

Form 3160-3
(October 2024)FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2027UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address		9. API Well No. 30-045-38493
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.

(Continued on page 2)

*(Instructions on page 2)



Additional Operator Remarks

Location of Well

0. SHL: NESW / 2358 FSL / 1872 FWL / TWSP: 25N / RANGE: 12W / SECTION: 22 / LAT: 36.3859003 / LONG: -108.1014849 (TVD: 0 feet, MD: 0 feet)
PPP: SWNW / 2373 FNL / 281 FWL / TWSP: 25N / RANGE: 12W / SECTION: 22 / LAT: 36.387384 / LONG: -108.106891 (TVD: 4400 feet, MD: 4572 feet)
PPP: SWSE / 1 FSL / 2293 FEL / TWSP: 25N / RANGE: 12W / SECTION: 16 / LAT: 36.3939058 / LONG: -108.115642 (TVD: 4951 feet, MD: 14127 feet)
PPP: SENE / 2538 FNL / 1 FEL / TWSP: 25N / RANGE: 12W / SECTION: 17 / LAT: 36.401464 / LONG: -108.125787 (TVD: 4951 feet, MD: 14127 feet)
PPP: SENE / 2112 FNL / 1 FEL / TWSP: 25N / RANGE: 12W / SECTION: 21 / LAT: 36.3880991 / LONG: -108.1078502 (TVD: 4951 feet, MD: 14127 feet)
BHL: SENE / 1746 FNL / 862 FEL / TWSP: 25N / RANGE: 12W / SECTION: 17 / LAT: 36.4036434 / LONG: -108.1287127 (TVD: 4951 feet, MD: 14127 feet)

BLM Point of Contact

Name: CHRISTOPHER P WENMAN
Title: Natural Resource Specialist
Phone: (505) 564-7727
Email: cwenman@blm.gov

CONFIDENTIAL

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:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-045-38493	Pool Code 5890	Pool Name BISTI LOWER-GALLUP (O)
Property Code 320279	Property Name CARSON UNIT	Well Number 627H
OGRID No. 371838	Operator Name DJR OPERATING, LLC	Ground Level Elevation 6354'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input checked="" type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location (SHL)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
K	22	25N	12W		2358' SOUTH	1872' WEST	36.385900° N	108.101485° 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
H	17	25N	12W		1746' NORTH	862' EAST	36.403643° N	108.128713° W	SAN JUAN

Dedicated Acres PENETRATED SPACING UNIT; SEC 22: SW/NW & NW/SW; SEC 21: NE/4 & NE/NW; SEC 16: SW/SE, SW/4 & SW/NW; SEC 17: NE/SE & SE/NE = 600 ACRES	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code UNIT
Order Numbers: R-828 R-828A		Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
K	22	25N	12W		2358' SOUTH	1872' WEST	36.385900° N	108.101485° W	SAN JUAN

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft from the N/S	Ft from the E/W	Latitude	Longitude	County
E	22	25N	12W		2373' NORTH	281' WEST	36.387385° N	108.106892° 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
H	17	25N	12W		1746' NORTH	862' EAST	36.403643° N	108.128713° W	SAN JUAN

Unitized Area or Area of Uniform Interest CARSON UNIT	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
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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
Signature

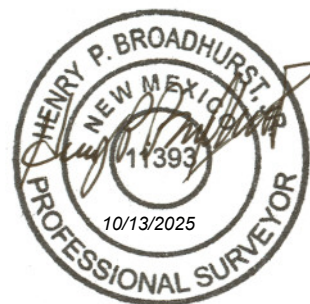
10/13/2025
Date

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:

