.4 – 8.8	32 – 44	2 – 12	NC
Intermediate	7% KCl Low solids, non-dispersed	380 – 4648	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	4648 – 11876	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.

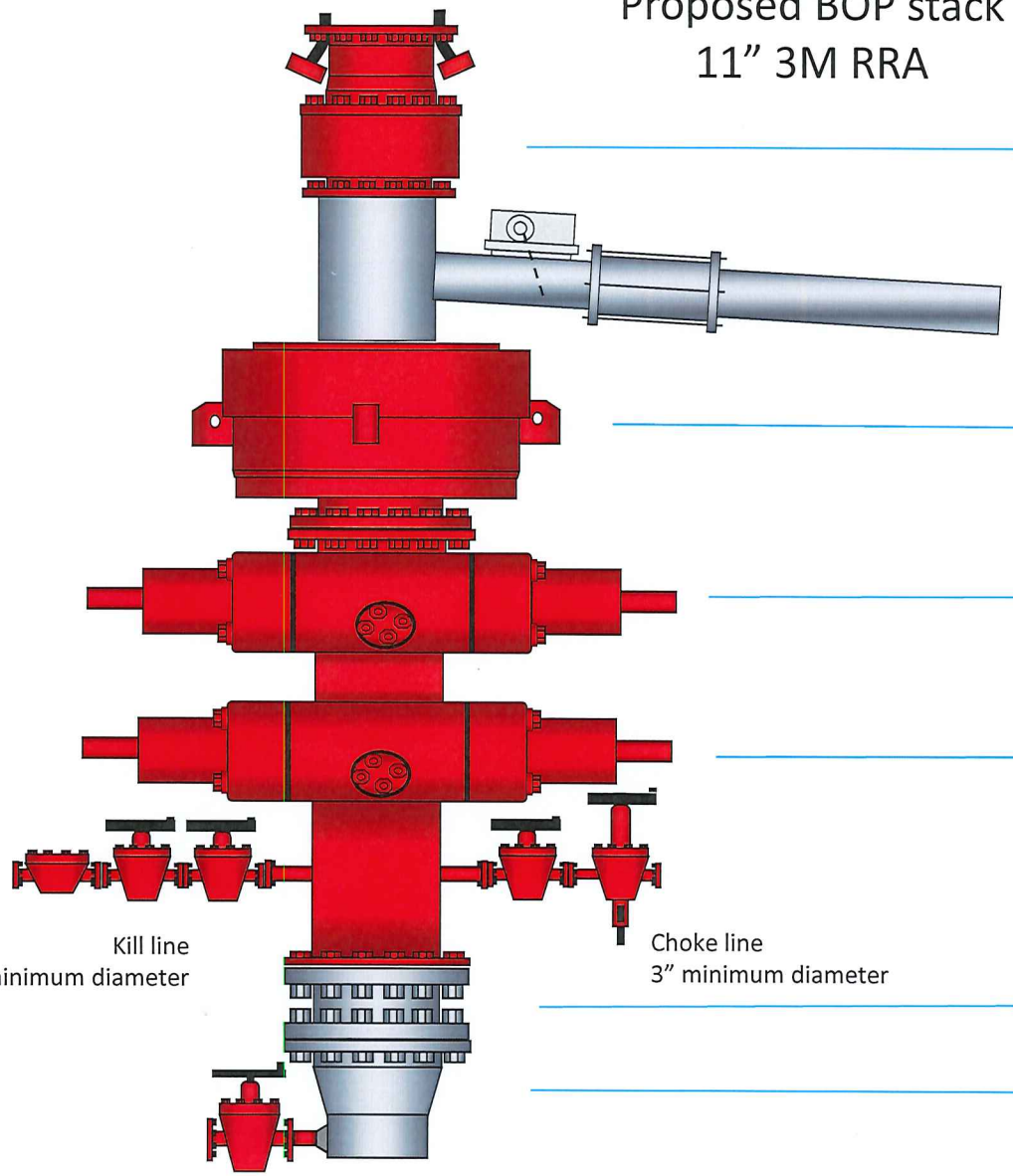
Electric logging: No open hole electric logs are programmed. A cased hole GR/CCL will be run during completions for perforating depth control.

