Form 3160-5
(June 2015)

OCD Received
5/15/2020

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

5. Lease Serial No.
NMNM03453

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
14080018240

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
DUFF FEDERAL COM 2

2. Name of Operator
DJR OPERATING LLC
Contact: SHAW-MARIE FORD
E-Mail: sford@djrllc.com

9. API Well No.
30-039-05278-00-S1

3a. Address
1 ROAD 3263
AZTEC, NM 87410

3b. Phone No. (include area code)
Ph: 505-632-3476

10. Field and Pool or Exploratory Area
S BLANCO

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T24N R1W SWSE 990FSL 1825FEL
36.277357 N Lat, 106.927071 W Lon

11. County or Parish, State
RIO ARRIBA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
BP	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 requests permission to Plug & Abandon the subject well according to the attached Procedure, Current & Proposed Wellbore Diagram. This well is located on private land therefore, a Reclamation Plan is not required per Randy McKee's discussion with Tim Huerter.

KP

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #512601 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Rio Puerco
Committed to AFMSS for processing by JOE KILLINS on 04/28/2020 (20JK0008SE)

Name *(Printed/Typed)* SHAW-MARIE FORD — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 04/24/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS — Title PETROLEUM ENGINEER — Date 05/12/2020

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 Rio Puerco

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 (Ver 2)

(Private Surface Ownership)

for

DJR Operating, LLC

Duff Federal Com #2

API # 30-039-05278

SW/SE, Unit O, Sec. 27, T24N, R01W

Rio Arriba County, NM

1. Hold Pre job meeting, comply with all NMOCD, BLM and environmental regulations.

2. Check and record tubing, casing and bradenhead pressures.

3. 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.

4. ND WH, NU BOP, function test BOP.

5. Trip out of hole with 1" tubing. LD tubing to be sent in for storage/salvage.

6. PU 2 3/8" workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 2980' TOOH.

7. PU and RIH with a 4 ½" cement retainer. Set the CR at +/- 2980'. Pressure test tubing to 1000 psi, sting out of CR, attempt to test casing to 600 psi. Watch for BH returns or pressure. If casing does not test, contact engineering.

8. Roll hole and load hole for CBL log. TOOH.

9. MIRU loggers, run GR/CCL/CBL from 2980' to surface. Hold 500 psi on casing if possible. Send CBL log to Joe Killins jkillins@blm.gov, John Hoffman jhoffman@blm.gov, Brandon Powell PowellBrandon.powell@state.nm.us, Loren Diede ldiede@djrllc.com, Scott Lindsay slindsay@djrllc.com.

10. TIH with workstring to 2980'.

11. RU up cement equipment. Pump water to assure that tubing is clear.

12. Plug 1. Mix and attempt to place 10 sx Class G cement through CR into PC perforations. If the zone pressures up, sting out of CR and place cement on top of CR, continue to plug number 2.

13. Plug 2. Fruitland, (assuming that the CBL shows cement outside the casing to at least 2868' or above). Mix and spot a 112' balanced plug from 2980' to 2868'with class G cement. TOOH.

14. RIH and perforate squeeze holes at the TOC.

15. TIH with cement retainer and set retainer at TOC.

16. Plug 3. Kirtland. Establish injection into perforations. Mix and pump cement from TOC to at least 2758', inside outside to cover the Kirtland and Ojo Alamo tops. Watch for circulation at bradenhead. (Use 14 sx / 100' for inside casing plug and 45 sx / 100' for outside casing plug). **These volumes include the 50% excess for inside and 100% excess for outside plugs.**

17. WOC, tag top of cement plug to verify plug depth. TOOH.

18. RIH and perforate squeeze holes at the 1410'.

19. Plug 4. Nacimiento. Establish injection into perforations. Mix and pump cement from 1410' to at least 1310', inside outside to cover the Nacimiento top. Watch for circulation at bradenhead. Use 14 sx for inside casing plug and 45 sx for outside casing plug. **These volumes include the 50% excess for inside and 100% excess for outside plugs.**

20. WOC, tag top of cement plug to verify plug depth. TOOH.

21. RIH and perforate squeeze holes at the 145'.

22. Surface casing shoe to surface.

23. Plug 5. Surface shoe to surface. Establish injection into perforations. Mix and pump cement from 145' to surface, inside outside. Watch for circulation at bradenhead. Use 18 sx for inside casing plug and 57 sx for outside casing plug, unless cement circulation is seen at surface. **These volumes include the 50% excess for inside and 100% excess for outside plugs.**

24. ND cementing valves and cut off wellhead. Fill annuli 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.

25. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.