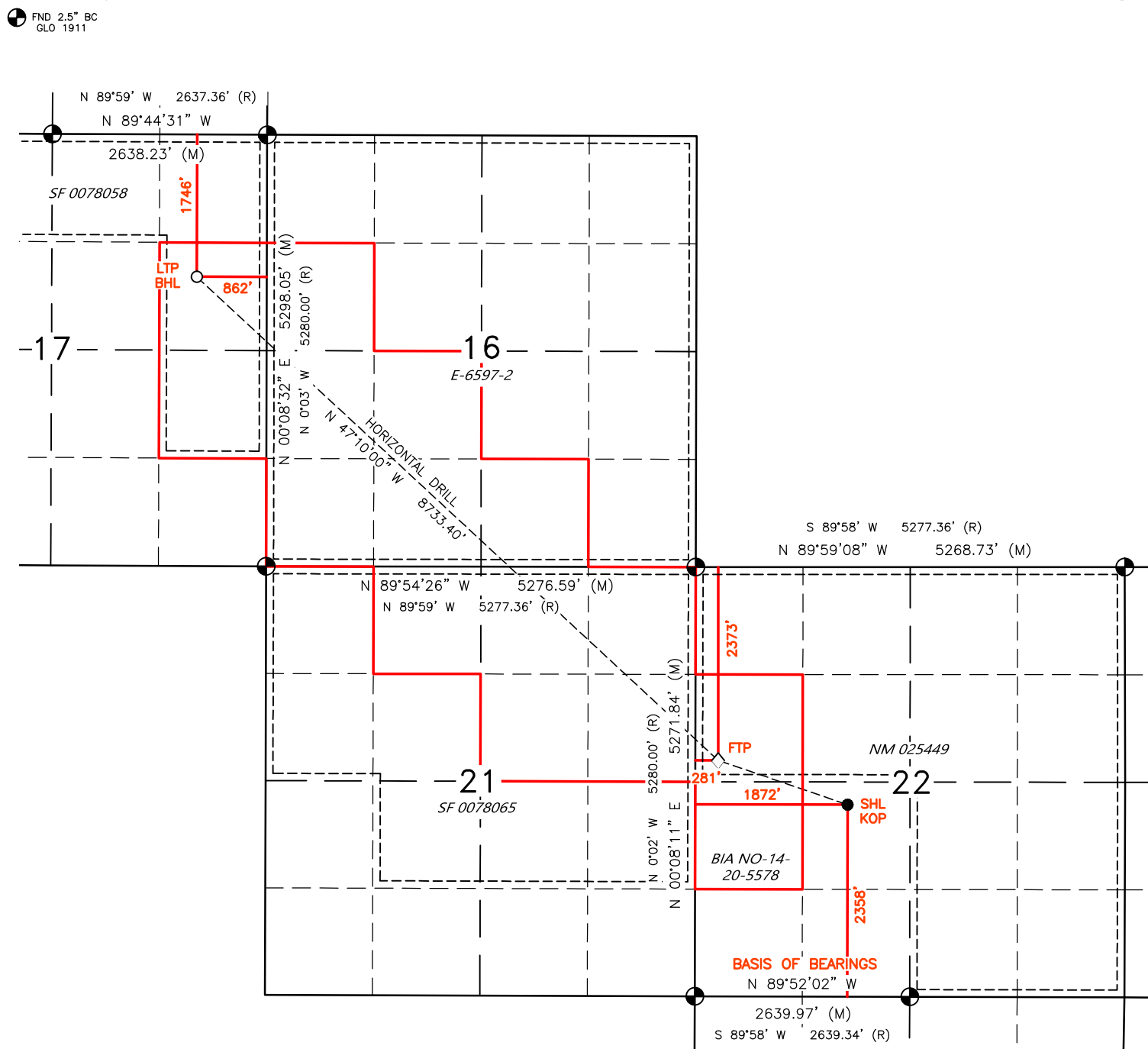
Certificate Number

11393

Date of Survey

SEPTEMBER 14, 2021

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.



SURFACE LOCATION (SHL) ●
 2358' FSL 1872' FWL
 SEC. 22, T25N, R12W
 LAT. 36.385900° N (NAD83)
 LONG. 108.101485° W (NAD83)

KICK OFF POINT (KOP) ▲
 2358' FSL 1872' FWL
 SEC. 22, T25N, R12W
 LAT. 36.385900° N (NAD83)
 LONG. 108.101485° W (NAD83)

FIRST TAKE POINT (FTP) ◇
 2373' FNL 281' FWL
 SEC. 22, T25N, R12W
 LAT. 36.387385° N (NAD83)
 LONG. 108.106892° W (NAD83)

LAST TAKE POINT (LTP) □
 1746' FNL 862' FEL
 SEC. 17, T25N, R12W
 LAT. 36.403643° N (NAD83)
 LONG. 108.128713° W (NAD83)

BOTTOM HOLE LOCATION (BHL) ○
 1746' FNL 862' FEL
 SEC. 17, T25N, R12W
 LAT. 36.403643° N (NAD83)
 LONG. 108.128713° W (NAD83)

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Electronically
Via E-permitting

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:** 12 / 16 / 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
Carson Unit 606H	TBD	K-22-25N-12W	2358 FSL x 1912 FWL	850	1701	166
Carson Unit 610H	TBD	K-22-25N-12W	2358 FSL x 1852 FWL	850	1701	166
Carson Unit 627H	TBD	K-22-25N-12W	2358 FSL x 1872 FWL	850	1701	166
Carson Unit 631H	TBD	K-22-25N-12W	2358 FSL x 1892 FWL	850	1701	166
				3-year Decline	3-year Decline	3-year Decline
Carson Unit 606H	TBD	K-22-25N-12W	2358 FSL x 1912 FWL	192	384	38
Carson Unit 610H	TBD	K-22-25N-12W	2358 FSL x 1852 FWL	192	384	38
Carson Unit 627H	TBD	K-22-25N-12W	2358 FSL x 1872 FWL	192	384	38
Carson Unit 631H	TBD	K-22-25N-12W	2358 FSL x 1892 FWL	192	384	38

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
Carson Unit 606H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 2025
Carson Unit 610H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 2025
Carson Unit 627H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 2025
Carson Unit 631H	TBD	Q3 2025	Q3 2025	Q3 2025	Q3 2025	Q3 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: <i>Shaw-Marie Ford</i>
Printed Name: Shaw-Marie Ford
Title: Regulatory Specialist
E-mail Address: sford@enduringresources.com
Date: 12/19/2024
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
CARSON UNIT 606H, 610H, 627H and 631H

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.



DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
CARSON UNIT 606H, 610H, 627H and 631H

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



DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
CARSON UNIT 606H, 610H, 627H and 631H

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.



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 take 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 is 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.



- 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.



DJR OPERATING, LLC.
OGRID NO: 371838
NATURAL GAS MANAGEMENT PLAN
CARSON UNIT 606H, 610H, 627H and 631H

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.

DJR's 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.

Rev 0



DRILLING PLAN

Carson Unit #627H

San Juan County, New Mexico

Surface Location

1872-ft FWL & 2358-ft FSL
 Sec 22 T25N R12W
 Graded Elevation 6354' MSL
 RKB Elevation 6368' (14' KB)

SHL Geographical Coordinates (NAD-83)

Latitude 36.3859003° N
 Longitude 108.1014849° W

Kick Off Point for Horizontal Build Curve

4572-ft MD
 4400-ft TVD

Local Coordinates (from SHL)

192-ft North
 1087-ft West

Heel Location (Pay zone entry)

281-ft FWL & 2373-ft FNL
 Sec 22 T25 R12

Heel Geographical Coordinates (NAD-83)

Latitude 36.38738487° N
 Longitude 108.10689193° W

Bottom Hole Location (TD)

862-ft FEL & 1746-ft FNL
 Sec 17 T25 R12

BHL Geographical Coordinates (NAD-83)

Latitude 36.40364335° N
 Longitude 108.1287127° W

Well objectives

This well is planned as a 8730-ft lateral in the Gallup C sand.