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

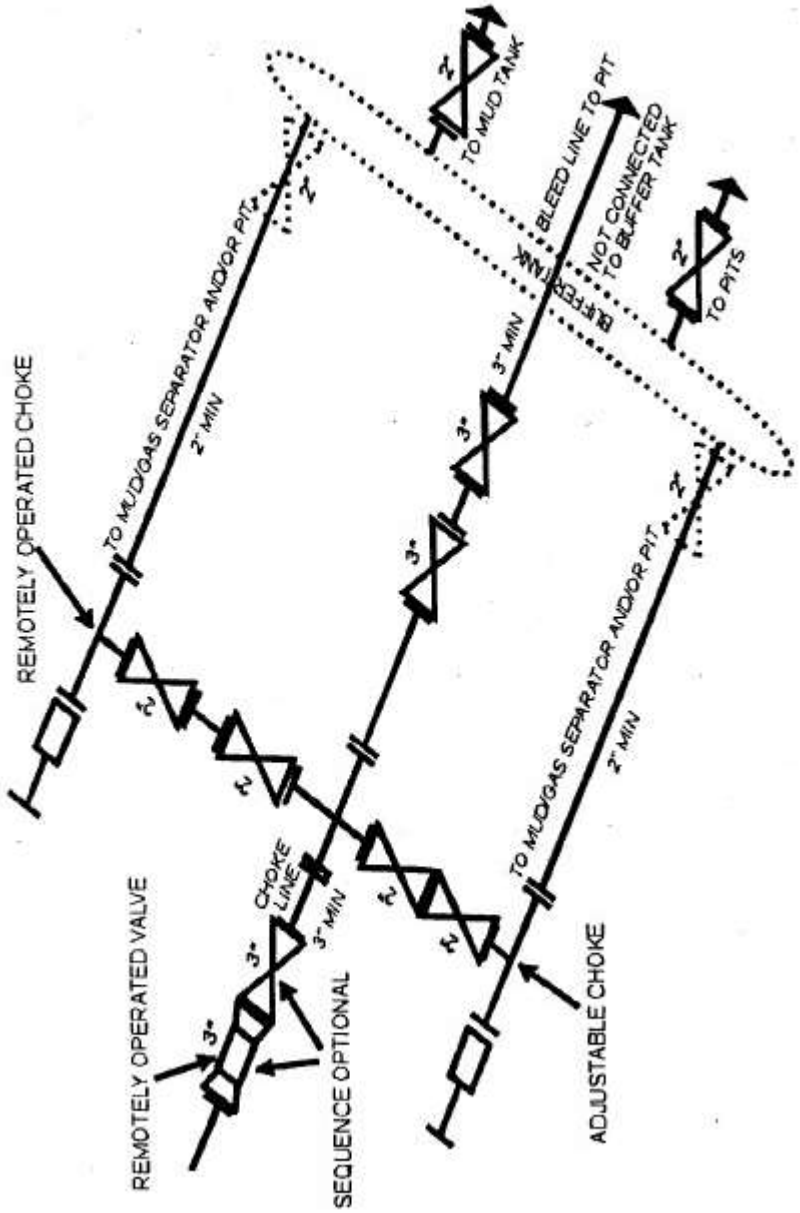
DJR Operating



DJR Operating

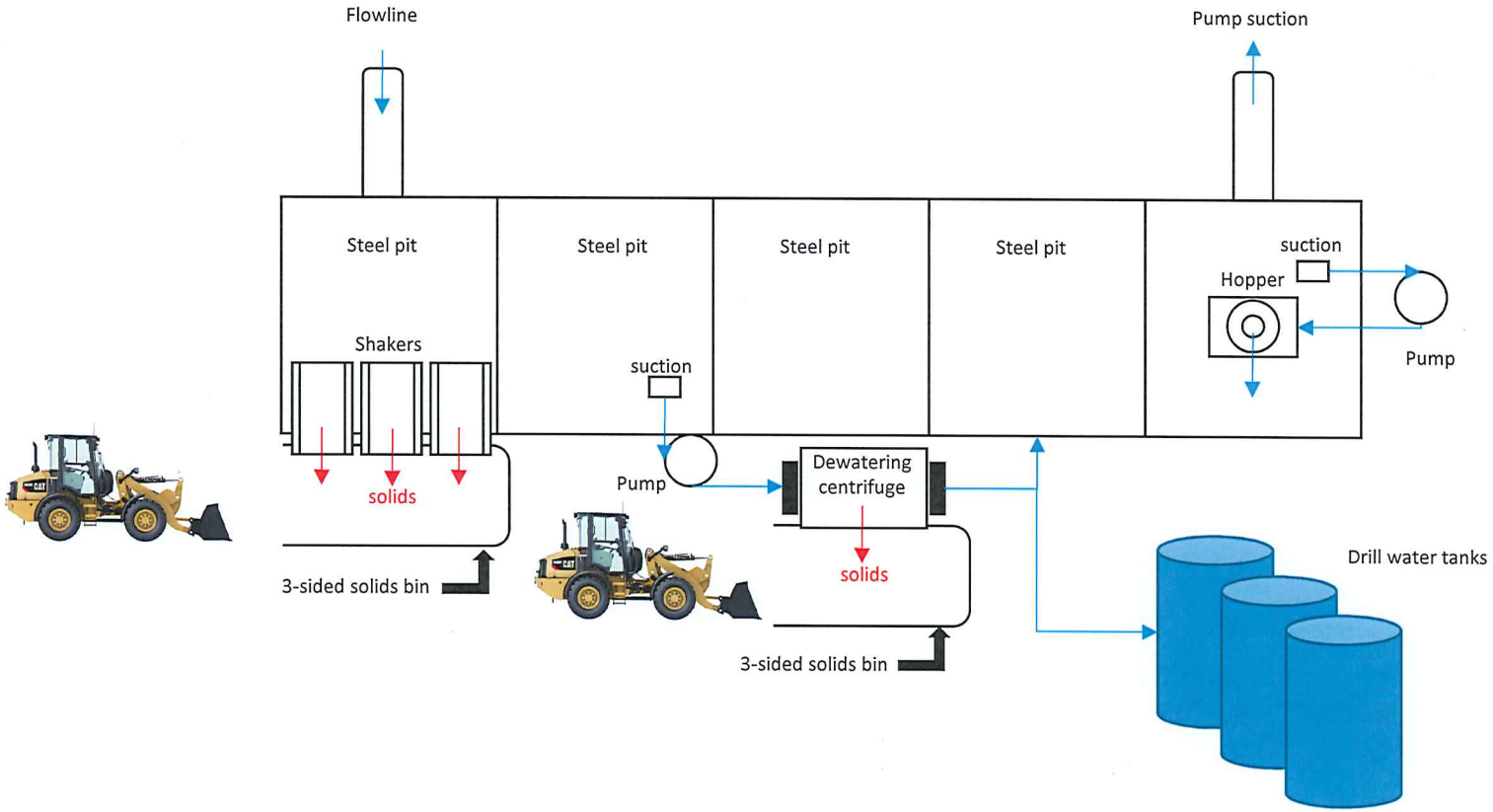
Choke Manifold

Actual system to conform with Onshore Order 2



Closed Loop Mud System

DJR Operating



DJR Operating

Company: DJR Operating
Project: Nageezi Unit
Site: B09 2309
Well: 702H
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

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WELL DETAILS: 702H

GL 6707' & RKB 14' @ 6721ft

+N/-S	+E/-W	Northing	Easting	Latittude	Longitude	
0	0	1908913.06	2735209.55	36.24618700	-107.79223700	2

Plan: APD (702H/Original Drilling)

Created By: Janie Collins Date: 17:18, June 03 2022

Azimuths to True North
Magnetic North: 8.[illegible]°

Magnetic Field
Strength: 49225.[illegible]nT
Dip Angle: 62.[illegible]°
Date: 5/18/2022
Model: IGRF2[illegible]5

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
702H Heel	4382	520	-311	1909432.52	2734898.78	36.24761434	-107.79329023
702H Toe	4421	5862	-5112	1914772.71	2730094.69	36.26228860	-107.80957856

