

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

JIC 45

6. If Indian, Allottee, or Tribe Name

Jicarilla Apache Tribe

SUBMIT IN TRIPLICATE - Other Instructions on page 2 **OCT 30 2018**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

DJR Operating, LLC

3a. Address

1600 Broadway, Suite 1960 Denver, CO 80202

3b. Phone No. (include area code)

303-595-7433

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL I, Section 19, T23N, R04W 1850' FSL, 790' FEL

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

8. Well Name and No.

Ponca No. 003

9. API Well No.

30-043-20539

10. Field and Pool, or Exploratory Area

Ballard Pictured Cliffs

11. County or Parish, State

Sandoval County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/ Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration if the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports must be filed within 30 following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed (testing has been completed. Final Abandonment Notice must be filed only after all requirements, including reclamantion, have been completed, and the operator h determined that the site is ready for final inspection.)

DJR Operating, LLC requests approval to P&A this well according to the attached procedure and well bore diagram.

The Reclamation Plan for this site (attached) has been approved.

Notify NMOCD 24 hrs
prior to beginning
operations

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

NMOCD

NOV 27 2018

DISTRICT III

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Shelly Diede

Title

Agent

Signature

Date

October 30, 2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PE

Date 11/27/18

Conditions of approval, if any are attached. Approval of this notice 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.

Office FTR

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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

DJR Operating LLC

Plug And Abandonment Procedure

Ponca #003

1850' FSL & 790' FEL, Section 19, T23N, R4W

Sandoval County, NM / API 30-043-20539

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.
2. Check casing, tubing, and bradenhead pressures.
3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP.
5. P/U 2-7/8" bit or casing scraper on 1-1/2" workstring and round trip as deep as possible above top perforation at 2394'.
6. P/U 2-7/8" CR, TIH and set CR at +/- 2344'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. P/U w/ tubing.
7. RU wireline and run CBL with 500 psi on casing from CR at 2344' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to

Jack Savage (BLM) at jwsavage@blm.gov and Brandon Powell at Brandon.powell@state.nm.us upon completions of logging operations.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

9. Plug 1 (**Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo Formation Tops 2344'-1830', 16 Sacks Class G Cement**)

Mix 16 sx Class G cement and spot a balanced plug inside casing to cover Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo formation tops.

10. Plug 2 (**Nacimiento Formation Tops 1200'-1050', 24 Sacks Class G Cement**)

RIH and perforate 3 squeeze holes at 1100'. Mix 24 sx Class G cement and squeeze 16 sx of cement through CR and outside casing, leaving 8 sx inside casing to cover the Nacimiento formation top.

11. Plug 3 (**Surface Shoe and Surface 162'-surface, 40 Sacks Class G Cement**)

Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 40 sx cement and spot a balanced plug from 162' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 162' and the annulus from the squeeze holes to surface. Shut in well and WOC.

12. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.

Wellbore Diagram

Ponca #003

API #: 3004320539

San Juan, New Mexico

Plug 3

162 feet - Surface

162 feet plug

40 sacks of Class G Cement

Plug 2

1200 feet - 1050 feet

150 feet plug

24 sacks of Class G Cement

Plug 1

2344 feet - 1830 feet

514 feet plug

16 sacks of Class G Cement

Surface Casing

7" 23# @ 112 ft

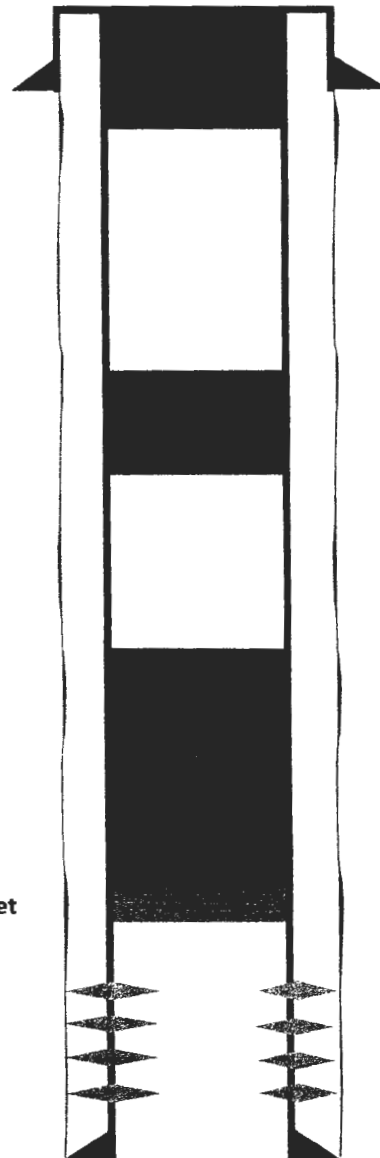
Formation

Pictured Cliffs - 2390 ft

Retainer @ 2344 feet

Production Casing:

2.875" 6.5# @ 2516 ft



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Ponca #3

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:

- a) Set Plug #2 (648 – 548) ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 598 ft.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: jwsavage@blm.gov brandon.powell@state.nm.us

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.