Bottom Hole temperature and pressure

The temperature in the Gallup C horizontal objective is 137°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	270	270	Sd	W	8.3	8.4 – 8.8
Kirtland	393	393	Sh	-	8.3	8.4 – 8.8
Fruitland	904	903	C	G	8.3	9.0 - 9.5
Pictured Cliffs	1177	1174	Sd	W	8.3	9.0 - 9.5
Lewis	1327	1322	Sh	-		9.0 - 9.5
Chacra	1960	1927	Sd	-	8.3	9.0 - 9.5
Menefee	2651	2581	Sd, C	G	8.3	9.0 - 9.5
Point Lookout	3727	3600	Sd	-	8.3	9.0 - 9.5
Mancos	3908	3771	Sh	-		9.0 - 9.5
Mancos Silt	4248	4093	Slt	O/G	6.6	9.0 - 9.5
Gallup A	4829	4623	Slt	O/G	6.6	9.0 - 9.5
Gallup B	4911	4683	Sd	O/G	6.6	8.8 -9.0
Gallup C	5074	4778	Sd	O/G	6.6	8.8 -9.0
Target	5393	4858	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	5343	surf	4856	surface
4-1/2"	6-1/8"	11.6	P-110	BTC	5060	14127	4771	4951	5060

Note: all casing will be new

Rev 0



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

		Design Factors			
Casing string	Casing OD	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

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

7" Intermediate Casing

	<u>Lead</u>	<u>Tail</u>
	American Cementing	American Cementing
Type	I/II	Poz/G
Planned top	Surface	3908-ft
Density (ppg)	12.30	13.50
Yield (cf/sx)	2.32	1.46
Mix water (gal/sx)	13.22	7.11
Volume (sx)	436	154
Volume (bbls)	180	40
Volume (cu.ft.)	1011	225
Excess %	78	0



Rev 0

4-1/2" Production Liner

	American Cementing
Type	Poz/G
Planned top	5060-ft
Density (ppg)	13.3
Yield (cf/sx)	1.52
Mix water (gal/sx)	7.53
Volume (sx)	784
Volume (bbls)	212
Volume (cu.ft)	1191
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 – 5343	9.0 – 9.5	38 – 45	8 – 14	<20
Production	Low solids, non-dispersed	5343 – 14127	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.

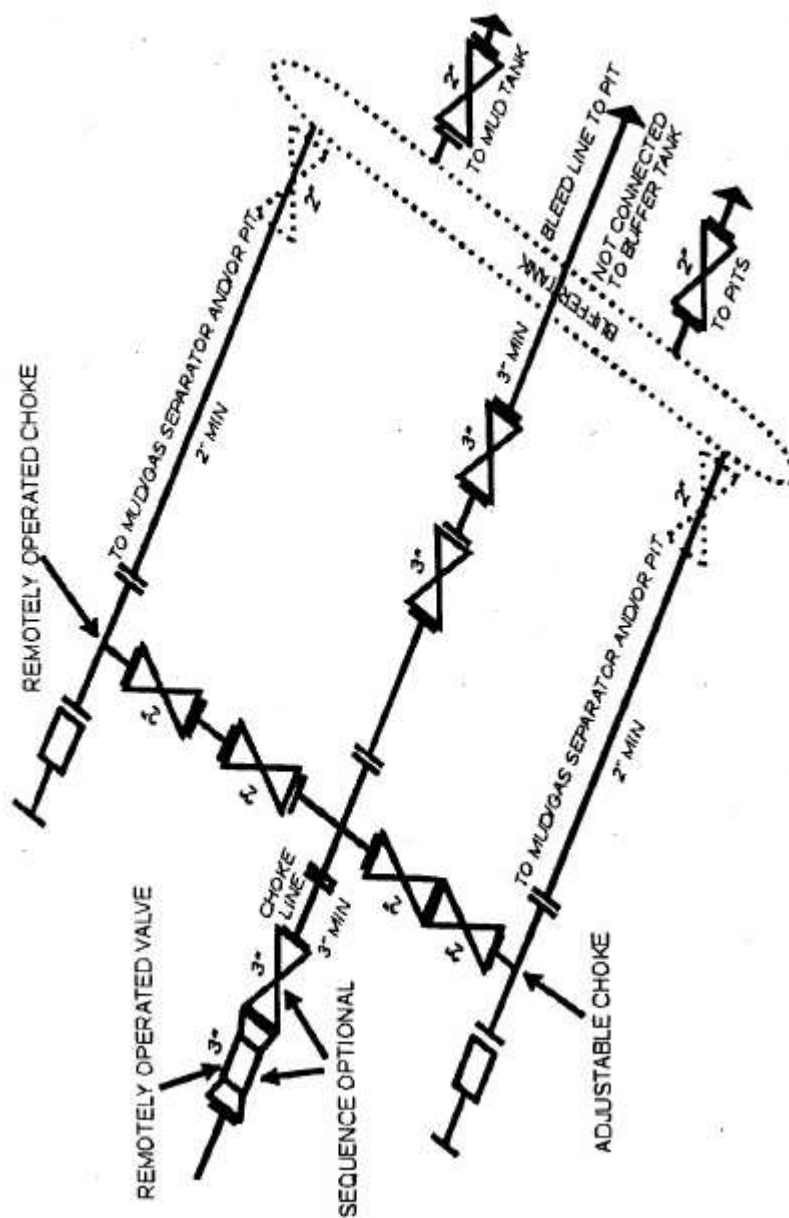
Completion

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.