SECTION DETAILS

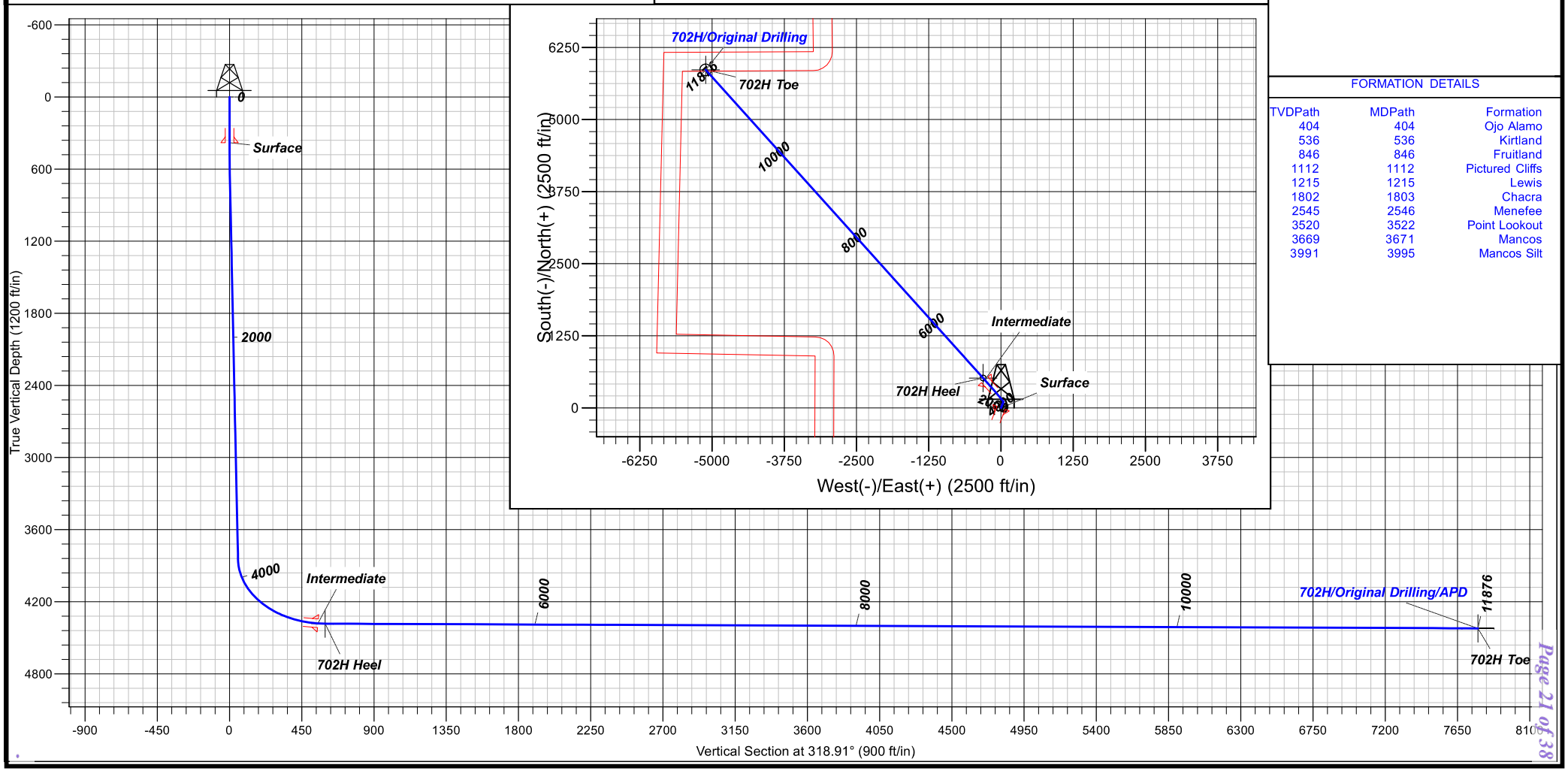
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect
0	0.00	0.00	0	0	0	0.00	0.00	0
450	0.00	0.00	450	0	0	0.00	0.00	0
546	1.93	20.94	546	2	1	2.00	20.94	1
3847	1.93	20.94	3845	105	40	0.00	0.00	53
4693	89.69	318.05	4382	520	-311	10.50	-62.91	596
11876	89.69	318.05	4421	5862	-5112	0.00	0.00	7778

CASING DETAILS

TVD	MD	Name
380	380	Surface
4380	4648	Intermediate

FORMATION DETAILS

TVDPath	MDPath	Formation
404	404	Ojo Alamo
536	536	Kirtland
846	846	Fruitland
1112	1112	Pictured Cliffs
1215	1215	Lewis
1802	1803	Chacra
2545	2546	Menefee
3520	3522	Point Lookout
3669	3671	Mancos
3991	3995	Mancos Silt



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Nageezi Unit
B09 2309
702H - Slot 2

Original Drilling

Plan: APD

Standard Planning Report

03 June, 2022

DJR Operating

Lonestar Consulting, LLC

Planning Report

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Project:	Nageezi Unit	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site:	B09 2309	**North Reference:**	True
Well:	702H	**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 B09 2309

Site Position:		**Northing:**	1,908,897.77 usft	**Latitude:**	36.24614500
From:	Lat/Long	**Easting:**	2,735,196.88 usft	**Longitude:**	-107.79228000
Position Uncertainty:	0 ft	**Slot Radius:**	13.20 in		

Well 702H - Slot 2

Well Position	**+N/-S**	0 ft	**Northing:**	1,908,913.07 usft	**Latitude:**	36.24618700
	+E/-W	0 ft	**Easting:**	2,735,209.55 usft	**Longitude:**	-107.79223700
Position Uncertainty		0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	6707 ft
Grid Convergence:		0.02 °				

Wellbore Original Drilling

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	5/18/2022	8.72	62.85	49,225.76995447

Design APD

Audit Notes:

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

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0	0	0	318.91

Plan Survey Tool Program **Date** 6/3/2022

	Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks
1	0	11,876	APD (Original Drilling)	MWD+HDGM	
				OWSG MWD + HDGM	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0	0.00	0.00	0	0	0	0.00	0.00	0.00	0.00	
450	0.00	0.00	450	0	0	0.00	0.00	0.00	0.00	
546	1.93	20.94	546	2	1	2.00	2.00	0.00	20.94	
3847	1.93	20.94	3845	105	40	0.00	0.00	0.00	0.00	
4693	89.69	318.05	4382	520	-311	10.50	10.38	-7.44	-62.91	702H Heel
11,876	89.69	318.05	4421	5862	-5112	0.00	0.00	0.00	0.00	702H Toe

