

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 1/22/2020

Well information:

30-045-25975 BADLANDS FEDERAL #001

DJR OPERATING, LLC

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Location Change

☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

☐ Other:

Conditions of Approval:

- Notify NMOCD 24 Hours prior to commencing activities
- In addition to the BLM-approved plugs, include the following
- Extend the Gallup plug, 4970'-4848. OCD Gallup pick @ 4898.'
- Extend Mancos plug, 4015'-3876. OCD Mancos pick @ 3965.'

NMOCD Approved by Signature

5/29/2020

Date

OCD Received
4/23/2020

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NMNM58138
2. Name of Operator DJR OPERATING LLC	6. If Indian, Allottee or Tribe Name
Contact: ALICE MASCARENAS E-Mail: amascarenas@djrlc.com	7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1600 BROADWAY SUITE 1960 DENVER, CO 80202	8. Well Name and No. BADLANDS FEDERAL 1
3b. Phone No. (include area code) Ph: 505-632-3476	9. API Well No. 30-045-25975-00-S1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T25N R13W NENE 0660FNL 0660FEL 36.406525 N Lat, 108.163116 W Lon	10. Field and Pool or Exploratory Area BISTI LOWER GALLUP
	11. County or Parish, State SAN JUAN 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"/> Hydraulic Fracturing	<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 thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days 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 once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

DJR Operating, LLC request permission to Plug & Abandon the subject well per the attached procedure, wellbore diagram, and reclamation plan.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #500187 verified by the BLM Well Information System For DJR OPERATING LLC, sent to the Farmington Committed to AFMSS for processing by ALBERTA WETHINGTON on 01/23/2020 (20AMW0143SE)	
Name (Printed/Typed) ALICE MASCARENAS	Title REGULATORY TECHNICIAN
Signature (Electronic Submission)	Date 01/22/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOE KILLINS</u>	Title <u>ENGINEER</u>	Date <u>04/10/2020</u>
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 <u>Farmington</u>

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AV

Plug and Abandonment Procedure
for
DJR Operating, LLC
Badlands Federal # 1
API # 30-045-25975
NE/NE, Unit A, Sec. 13, T25N, R13W
San Juan County, NM

I.

1. Hold Pre job meeting, comply with all NMOCD, BLM and environmental regulations.
2. MIRU prep rig.
3. Check and record tubing, casing and bradenhead pressures.
4. Remove existing piping from casing valve, RU blow lines from casing valves and blow down casing pressure. Kill well as necessary. Ensure that well is dead or on a vacuum.
5. MIRU hot oil unit, pump hot water to clear rods and tubing of paraffin.
6. Trip out of hole with rods and pump. Lay down to be sent in for storage/salvage.
7. Unset TAC.
8. ND WH, NU BOP, function test BOP.
9. Trip out of hole with 2 3/8" tubing. LD tubing to be sent in for storage/salvage.
10. RDMO prep rig to next location.

II.

11. MIRU P&A rig and equipment.
12. PU workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 4970'. TOOH.
13. PU and RIH with a 4 1/2" cement retainer. Set the CR at +/- 4970'. Pressure test tubing to 1000 psi, sting out of CR, test casing to 800 psi. If casing does not test, contact engineering. TOOH.

14. TIH with workstring to 4970'.
15. Plug 1. Gallup; RU cement equipment, pump water to assure that tubing is clear. Mix and spot a balanced plug of 18 sx Class G cement from 4970' to 4870'.
16. Plug 2. Mancos; Mix and spot a balanced plug of 18 sx Class G cement from 3976' to 3876'.
17. Plug 3. Cliffhouse; Mix and spot a balanced plug of 18 sx Class G cement from 2158' to 2058'.
18. Plug 4. Chacra, Lewis, Pictured Cliffs and Fruitland; Mix and spot a balanced plug of 124 sx Class G cement from 1830' to 1121'. (pending results of CBL and TOC).
19. Plug 5: Surface casing shoe. Spot balanced plug from 355' to surface, 62 sx class G cement or until circulation is established.
20. RD cementing equipment. Cut off wellhead, fill any exposed annulus with cement as necessary. Install P&A marker as per regulatory requirements. Record GPS coordinates for P&A marker and the Final P&A Report. Photograph the P&A marker and attach to the report.
21. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
22. Send all reports and attachments to DJR Aztec office for regulatory filings.