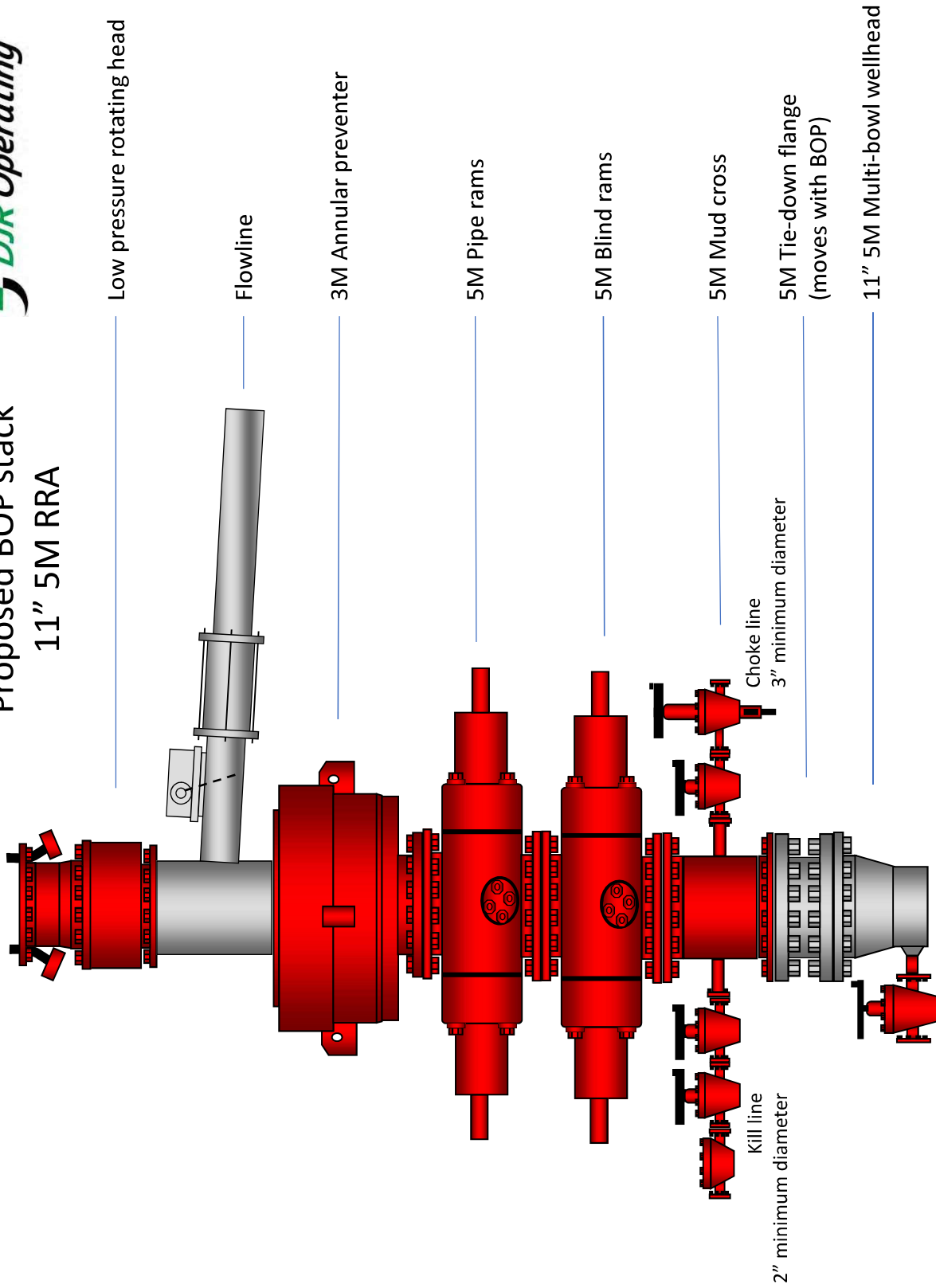
Choke Manifold

Actual system to conform with Onshore Order 2





Proposed BOP stack
11" 5M RRA





Company: DJR Operating
Project: Proposed Carson Unit
Site: WC 22-2 Pad
Well: # 627H
Wellbore: Original Drilling
Design: APD

PROJECT DETAILS: Proposed Carson Unit

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Western Zone
System Datum: Mean Sea Level
Local North: True



WELL DETAILS: # 627H

GL 6354' & RKB 14' @ 6368ft

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
0	0	1959879.47	2644163.96	36.38590032	-108.10148487	2

Plan: APD (# 627H/Original Drilling)

Created By: Janie Collins Date: 23:25, March 21 2022



Azimuths to True North
Magnetic North: 8

Magnetic Field
Strength: 49352.8 nT
Dip Angle: 62.62°
Date: 7/27/2021
Model: IGRF2015

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
627H Heel	4858	540	-1591	1960424.36	2642573.98	36.38738487108	10689193
627H Toe	4951	6460	-8012	1966361.90	2636169.46	36.40364338108	12871270