DJR Operating

Lonestar Consulting, LLC

Planning Report

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Project:	Nageezi Unit	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site:	B09 2309	**North Reference:**	True
Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0	0.00	0.00	0	0	0	0	0.00	0.00	0.00
100	0.00	0.00	100	0	0	0	0.00	0.00	0.00
200	0.00	0.00	200	0	0	0	0.00	0.00	0.00
300	0.00	0.00	300	0	0	0	0.00	0.00	0.00
400	0.00	0.00	400	0	0	0	0.00	0.00	0.00
450	0.00	0.00	450	0	0	0	0.00	0.00	0.00
500	1.00	20.94	500	0	0	0	2.00	2.00	0.00
546	1.93	20.94	546	2	1	1	2.00	2.00	0.00
600	1.93	20.94	600	3	1	2	0.00	0.00	0.00
700	1.93	20.94	700	6	2	3	0.00	0.00	0.00
800	1.93	20.94	800	9	4	5	0.00	0.00	0.00
900	1.93	20.94	900	13	5	6	0.00	0.00	0.00
1000	1.93	20.94	1000	16	6	8	0.00	0.00	0.00
1100	1.93	20.94	1100	19	7	10	0.00	0.00	0.00
1200	1.93	20.94	1200	22	8	11	0.00	0.00	0.00
1300	1.93	20.94	1300	25	10	13	0.00	0.00	0.00
1400	1.93	20.94	1399	28	11	14	0.00	0.00	0.00
1500	1.93	20.94	1499	31	12	16	0.00	0.00	0.00
1600	1.93	20.94	1599	35	13	17	0.00	0.00	0.00
1700	1.93	20.94	1699	38	14	19	0.00	0.00	0.00
1800	1.93	20.94	1799	41	16	21	0.00	0.00	0.00
1900	1.93	20.94	1899	44	17	22	0.00	0.00	0.00
2000	1.93	20.94	1999	47	18	24	0.00	0.00	0.00
2100	1.93	20.94	2099	50	19	25	0.00	0.00	0.00
2200	1.93	20.94	2199	54	20	27	0.00	0.00	0.00
2300	1.93	20.94	2299	57	22	28	0.00	0.00	0.00
2400	1.93	20.94	2399	60	23	30	0.00	0.00	0.00
2500	1.93	20.94	2499	63	24	32	0.00	0.00	0.00
2600	1.93	20.94	2599	66	25	33	0.00	0.00	0.00
2700	1.93	20.94	2699	69	26	35	0.00	0.00	0.00
2800	1.93	20.94	2799	72	28	36	0.00	0.00	0.00
2900	1.93	20.94	2899	76	29	38	0.00	0.00	0.00
3000	1.93	20.94	2999	79	30	39	0.00	0.00	0.00
3100	1.93	20.94	3099	82	31	41	0.00	0.00	0.00
3200	1.93	20.94	3198	85	33	43	0.00	0.00	0.00
3300	1.93	20.94	3298	88	34	44	0.00	0.00	0.00
3400	1.93	20.94	3398	91	35	46	0.00	0.00	0.00
3500	1.93	20.94	3498	94	36	47	0.00	0.00	0.00
3600	1.93	20.94	3598	98	37	49	0.00	0.00	0.00
3700	1.93	20.94	3698	101	39	51	0.00	0.00	0.00
3800	1.93	20.94	3798	104	40	52	0.00	0.00	0.00
3847	1.93	20.94	3845	105	40	53	0.00	0.00	0.00
3900	6.68	332.88	3898	109	39	56	10.50	8.94	-90.52
4000	17.04	323.66	3996	126	28	77	10.50	10.36	-9.23
4100	27.50	321.34	4088	156	5	114	10.50	10.47	-2.31
4200	37.99	320.24	4172	198	-30	168	10.50	10.48	-1.10
4300	48.48	319.56	4245	250	-74	237	10.50	10.49	-0.68
4400	58.97	319.07	4304	311	-126	317	10.50	10.49	-0.49
4500	69.46	318.68	4347	379	-185	407	10.50	10.49	-0.39
4600	79.96	318.34	4374	451	-249	503	10.50	10.49	-0.34
4693	89.69	318.05	4382	520	-311	596	10.50	10.50	-0.32
4700	89.69	318.05	4382	525	-315	603	0.00	0.00	0.00
4800	89.69	318.05	4383	599	-382	703	0.00	0.00	0.00
4900	89.69	318.05	4383	674	-449	803	0.00	0.00	0.00