Note: All cement is to be Class G mixed at 15.8 ppg, yield 1.15 cu ft / sx.

Current Wellbore Diagram
DJR Operating, LLC
Badlands Federal # 1
 API # 30-045-25975
 NE/NE, Unit A, Sec 13, T25N, R13W
 San Juan County, NM

GL 6461'
 KB 6474'
 Spud Date 6/16/1984

SURF CSG

Hole size 12.25
 Csg Size: 8.625
 Wt: 24#
 Grade: K-55
 ID: 8.097
 Depth 305
 cap cf/ft: 0.3576
 TOC: Surf

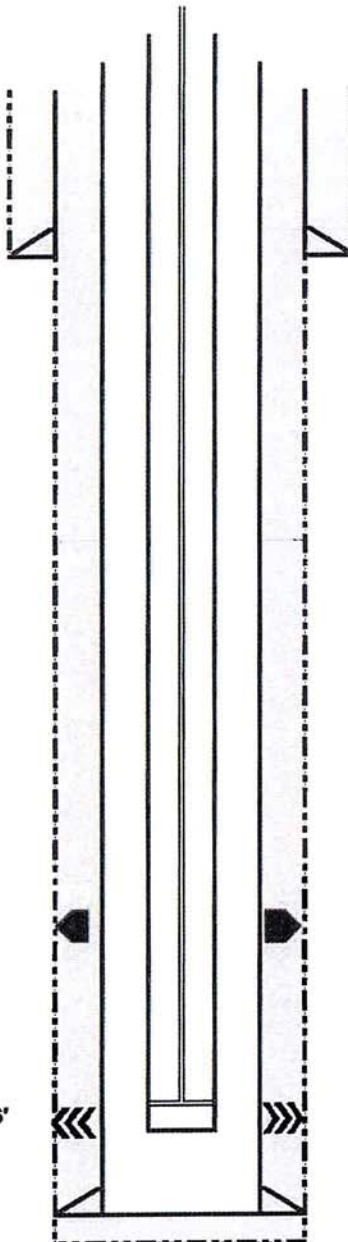
FORMATION TOPS

Nacimiento	Surface
Ojo Alamo	
Kirtland	
Fruitland	1171'
Pictured Cliffs	1383'
Lewis	1490'
Chacra	1780'
Cliffhouse	2108'
Menefee	2222'
Point Lookout	3815'
Mancos	3926'
Gallup	4898'
Perfs	5006-5076'

PROD CSG

Hole size 7.875
 Csg Size: 5.5
 Wt: 15.5#
 Grade: K-55
 ID: 4.95
 Depth 5160
 cap cf/ft: 0.1336
 Csg/Csg 0.1732
 Ann, cf/ft
 TOC: Circ
 Surf

PBTD
 TD 5170'



PROD TBG DETAIL:

2 3/8	5056'
SN	5036'
TAC	4836'
1 1/4 x 16 polish rod	
7/8, 4' Pony	1
7/8 plain	60
3/4 plain	134
1 1/4 K bars	4
3' 7/8" stab	3
RHAC	2x1 1/4x14

DV Tool 4006'

Proposed Wellbore P&A Diagram

DJR Operating, LLC

Badlands Federal # 1

API # 30-045-25975

NE/NE, Unit A, Sec 13, T25N, R13W

San Juan County, NM

GL 6461'
KB 6474'
Spud Date 6/16/1984

SURF CSG

Hole size 12.25
Csg Size: 8.625
Wt: 24#
Grade: K-55
ID: 8.097
Depth 305
cap cf/ft: 0.3576
TOC: Surf

FORMATION TOPS

Nacimiento Surface
Ojo Alamo
Kirtland 855
Fruitland 1171'

Pictured Cliffs 1383'
Lewis 1490'

Chacra 1780'
Cliffhouse 2108'
Menefee 2222'

Point Lookout 3815'

Mancos 3926'

Gallup 4898'

Plug 5: 355' to surf, pump 62 sx Class G cement, or until circulation established.