SECTION DETAILS

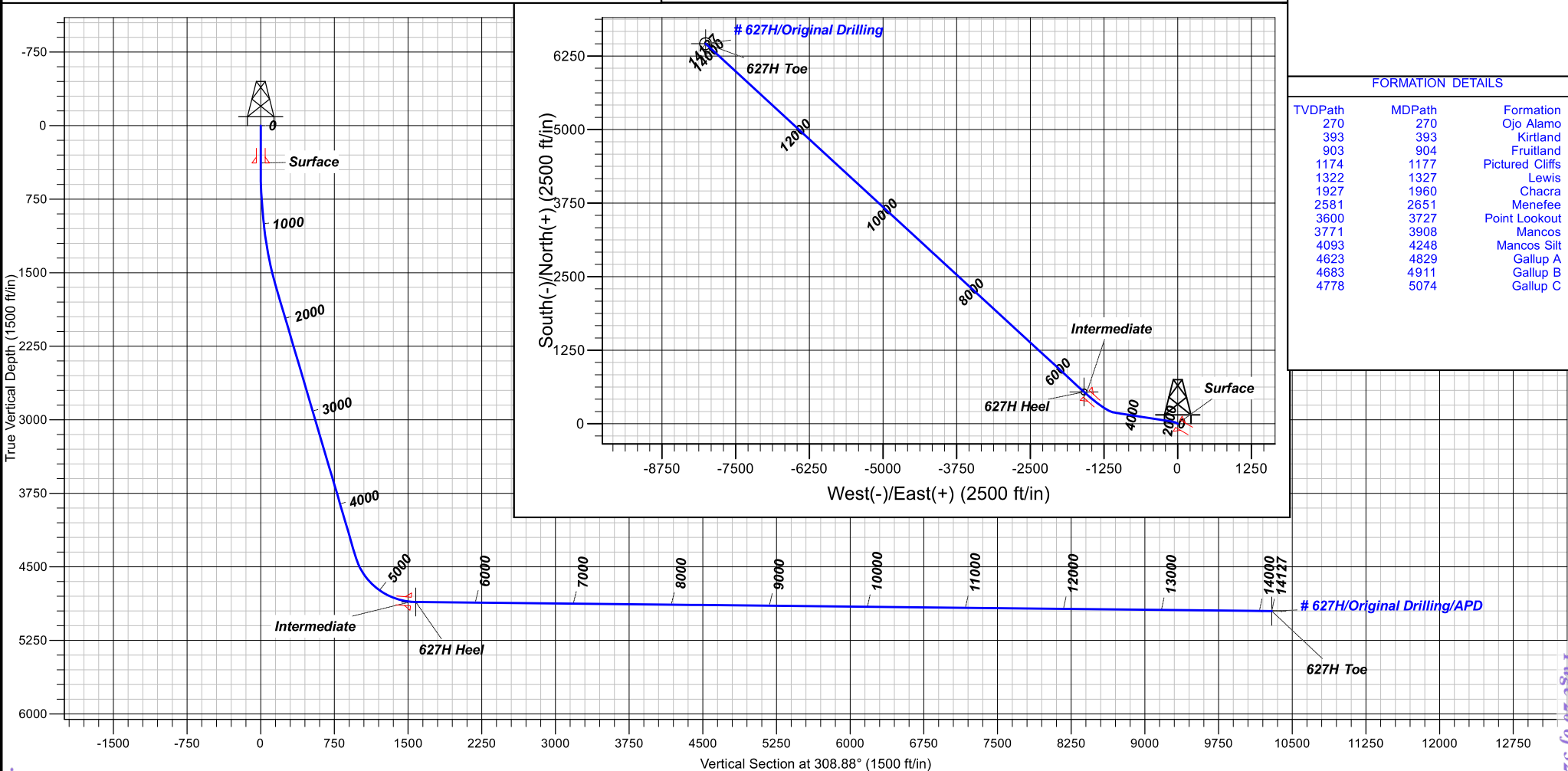
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSecl
0	0.00	0.00	0	0	0	0.00	0.00	0
510	0.00	0.00	510	0	0	0.00	0.00	0
760	5.00	300.00	760	5	-9	2.00	300.00	11
960	5.00	300.00	959	14	-25	0.00	0.00	28
1671	18.77	278.91	1653	48	-165	2.00	-28.13	158
4572	18.77	278.91	4400	192	-1087	0.00	0.00	967
5393	89.39	312.67	4858	540	-1591	9.00	35.34	1578
14127	89.39	312.67	4951	6460	-8012	0.00	0.00	10292

CASING DETAILS

TVD	MD	Name
380	380	Surface
4856	5343	Intermediate

FORMATION DETAILS

TVDPATH	MDPATH	FORMATION
270	270	Ojo Alamo
393	393	Kirtland
903	904	Fruitland
1174	1177	Pictured Cliffs
1322	1327	Lewis
1927	1960	Chacra
2581	2651	Menefee
3600	3727	Point Lookout
3771	3908	Mancos
4093	4248	Mancos Silt
4623	4829	Gallup A
4683	4911	Gallup B
4778	5074	Gallup C





DJR Operating

Proposed Carson Unit

WC 22-2 Pad

627H - Slot 2

Original Drilling

Plan: APD

Standard Planning Report

21 March, 2022





Lonestar Consulting, LLC
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 627H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 627H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Project	Proposed Carson 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	WC 22-2 Pad				
Site Position:		Northing:	1,959,879.47 usft	Latitude:	36.38590016
From:	Lat/Long	Easting:	2,644,143.98 usft	Longitude:	-108.10155276
Position Uncertainty:	0 ft	Slot Radius:	13.20 in		

Well	# 627H - Slot 2						
Well Position	+N/-S	0 ft	Northing:	1,959,879.47	usft	Latitude:	36.38590032
	+E/-W	0 ft	Easting:	2,644,163.96	usft	Longitude:	-108.10148487
Position Uncertainty		0 ft	Wellhead Elevation:		ft	Ground Level:	6354 ft
Grid Convergence:		-0.16 °					

Wellbore	Original Drilling				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	7/27/2021	8.95	62.93	49,352.56906993

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	308.88

Plan Survey Tool Program	Date	3/21/2022		
Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks
1	0	14,127 APD (Original Drilling)	MWD+IGRF	
			OWSG MWD + IGRF or WMM	

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	
510	0.00	0.00	510	0	0	0.00	0.00	0.00	0.00	
760	5.00	300.00	760	5	-9	2.00	2.00	0.00	300.00	
960	5.00	300.00	959	14	-25	0.00	0.00	0.00	0.00	
1671	18.77	278.91	1653	48	-165	2.00	1.94	-2.97	-28.13	
4572	18.77	278.91	4400	192	-1087	0.00	0.00	0.00	0.00	
5393	89.39	312.67	4858	540	-1591	9.00	8.60	4.11	35.34	627H Heel
14,127	89.39	312.67	4951	6460	-8012	0.00	0.00	0.00	0.00	627H Toe