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Project:	Nageezi Unit	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site:	B09 2309	**North Reference:**	True
Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5000	89.69	318.05	4384	748	-516	903	0.00	0.00	0.00
5100	89.69	318.05	4384	822	-583	1003	0.00	0.00	0.00
5200	89.69	318.05	4385	897	-650	1103	0.00	0.00	0.00
5300	89.69	318.05	4385	971	-717	1203	0.00	0.00	0.00
5400	89.69	318.05	4386	1046	-783	1303	0.00	0.00	0.00
5500	89.69	318.05	4386	1120	-850	1403	0.00	0.00	0.00
5600	89.69	318.05	4387	1194	-917	1503	0.00	0.00	0.00
5700	89.69	318.05	4388	1269	-984	1603	0.00	0.00	0.00
5800	89.69	318.05	4388	1343	-1051	1703	0.00	0.00	0.00
5900	89.69	318.05	4389	1417	-1118	1803	0.00	0.00	0.00
6000	89.69	318.05	4389	1492	-1184	1903	0.00	0.00	0.00
6100	89.69	318.05	4390	1566	-1251	2003	0.00	0.00	0.00
6200	89.69	318.05	4390	1641	-1318	2103	0.00	0.00	0.00
6300	89.69	318.05	4391	1715	-1385	2203	0.00	0.00	0.00
6400	89.69	318.05	4391	1789	-1452	2303	0.00	0.00	0.00
6500	89.69	318.05	4392	1864	-1519	2403	0.00	0.00	0.00
6600	89.69	318.05	4392	1938	-1586	2503	0.00	0.00	0.00
6700	89.69	318.05	4393	2012	-1652	2603	0.00	0.00	0.00
6800	89.69	318.05	4393	2087	-1719	2703	0.00	0.00	0.00
6900	89.69	318.05	4394	2161	-1786	2803	0.00	0.00	0.00
7000	89.69	318.05	4395	2236	-1853	2903	0.00	0.00	0.00
7100	89.69	318.05	4395	2310	-1920	3003	0.00	0.00	0.00
7200	89.69	318.05	4396	2384	-1987	3103	0.00	0.00	0.00
7300	89.69	318.05	4396	2459	-2053	3203	0.00	0.00	0.00
7400	89.69	318.05	4397	2533	-2120	3303	0.00	0.00	0.00
7500	89.69	318.05	4397	2607	-2187	3403	0.00	0.00	0.00
7600	89.69	318.05	4398	2682	-2254	3503	0.00	0.00	0.00
7700	89.69	318.05	4398	2756	-2321	3603	0.00	0.00	0.00
7800	89.69	318.05	4399	2830	-2388	3703	0.00	0.00	0.00
7900	89.69	318.05	4399	2905	-2455	3803	0.00	0.00	0.00
8000	89.69	318.05	4400	2979	-2521	3903	0.00	0.00	0.00
8100	89.69	318.05	4401	3054	-2588	4003	0.00	0.00	0.00
8200	89.69	318.05	4401	3128	-2655	4103	0.00	0.00	0.00
8300	89.69	318.05	4402	3202	-2722	4203	0.00	0.00	0.00
8400	89.69	318.05	4402	3277	-2789	4303	0.00	0.00	0.00
8500	89.69	318.05	4403	3351	-2856	4402	0.00	0.00	0.00
8600	89.69	318.05	4403	3425	-2922	4502	0.00	0.00	0.00
8700	89.69	318.05	4404	3500	-2989	4602	0.00	0.00	0.00
8800	89.69	318.05	4404	3574	-3056	4702	0.00	0.00	0.00
8900	89.69	318.05	4405	3649	-3123	4802	0.00	0.00	0.00
9000	89.69	318.05	4405	3723	-3190	4902	0.00	0.00	0.00
9100	89.69	318.05	4406	3797	-3257	5002	0.00	0.00	0.00
9200	89.69	318.05	4406	3872	-3324	5102	0.00	0.00	0.00
9300	89.69	318.05	4407	3946	-3390	5202	0.00	0.00	0.00
9400	89.69	318.05	4408	4020	-3457	5302	0.00	0.00	0.00
9500	89.69	318.05	4408	4095	-3524	5402	0.00	0.00	0.00
9600	89.69	318.05	4409	4169	-3591	5502	0.00	0.00	0.00
9700	89.69	318.05	4409	4244	-3658	5602	0.00	0.00	0.00
9800	89.69	318.05	4410	4318	-3725	5702	0.00	0.00	0.00
9900	89.69	318.05	4410	4392	-3792	5802	0.00	0.00	0.00
10,000	89.69	318.05	4411	4467	-3858	5902	0.00	0.00	0.00
10,100	89.69	318.05	4411	4541	-3925	6002	0.00	0.00	0.00
10,200	89.69	318.05	4412	4615	-3992	6102	0.00	0.00	0.00
10,300	89.69	318.05	4412	4690	-4059	6202	0.00	0.00	0.00

DJR Operating

Lonestar Consulting, LLC

Planning Report

LONESTAR CONSULTING

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Project:	Nageezi Unit	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site:	B09 2309	**North Reference:**	True
Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,400	89.69	318.05	4413	4764	-4126	6302	0.00	0.00	0.00
10,500	89.69	318.05	4414	4839	-4193	6402	0.00	0.00	0.00
10,600	89.69	318.05	4414	4913	-4259	6502	0.00	0.00	0.00
10,700	89.69	318.05	4415	4987	-4326	6602	0.00	0.00	0.00
10,800	89.69	318.05	4415	5062	-4393	6702	0.00	0.00	0.00
10,900	89.69	318.05	4416	5136	-4460	6802	0.00	0.00	0.00
11,000	89.69	318.05	4416	5210	-4527	6902	0.00	0.00	0.00
11,100	89.69	318.05	4417	5285	-4594	7002	0.00	0.00	0.00
11,200	89.69	318.05	4417	5359	-4661	7102	0.00	0.00	0.00
11,300	89.69	318.05	4418	5433	-4727	7202	0.00	0.00	0.00
11,400	89.69	318.05	4418	5508	-4794	7302	0.00	0.00	0.00
11,500	89.69	318.05	4419	5582	-4861	7402	0.00	0.00	0.00
11,600	89.69	318.05	4419	5657	-4928	7502	0.00	0.00	0.00
11,700	89.69	318.05	4420	5731	-4995	7602	0.00	0.00	0.00
11,800	89.69	318.05	4421	5805	-5062	7702	0.00	0.00	0.00
11,876	89.69	318.05	4421	5862	-5112	7778	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
702H Heel - plan hits target center - Circle (radius 50)	0.00	0.00	4382	520	-311	1,909,432.52	2,734,898.78	36.24761434	-107.79329022
702H Toe - plan hits target center - Circle (radius 100)	0.00	0.00	4421	5862	-5112	1,914,772.71	2,730,094.69	36.26228860	-107.80957856

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
380	380	Surface	9.63	12.25
4648	4380	Intermediate	7.00	8.75

DJR Operating

Lonestar Consulting, LLC
Planning Report

Database:	Grand Junction	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Company:	DJR Operating	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Project:	Nageezi Unit	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site:	B09 2309	**North Reference:**	True
Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
404	404	Ojo Alamo		0.00	0.00
536	536	Kirtland		0.00	0.00
846	846	Fruitland		0.00	0.00
1112	1112	Pictured Cliffs		0.00	0.00
1215	1215	Lewis		0.00	0.00
1803	1802	Chacra		0.00	0.00
2546	2545	Menefee		0.00	0.00
3522	3520	Point Lookout		0.00	0.00
3671	3669	Mancos		0.00	0.00
3995	3991	Mancos Silt		0.00	0.00

DJR Operating

Nageezi Unit
B09 2309
702H

Original Drilling
APD

Anticollision Report

03 June, 2022

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Project:	Nageezi Unit	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Reference Site:	B09 2309	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Offset Datum