Plug 4: 1830' to 1121', 709', 124 sx Class G cement

Plug 3: 2158' to 2058', 100'. 18 sx Class G cement

Plug 2: 3976' to 3876', 100'. 18 sx Class G cement

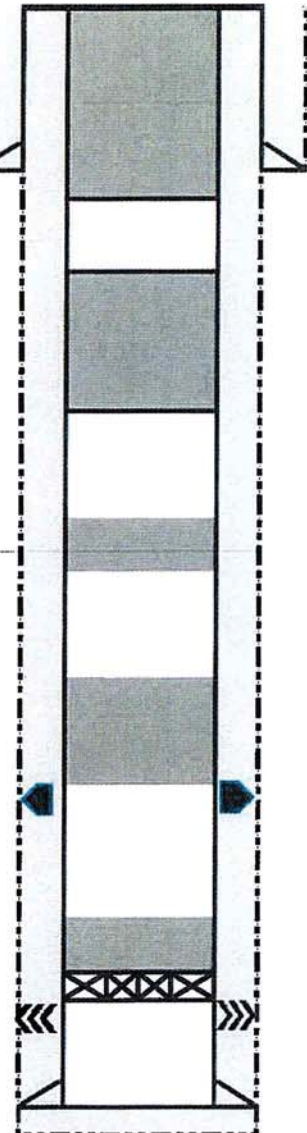
DV tool 4006'

Plug 1: 4970' to 4870', 100', 18 sx Class G cement

CR 4970'

Perfs 5006-5076'

PBTD
TD 5170'



BLM FLUID MINERALS Geologic Report

Date Completed: 4/3/20

Well No.	Badlands Federal # 1		Location	660'	FNL	&	660'	FEL
Lease No.	NMNM58138		Sec. 13	T25N			R13W	
Operator	DJR		County	San Juan		State	New Mexico	
Total Depth	5170'	PBTD 5109'	Formation Bisti Lower Gallup					
Elevation (GL) 6461'			Elevation (KB) 6473' (est.)					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm			Surface	205'	Fresh water sands
Ojo Alamo Ss			205'	270'	Aquifer (fresh water)
Kirtland Shale		1171'	270'		
Fruitland Fm	1171'			1330'	Coal/Gas/Possible water
Pictured Cliffs Ss			1330'	1490'	Gas
Lewis Shale			1490'	1692'	
Chacra			1692'	1950'	Probable water or dry
Lewis Shale			1950'	2108'	
Cliff House Ss (main)			2108'	2300'	Water/Possible gas
Menefee Fm			2300'	3815'	Coal/Ss/Water/Possible O&G
Point Lookout Ss			3815'	3926'	Probable water/Possible O&G
Mancos Shale			3926'	4898'	Source rock
Gallup			4898'		O&G/Water
Dakota					O&G/Water

Remarks:

P & A

-Please note that the depths for the Pictured Cliffs, Chacra and the Menefee formations differ slightly from the Operator's picks.

-The Ojo Alamo formation is behind the surface casing and is protected adequately by the proposed plugging procedure.

Reference Wells:

1) DJR Fm. Tops
Same Kpc-Kg

2) DJR Fm. Tops
Tn-Kks

West Bisti Coal 12 Com #1T
GL: 6492'

Prepared by: Walter Gage

**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: Badlands Federal 1

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.