Lonestar Consulting, LLC

Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 627H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 627H	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
500	0.00	0.00	500	0	0	0	0.00	0.00	0.00
510	0.00	0.00	510	0	0	0	0.00	0.00	0.00
600	1.80	300.00	600	1	-1	1	2.00	2.00	0.00
700	3.80	300.00	700	3	-5	6	2.00	2.00	0.00
760	5.00	300.00	760	5	-9	11	2.00	2.00	0.00
800	5.00	300.00	800	7	-12	14	0.00	0.00	0.00
900	5.00	300.00	899	12	-20	23	0.00	0.00	0.00
960	5.00	300.00	959	14	-25	28	0.00	0.00	0.00
1000	5.72	296.21	999	16	-28	32	2.00	1.79	-9.47
1100	7.58	289.95	1098	20	-39	43	2.00	1.87	-6.26
1200	9.51	286.18	1197	25	-53	57	2.00	1.92	-3.77
1300	11.45	283.67	1295	30	-70	73	2.00	1.95	-2.51
1400	13.42	281.89	1393	34	-91	93	2.00	1.96	-1.78
1500	15.39	280.55	1490	39	-116	115	2.00	1.97	-1.33
1600	17.37	279.52	1586	44	-143	139	2.00	1.98	-1.04
1671	18.77	278.91	1653	48	-165	158	2.00	1.98	-0.86
1700	18.77	278.91	1681	49	-174	166	0.00	0.00	0.00
1800	18.77	278.91	1775	54	-206	194	0.00	0.00	0.00
1900	18.77	278.91	1870	59	-238	222	0.00	0.00	0.00
2000	18.77	278.91	1965	64	-270	250	0.00	0.00	0.00
2100	18.77	278.91	2059	69	-302	278	0.00	0.00	0.00
2200	18.77	278.91	2154	74	-333	306	0.00	0.00	0.00
2300	18.77	278.91	2249	79	-365	334	0.00	0.00	0.00
2400	18.77	278.91	2343	84	-397	362	0.00	0.00	0.00
2500	18.77	278.91	2438	89	-429	390	0.00	0.00	0.00
2600	18.77	278.91	2533	94	-460	417	0.00	0.00	0.00
2700	18.77	278.91	2627	99	-492	445	0.00	0.00	0.00
2800	18.77	278.91	2722	104	-524	473	0.00	0.00	0.00
2900	18.77	278.91	2817	109	-556	501	0.00	0.00	0.00
3000	18.77	278.91	2912	114	-588	529	0.00	0.00	0.00
3100	18.77	278.91	3006	119	-619	557	0.00	0.00	0.00
3200	18.77	278.91	3101	124	-651	585	0.00	0.00	0.00
3300	18.77	278.91	3196	129	-683	613	0.00	0.00	0.00
3400	18.77	278.91	3290	134	-715	640	0.00	0.00	0.00
3500	18.77	278.91	3385	139	-747	668	0.00	0.00	0.00
3600	18.77	278.91	3480	144	-778	696	0.00	0.00	0.00
3700	18.77	278.91	3574	149	-810	724	0.00	0.00	0.00
3800	18.77	278.91	3669	154	-842	752	0.00	0.00	0.00
3900	18.77	278.91	3764	159	-874	780	0.00	0.00	0.00
4000	18.77	278.91	3858	164	-906	808	0.00	0.00	0.00
4100	18.77	278.91	3953	169	-937	836	0.00	0.00	0.00
4200	18.77	278.91	4048	174	-969	863	0.00	0.00	0.00
4300	18.77	278.91	4142	179	-1001	891	0.00	0.00	0.00
4400	18.77	278.91	4237	184	-1033	919	0.00	0.00	0.00
4500	18.77	278.91	4332	189	-1065	947	0.00	0.00	0.00
4572	18.77	278.91	4400	192	-1087	967	0.00	0.00	0.00
4600	20.90	283.04	4426	194	-1097	976	9.00	7.52	14.60
4700	28.94	292.75	4517	207	-1137	1015	9.00	8.04	9.71
4800	37.39	298.44	4601	231	-1186	1068	9.00	8.45	5.69