Reference APD

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 centre distance of 2500ft	**Error Surface:**	Pedal Curve
Warning Levels Evaluated at:	2.00 **Sigma**	**Casing Method:**	Not applied

Survey Tool Program **Date** 6/3/2022

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0	11,876	APD (Original Drilling)	MWD+HDGM	OWSG MWD + HDGM

Summary

Site Name Offset Well - Wellbore - Design	Reference Measured Depth (ft)	Offset Measured Depth (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Separation Factor	Warning
B09 2309						
703H - Original Drilling - APD	450	450	20	17	6.354	CC
703H - Original Drilling - APD	800	801	21	15	3.709	ES
703H - Original Drilling - APD	1600	1600	33	22	2.944	SF

Offset Design: B09 2309 - 703H - Original Drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+HDGM

Rule Assigned:

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
0	0	0	0	0	0	-140.33	-15	-13	20				
100	100	100	100	0	0	-140.33	-15	-13	20	19	0.62	32.214	
200	200	200	200	1	1	-140.33	-15	-13	20	19	1.33	14.895	
300	300	300	300	1	1	-140.33	-15	-13	20	18	2.05	9.687	
400	400	400	400	1	1	-140.33	-15	-13	20	17	2.77	7.177	
450	450	450	450	2	2	-140.33	-15	-13	20	17	3.13	6.354	CC
500	500	500	500	2	2	-162.19	-15	-12	20	16	3.48	5.707	
546	546	547	547	2	2	-164.69	-15	-11	20	16	3.81	5.231	
600	600	601	601	2	2	-168.68	-14	-9	20	16	4.19	4.763	
700	700	701	700	2	2	-176.06	-12	-6	20	15	4.90	4.127	
800	800	801	800	3	3	176.87	-10	-3	21	15	5.62	3.709	ES
900	900	901	900	3	3	170.29	-9	1	22	15	6.34	3.432	
1000	1000	1001	1000	4	4	164.30	-7	4	23	16	7.05	3.247	
1100	1100	1100	1100	4	4	158.95	-5	7	24	17	7.77	3.125	
1200	1200	1200	1200	4	4	154.20	-4	11	26	17	8.49	3.046	
1300	1300	1300	1300	5	5	150.03	-2	14	28	18	9.21	2.996	
1400	1399	1400	1400	5	5	146.36	0	17	29	20	9.93	2.966	
1500	1499	1500	1500	5	5	143.15	1	21	31	21	10.65	2.950	
1600	1599	1600	1600	6	6	140.31	3	24	33	22	11.37	2.944	SF
1700	1699	1700	1699	6	6	137.81	5	27	36	24	12.09	2.945	
1800	1799	1800	1799	6	6	135.60	6	31	38	25	12.81	2.950	
1900	1899	1900	1899	7	7	133.63	8	34	40	26	13.53	2.958	
2000	1999	2000	1999	7	7	131.87	10	37	42	28	14.25	2.968	
2100	2099	2100	2099	7	7	130.29	11	41	45	30	14.97	2.980	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Project:	Nageezi Unit	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Reference Site:	B09 2309	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Offset Datum

Offset Design: B09 2309 - 703H - Original Drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+HDGM

Rule Assigned:

Offset Well Error: 0 ft

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
2200	2199	2200	2199	8	8	128.87	13	44	47	31	15.69	2.993	
2300	2299	2300	2299	8	8	127.59	15	47	49	33	16.41	3.006	
2400	2399	2400	2399	9	9	126.42	16	51	52	35	17.13	3.019	
2500	2499	2500	2499	9	9	125.35	18	54	54	36	17.85	3.032	
2600	2599	2600	2599	9	9	124.38	20	57	57	38	18.57	3.046	
2700	2699	2700	2698	10	10	123.49	21	61	59	40	19.29	3.059	
2800	2799	2800	2798	10	10	122.67	23	64	61	41	20.01	3.071	
2900	2899	2900	2898	10	10	121.91	25	67	64	43	20.73	3.084	
3000	2999	3000	2998	11	11	121.21	26	71	66	45	21.45	3.096	
3100	3099	3100	3098	11	11	120.56	28	74	69	47	22.17	3.107	
3200	3198	3200	3198	11	11	119.95	30	78	71	48	22.89	3.119	
3300	3298	3300	3298	12	12	119.39	31	81	74	50	23.61	3.129	
3400	3398	3400	3398	12	12	118.86	33	84	76	52	24.33	3.140	
3500	3498	3500	3498	13	13	118.37	35	88	79	54	25.05	3.150	
3600	3598	3600	3597	13	13	117.90	36	91	81	56	25.77	3.160	
3700	3698	3700	3697	13	13	117.47	38	94	84	57	26.49	3.169	
3800	3798	3800	3797	14	14	117.06	40	98	86	59	27.21	3.179	
3847	3845	3845	3843	14	14	116.88	40	99	88	60	27.54	3.187	
3850	3848	3848	3845	14	14	124.78	40	99	88	60	27.56	3.190	
3900	3898	3890	3888	14	14	164.70	39	102	95	67	27.75	3.413	
3950	3947	3930	3927	14	14	171.12	36	107	110	82	27.81	3.944	
4000	3996	3967	3963	14	14	173.60	31	114	132	104	27.76	4.760	
4050	4043	4000	3995	15	14	174.90	25	120	161	134	27.69	5.822	
4100	4088	4026	4020	15	14	175.68	19	127	196	168	27.47	7.130	
4150	4131	4050	4042	15	15	176.18	13	133	235	208	27.38	8.589	
4200	4172	4066	4056	15	15	176.49	8	138	278	251	27.15	10.241	
4250	4210	4079	4068	15	15	176.66	5	142	324	297	27.02	11.979	
4300	4245	4088	4076	16	15	176.65	2	145	371	344	26.92	13.791	
4350	4276	4100	4087	16	15	176.40	-2	149	420	393	27.05	15.537	
4400	4304	4100	4087	16	15	174.46	-2	149	470	443	26.94	17.448	
4450	4328	4100	4087	17	15	4.24	-2	149	520	493	26.94	19.301	
4500	4347	4100	4087	17	15	-0.30	-2	149	570	543	27.03	21.080	
4550	4363	4100	4087	18	15	-0.93	-2	149	619	592	27.19	22.774	
4600	4374	4085	4074	19	15	-1.24	3	144	667	640	27.09	24.641	
4650	4380	4078	4067	19	15	-1.35	5	142	715	688	27.21	26.267	
4693	4382	4071	4061	20	15	-1.42	7	140	754	727	27.33	27.589	
4700	4382	4070	4060	20	15	-1.43	7	139	761	733	27.35	27.812	
4800	4383	4050	4042	22	15	-1.46	13	133	852	825	27.58	30.894	
4900	4383	4050	4042	23	15	-1.46	13	133	945	917	28.03	33.704	
5000	4384	4026	4020	25	14	-1.50	19	127	1038	1010	28.08	36.966	
5100	4384	4000	3995	27	14	-1.53	25	120	1133	1104	28.08	40.329	
5200	4385	4000	3995	29	14	-1.53	25	120	1227	1199	28.35	43.279	
5300	4385	4000	3995	32	14	-1.53	25	120	1322	1294	28.57	46.281	
5400	4386	4000	3995	34	14	-1.53	25	120	1418	1390	28.76	49.324	
5500	4386	3981	3976	36	14	-1.56	28	116	1515	1486	28.76	52.667	
5600	4387	3974	3970	38	14	-1.57	30	115	1611	1582	28.85	55.845	
5700	4388	3950	3947	41	14	-1.59	33	110	1708	1680	28.81	59.305	
5800	4388	3950	3947	43	14	-1.59	33	110	1805	1776	28.93	62.403	
5900	4389	3950	3947	45	14	-1.59	33	110	1902	1873	29.04	65.517	
6000	4389	3950	3947	48	14	-1.59	33	110	2000	1971	29.14	68.642	
6100	4390	3950	3947	50	14	-1.59	33	110	2098	2069	29.23	71.776	
6200	4390	3950	3947	52	14	-1.59	33	110	2196	2166	29.31	74.917	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

