

Notice of Staking

(Not to be used in place of Application for Permit to Drill Form 3160-3)

Submit original and one copy

1. Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (Specify Below) <input type="checkbox"/>	
2. Name, Address, and Telephone Number of Operator DJR OPERATING LLC, 1700 LINCOLN STREET, SUITE 2800, DENVER, CO, 80203, (505) 632-3476	
3. Name and Telephone Number of Contact Person Shaw-Marie N. Ford / (505) 632-3476	
4. Surface Location of Well. SWSE / 1054 FSL / 1427 FEL Attach: (a) Sketch showing road entry onto pad, pad dimensions, and reserve pit (b) Topographical or other acceptable map (e.g., a USGS 7-1/2" Quadrangle) showing location, access road, and lease boundaries	
5. Lease Number NMNM109385	11. Section, Township, Range, Meridian; or Block and Survey; or Area 11 / 22N / 6W / NMP
6. If Indian, Allottee or Tribe Name	12. County, Parish or Borough SANDOVAL
7. Unit Agreement Name and Number VENADO CANYON UNIT / NMNM 135367A	13. State NM
8. Well Name and Number VENADO CANYON UNIT / 507H	14. Name and Depth of Formation Objective(s)
9. American Petroleum Institute Well Number (if available)	15. Estimated Well Depth 4939 Elevation: 7074 MSL
10. Field Name or Wildcat BASIN MANCOS/LYBROOK GALLUP	16. For directional or horizontal wells, anticipated bottom hole location SENE / 2233 FNL / 91 FEL
17. Additional Information (as appropriate; include surface owner's name, address, and, if known, telephone number) BLM / General Comments:	

18. Signed Shaw-Marie N. Ford

Title Regulatory Specialist

Date 2020-08-05

Note: When the Bureau of Land Management or Forest Service, as appropriate, receives this Notice, the agency will schedule the date of the onsite inspection. You must stake the location and flag the access road before the onsite inspection. Operators should consider the following before the onsite inspection and incorporate these considerations into the Notice of Staking Option: as appropriate:

- (a) H₂S Potential
- (b) Cultural Resources (Archeology)
- (c) Federal Right-of-Way or Special Use Permit

Instruction for Preparing the Notice of Staking (NOS)

General:

This provides notice to the Bureau of Land Management (BLM) that staking has been or will be completed for well locations on Federal or Indian leases and serves as a request to schedule an onsite inspection. The original and one copy of this notice, together with a map and sketch, should be submitted to the appropriate BLM office.

Any item not completed may be justification for not promptly scheduling the onsite inspection.

Specific Considerations:

Items included herein should be reviewed and evaluated thoroughly prior to the onsite. These items affect placement of location, road, and facilities. Failure to be prepared with complete, accurate information at the onsite may necessitate later re-evaluation of the site and an additional onsite inspection.

- a. H₂S Potential: Prevailing winds, escape routes, and placement of living quarters must be considered.
- b. Cultural Resources: Archeological surveys, if required, should be done prior to, during, or immediately following the onsite. Changes in location due to subsequent archeological findings may require an additional onsite, therefore, submitting block surveys prior to the onsite, is a recommended practice. Contact the involved surface management agency for detailed, site-specific requirements.
- c. Federal Right-of-Way or Special Use Authorization: Access roads outside the leasehold boundary, which cross Federal lands, will require a right-of-way grant or special use permit and should be discussed with the BLM or other involved surface management agencies at the time of filing the Notice of Staking.

Supplemental Checklist:

The following items, if applicable, should be submitted with or prior to the Application for Permit to Drill (APD) to ensure timely approval of the application. Contact the BLM regarding specific requirement relating to each item.

- Bonding
- Designation of Operator
- Report of Cultural Resources/Archeology
- H₂S Contingency Plan
- Status of Plan of Development and Designation of Agent for wells in Federal units
- Federal Right-of-Way (BLM) or Special Use Authorization (Forest Service)

Timetable:

A future date for the onsite inspection will be scheduled by the BLM within 10 days after receipt of this notice. Surface protection and reclamation requirements will be made known to the operator by the BLM during the onsite or no less than 7 days from the date of inspection, barring unusual circumstances. These requirements are to be incorporated into the complete APD. However, this does not exclude the possibility of additional conditions of approval being imposed.

Additional Information

Location of Well

0. SHL: SWSE / 1054 FSL / 1427 FEL

PPP: SEC: 0 / 0

BHL: SENE / 2233 FNL / 91 FEL