Lonestar Consulting, LLC

Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 627H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 627H	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)
4900	46.03	302.26	4675	265	-1243	1134	9.00	8.64	3.82
5000	54.76	305.10	4739	308	-1307	1211	9.00	8.73	2.84
5100	63.55	307.38	4790	359	-1376	1296	9.00	8.79	2.28
5200	72.36	309.34	4828	416	-1449	1389	9.00	8.82	1.96
5300	81.20	311.11	4850	479	-1523	1486	9.00	8.83	1.77
5393	89.39	312.67	4858	540	-1591	1578	9.00	8.84	1.69
5400	89.39	312.67	4858	545	-1597	1586	0.00	0.00	0.00
5500	89.39	312.67	4859	613	-1670	1685	0.00	0.00	0.00
5600	89.39	312.67	4860	681	-1744	1785	0.00	0.00	0.00
5700	89.39	312.67	4861	749	-1817	1885	0.00	0.00	0.00
5800	89.39	312.67	4862	817	-1891	1985	0.00	0.00	0.00
5900	89.39	312.67	4863	884	-1964	2084	0.00	0.00	0.00
6000	89.39	312.67	4864	952	-2038	2184	0.00	0.00	0.00
6100	89.39	312.67	4866	1020	-2112	2284	0.00	0.00	0.00
6200	89.39	312.67	4867	1088	-2185	2384	0.00	0.00	0.00
6300	89.39	312.67	4868	1155	-2259	2483	0.00	0.00	0.00
6400	89.39	312.67	4869	1223	-2332	2583	0.00	0.00	0.00
6500	89.39	312.67	4870	1291	-2406	2683	0.00	0.00	0.00
6600	89.39	312.67	4871	1359	-2479	2783	0.00	0.00	0.00
6700	89.39	312.67	4872	1427	-2553	2883	0.00	0.00	0.00
6800	89.39	312.67	4873	1494	-2626	2982	0.00	0.00	0.00
6900	89.39	312.67	4874	1562	-2700	3082	0.00	0.00	0.00
7000	89.39	312.67	4875	1630	-2773	3182	0.00	0.00	0.00
7100	89.39	312.67	4876	1698	-2847	3282	0.00	0.00	0.00
7200	89.39	312.67	4877	1765	-2920	3381	0.00	0.00	0.00
7300	89.39	312.67	4878	1833	-2994	3481	0.00	0.00	0.00
7400	89.39	312.67	4879	1901	-3067	3581	0.00	0.00	0.00
7500	89.39	312.67	4880	1969	-3141	3681	0.00	0.00	0.00
7600	89.39	312.67	4881	2037	-3214	3781	0.00	0.00	0.00
7700	89.39	312.67	4883	2104	-3288	3880	0.00	0.00	0.00
7800	89.39	312.67	4884	2172	-3361	3980	0.00	0.00	0.00
7900	89.39	312.67	4885	2240	-3435	4080	0.00	0.00	0.00
8000	89.39	312.67	4886	2308	-3508	4180	0.00	0.00	0.00
8100	89.39	312.67	4887	2375	-3582	4279	0.00	0.00	0.00
8200	89.39	312.67	4888	2443	-3655	4379	0.00	0.00	0.00
8300	89.39	312.67	4889	2511	-3729	4479	0.00	0.00	0.00
8400	89.39	312.67	4890	2579	-3802	4579	0.00	0.00	0.00
8500	89.39	312.67	4891	2647	-3876	4679	0.00	0.00	0.00
8600	89.39	312.67	4892	2714	-3949	4778	0.00	0.00	0.00
8700	89.39	312.67	4893	2782	-4023	4878	0.00	0.00	0.00
8800	89.39	312.67	4894	2850	-4096	4978	0.00	0.00	0.00
8900	89.39	312.67	4895	2918	-4170	5078	0.00	0.00	0.00
9000	89.39	312.67	4896	2985	-4244	5177	0.00	0.00	0.00
9100	89.39	312.67	4897	3053	-4317	5277	0.00	0.00	0.00
9200	89.39	312.67	4899	3121	-4391	5377	0.00	0.00	0.00
9300	89.39	312.67	4900	3189	-4464	5477	0.00	0.00	0.00
9400	89.39	312.67	4901	3257	-4538	5577	0.00	0.00	0.00
9500	89.39	312.67	4902	3324	-4611	5676	0.00	0.00	0.00
9600	89.39	312.67	4903	3392	-4685	5776	0.00	0.00	0.00
9700	89.39	312.67	4904	3460	-4758	5876	0.00	0.00	0.00
9800	89.39	312.67	4905	3528	-4832	5976	0.00	0.00	0.00
9900	89.39	312.67	4906	3595	-4905	6075	0.00	0.00	0.00
10,000	89.39	312.67	4907	3663	-4979	6175	0.00	0.00	0.00
10,100	89.39	312.67	4908	3731	-5052	6275	0.00	0.00	0.00



Lonestar Consulting, LLC

Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 627H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 627H	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)
10,200	89.39	312.67	4909	3799	-5126	6375	0.00	0.00	0.00
10,300	89.39	312.67	4910	3867	-5199	6474	0.00	0.00	0.00
10,400	89.39	312.67	4911	3934	-5273	6574	0.00	0.00	0.00
10,500	89.39	312.67	4912	4002	-5346	6674	0.00	0.00	0.00
10,600	89.39	312.67	4913	4070	-5420	6774	0.00	0.00	0.00
10,700	89.39	312.67	4915	4138	-5493	6874	0.00	0.00	0.00
10,800	89.39	312.67	4916	4206	-5567	6973	0.00	0.00	0.00
10,900	89.39	312.67	4917	4273	-5640	7073	0.00	0.00	0.00
11,000	89.39	312.67	4918	4341	-5714	7173	0.00	0.00	0.00
11,100	89.39	312.67	4919	4409	-5787	7273	0.00	0.00	0.00
11,200	89.39	312.67	4920	4477	-5861	7372	0.00	0.00	0.00
11,300	89.39	312.67	4921	4544	-5934	7472	0.00	0.00	0.00
11,400	89.39	312.67	4922	4612	-6008	7572	0.00	0.00	0.00
11,500	89.39	312.67	4923	4680	-6081	7672	0.00	0.00	0.00
11,600	89.39	312.67	4924	4748	-6155	7772	0.00	0.00	0.00
11,700	89.39	312.67	4925	4816	-6229	7871	0.00	0.00	0.00
11,800	89.39	312.67	4926	4883	-6302	7971	0.00	0.00	0.00
11,900	89.39	312.67	4927	4951	-6376	8071	0.00	0.00	0.00
12,000	89.39	312.67	4928	5019	-6449	8171	0.00	0.00	0.00
12,100	89.39	312.67	4929	5087	-6523	8270	0.00	0.00	0.00
12,200	89.39	312.67	4930	5154	-6596	8370	0.00	0.00	0.00
12,300	89.39	312.67	4932	5222	-6670	8470	0.00	0.00	0.00
12,400	89.39	312.67	4933	5290	-6743	8570	0.00	0.00	0.00
12,500	89.39	312.67	4934	5358	-6817	8670	0.00	0.00	0.00
12,600	89.39	312.67	4935	5426	-6890	8769	0.00	0.00	0.00
12,700	89.39	312.67	4936	5493	-6964	8869	0.00	0.00	0.00
12,800	89.39	312.67	4937	5561	-7037	8969	0.00	0.00	0.00
12,900	89.39	312.67	4938	5629	-7111	9069	0.00	0.00	0.00
13,000	89.39	312.67	4939	5697	-7184	9168	0.00	0.00	0.00
13,100	89.39	312.67	4940	5764	-7258	9268	0.00	0.00	0.00
13,200	89.39	312.67	4941	5832	-7331	9368	0.00	0.00	0.00
13,300	89.39	312.67	4942	5900	-7405	9468	0.00	0.00	0.00
13,400	89.39	312.67	4943	5968	-7478	9568	0.00	0.00	0.00
13,500	89.39	312.67	4944	6036	-7552	9667	0.00	0.00	0.00
13,600	89.39	312.67	4945	6103	-7625	9767	0.00	0.00	0.00
13,700	89.39	312.67	4946	6171	-7699	9867	0.00	0.00	0.00
13,800	89.39	312.67	4948	6239	-7772	9967	0.00	0.00	0.00
13,900	89.39	312.67	4949	6307	-7846	10,066	0.00	0.00	0.00
14,000	89.39	312.67	4950	6374	-7919	10,166	0.00	0.00	0.00
14,100	89.39	312.67	4951	6442	-7993	10,266	0.00	0.00	0.00
14,127	89.39	312.67	4951	6460	-8012	10,292	0.00	0.00	0.00