LONESTAR CONSULTING

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Project:	Nageezi Unit	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Reference Site:	B09 2309	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Offset Datum

Offset Design: B09 2309 - 703H - Original Drilling - APD

Offset Site Error: 0 ft

Survey Program: 0-MWD+HDGM

Offset Well Error: 0 ft

Rule Assigned:

Reference Measured Depth (ft)	Reference Vertical Depth (ft)	Offset Measured Depth (ft)	Offset Vertical Depth (ft)	Semi Major Axis Reference (ft)	Semi Major Axis Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Minimum Separation (ft)	Separation Factor	Warning
6300	4391	3950	3947	55	14	-1.59	33	110	2294	2264	29.39	78.061	
6400	4391	3950	3947	57	14	-1.59	33	110	2392	2363	29.46	81.208	
6500	4392	3950	3947	60	14	-1.59	33	110	2491	2461	29.52	84.355	

DJR Operating

Lonestar Consulting, LLC

Anticollision Report

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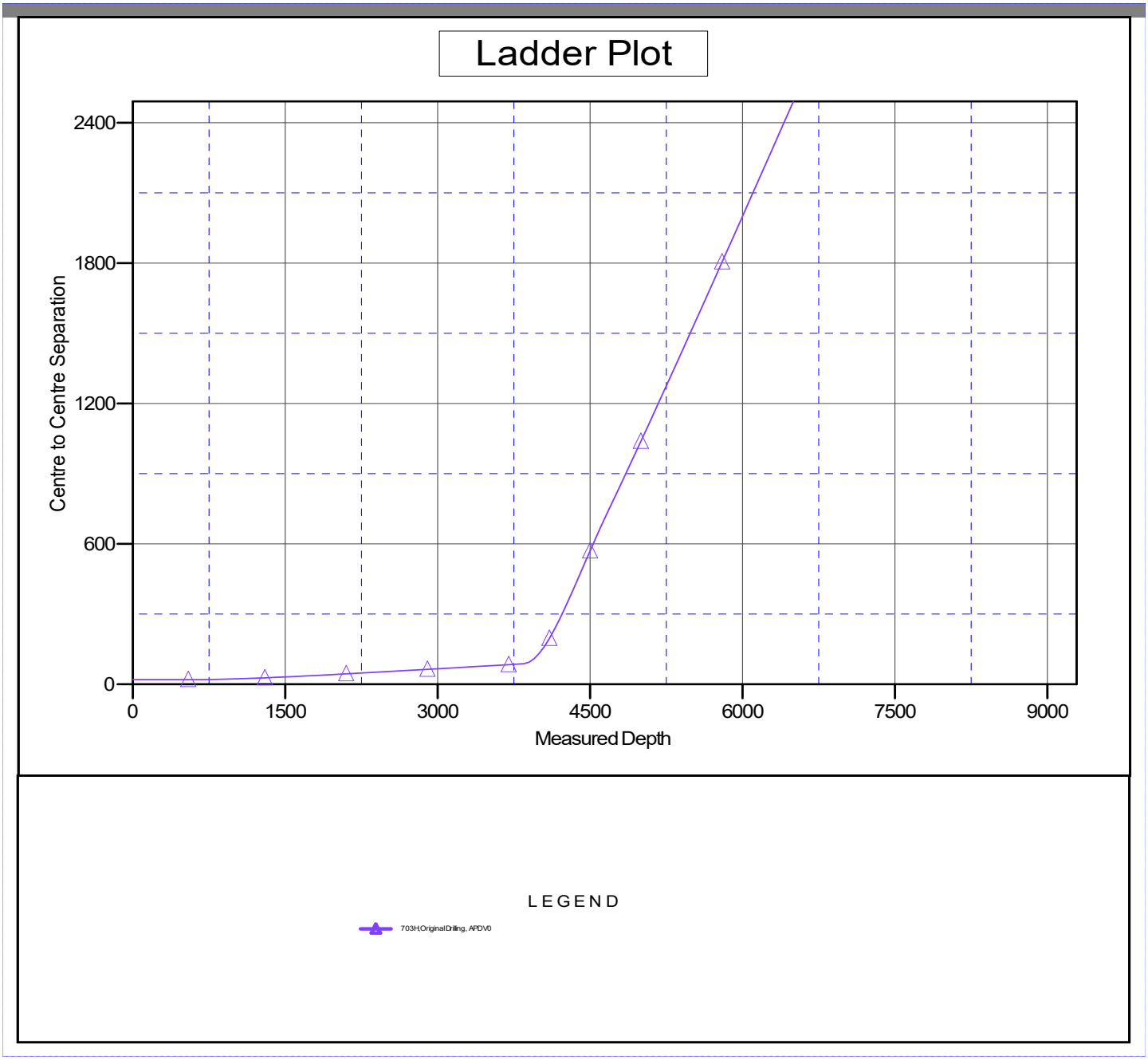
Reference Site:	B09 2309	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 6707' & RKB 14' @ 6721ft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: 702H - Slot 2
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.02°