Lonestar Consulting, LLC
Planning Report



Database:	Grand Junction	Local Co-ordinate Reference:	Well # 627H - Slot 2
Company:	DJR Operating	TVD Reference:	GL 6354' & RKB 14' @ 6368ft
Project:	Proposed Carson Unit	MD Reference:	GL 6354' & RKB 14' @ 6368ft
Site:	WC 22-2 Pad	North Reference:	True
Well:	# 627H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Drilling		
Design:	APD		

Design Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)		
627H Heel	0.00	0.00	4858	540	-1591	1,960,424.36	2,642,573.98	36.38738488	-108.10689192
- plan hits target center									
- Circle (radius 50)									
627H Toe	0.00	0.00	4951	6460	-8012	1,966,361.90	2,636,169.46	36.40364335	-108.12871270
- plan hits target center									
- Circle (radius 100)									

Casing Points					
Measured Depth	Vertical Depth			Casing Diameter	Hole Diameter
(ft)	(ft)	Name		(in)	(in)
380	380	Surface		9.63	12.25
5343	4856	Intermediate		7.00	8.75

Formations						
Measured Depth	Vertical Depth				Dip	Dip Direction
(ft)	(ft)	Name	Lithology		(°)	(°)
270	270	Ojo Alamo			0.00	0.00
393	393	Kirtland			0.00	0.00
904	903	Fruitland			0.00	0.00
1177	1174	Pictured Cliffs			0.00	0.00
1327	1322	Lewis			0.00	0.00
1960	1927	Chacra			0.00	0.00
2651	2581	Menefee			0.00	0.00
3727	3600	Point Lookout			0.00	0.00
3908	3771	Mancos			0.00	0.00
4248	4093	Mancos Silt			0.00	0.00
4829	4623	Gallup A			0.00	0.00
4911	4683	Gallup B			0.00	0.00
5074	4778	Gallup C			0.00	0.00



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
#627H CARSON UNIT
Lease: NMNM25449 Agreement: NMNM78385A
SH: NESW Section 22, T. 25 N., R. 12 W.
San Juan County, New Mexico
BH: SENE Section 22, T. 25 N., R. 12 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.

INTERIOR REGION 7 • UPPER COLORADO BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

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 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. BOP equipment (except the annular preventer) shall be tested utilizing a test plug to full working pressure for 10 minutes. No bleed-off of pressure is acceptable. (See 43 CFR 3172.6(b)(9)(ii)).
- G. The operator shall have sufficient weighting materials and lost circulation materials on location in the event of a pressure kick or in the event of lost circulation. (See 43 CFR 3172.8(a)).
- H. The flare line(s) discharge shall be located not less than 100 feet from the well head, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where noncombustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare. (See 43 CFR 3172.8(b)(7)).
- I. 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 sundry within three business days. **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 Virgil Lucero at 505-793-1836.**
- J. **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.**

- L. 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 times, unless the well is secured with blowout preventers or cement plugs.
- M. 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.
- N. **Commingling:** No production (oil, gas, and water) from the subject well should start until Sundry Notices (if necessary) granting variances from applicable regulations as related to commingling and off-lease measurement are approved by this office. (See 43 CFR 3173.14)

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 online through AFMSS 2 within 30 days after the work is completed.
 - 1. Provide 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 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 way 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 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.
- C. Production Startup Notification is required no later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site or resumes production in the case of a well which has been off production for more than 90 days. The operator shall notify the Authorized Officer by letter or Sundry Notice, Form 3160-5, or orally to be followed by a letter or Sundry Notice, of the date on which such production has begun or resumed. CFR 43 3162.4-1(c).

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, 20 MMCF following its (completion)(recompletion), or flowback has been routed to the production separator, whichever first occurs, without the prior, written approval of the authorized officer in accordance with 43 CFR 3179.81. 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 beginning of flowback following completion or recompletion.

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 to mitigate unanticipated conditions encountered during drilling operations, will require approval as set forth in Section 1.I.
- 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.I. 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.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

ACKNOWLEDGMENTS

Action 515216

ACKNOWLEDGMENTS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 515216
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.
-------------------------------------	--

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 515216

CONDITIONS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 515216
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
scrues76	Cement is required to circulate on both surface and intermediate1 strings of casing.	10/14/2025
scrues76	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.	10/14/2025
ward.rikala	Notify the OCD 24 hours prior to casing & cement.	10/31/2025
ward.rikala	File As Drilled C-102 and a directional Survey with C-104 completion packet.	10/31/2025
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.	10/31/2025
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.	10/31/2025