DJR Operating

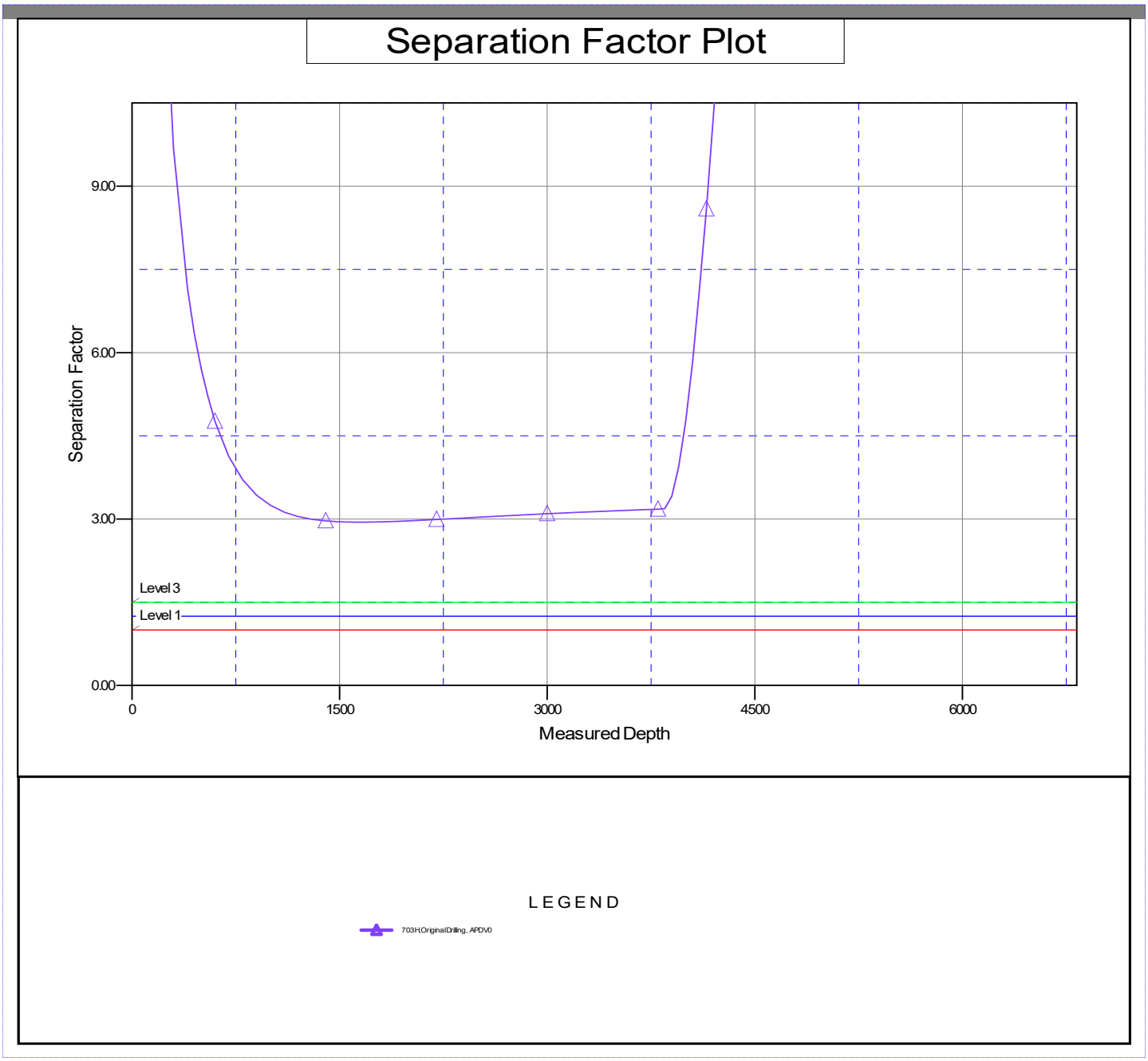
Lonestar Consulting, LLC

Anticollision Report

Company:	DJR Operating	**Local Co-ordinate Reference:**	Well 702H - Slot 2
Project:	Nageezi Unit	**TVD Reference:**	GL 6707' & RKB 14' @ 6721ft
Reference Site:	B09 2309	**MD Reference:**	GL 6707' & RKB 14' @ 6721ft
Site Error:	0 ft	**North Reference:**	True
Reference Well:	702H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0 ft	**Output errors are at**	2.00 sigma
Reference Wellbore	Original Drilling	**Database:**	Grand Junction
Reference Design:	APD	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 6707' & RKB 14' @ 6721ft
Offset Depths are relative to Offset Datum
Central Meridian is -107.83333333

Coordinates are relative to: 702H - Slot 2
Coordinate System is US State Plane 1983, New Mexico Western Zone
Grid Convergence at Surface is: 0.02°



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)

* ENDURING RESOURCES LLC

#702H NAGEEZI UNIT

Lease: NMNM8005 Agreement: NMNM132981A
SH: NWNE Section 9, T. 23 N., R. 9 W.
San Juan County, New Mexico
BH: Section 5, T. 23 N., R. 9 W.
San Juan 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, New Mexico State Office, Reservoir Management Group, 301 Dinosaur Trail, Santa Fe, New Mexico 87508.
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 and regulations 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. From the time drilling operations are initialed 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 preventer or cement plugs.

I. 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.

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 374654

CONDITIONS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 374654
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	9/6/2024
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	9/6/2024
ward.rikala	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	9/6/2024
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	9/6/2024
ward.rikala	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	9/6/2024