26. Send all reports and attachments to DJR Aztec office for regulatory filings.

Current Wellbore Diagram

DJR Operating, LLC

Duff Federal Com #2

API # 30-039-05278
SW/SE, Unit O, Sec 27, T24N, R01W
Rio Arriba County, NM

Private Surface Ownership

GL	**7354**
KB	**N/A**
Spud Date	**12/13/1961**

SURF CSG

Hole size	12.25"	
Csg Size:	8.625"	
Wt:	N/A	
Grade:	N/A	
ID:	8.097"	?
Depth	95'	
cap cf/ft:	0.3576	?
TOC:	75 sx pumped	

PROD CSG

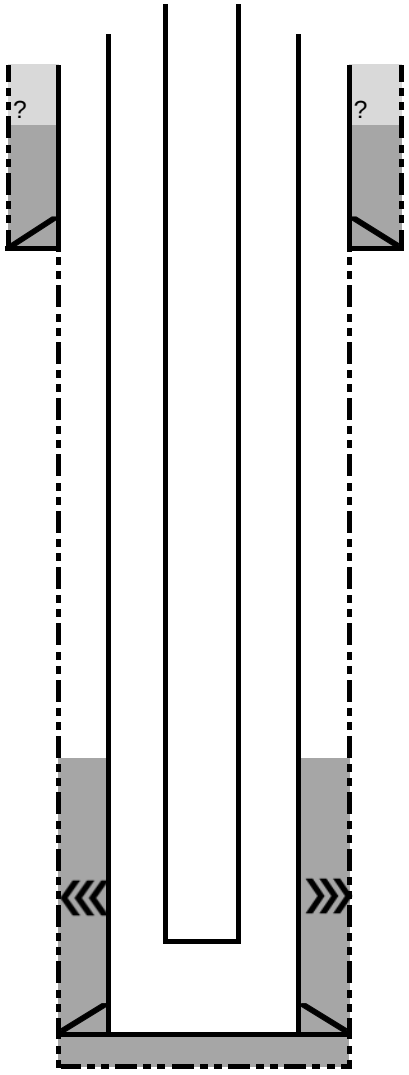
Hole size	7.875"	
Csg Size:	4.5	
Wt:	9.5#	
Grade:	N/A	
ID:	4.000"	?
Depth	3035'	
cap cf/ft:	0.0912	
Csg/Csg Ann, cf/ft:	0.2471	
Csg/OH Ann, cf/ft:	0.2278	
TOC:	75 sx pumped	

FORMATION TOPS

San Jose	**Surf**
Nacimiento	**1360'**
Ojo Alamo	**2660'**
Kirtland	
Fruitland	**2918'**
Pictured Cliffs	**2996'**

Pictured Cliffs perfs
2996 to 3016'

PBTD ?
TD 3035'



PROD TBG DETAIL:

1" tubing	3010'

Proposed Wellbore P&A Diagram

DJR Operating, LLC

Duff Federal Com # 2

API # 30-039-05278
SW/SE, Unit O, Sec 27, T24N, R01W
Rio Arriba County, NM

Private Surface Ownership

GL 7354'
KB N/A
Spud Date 12/13/1961

SURF CSG

Hole size	12.25"	
Csg Size:	8.625"	
Wt:	N/A	
Grade:	N/A	
ID:	8.097"	?
Depth	95'	
cap cf/ft:	0.3576	?
TOC:	75sx pumped	

PROD CSG

Hole size	7.875"
Csg Size:	4.5"
Wt:	9.5#
Grade:	N/A
ID:	4.000"
Depth	3035'
cap cf/ft:	0.0912
Csg/Csg Ann, cf/ft:	0.2471
Csg/OH Ann, cf/ft:	0.2278
TOC:	75 sx pumped

FORMATION TOPS

San Jose	**Surf**
Nacimiento	**1360'**
Ojo Alamo	**2660'**
Kirtland	
Fruitland	**2918'**
Pictured Cliffs	**2996'**

Plug Detail

Plug 5: Surface shoe to surface. 145' to surface. Inside / outside. 57 sx outside casing + 18sx inside casing, or till circ achieved. Class G cement.

Plug 4: Nacimiento, 1410' to 1310'. 14 sx Inside / 45 sx outside, Class G cement

Plug 3: TOC to 2607'. (inside, outside) Use 14 sx /100' for inside + 45 sx / 100' for outside plugs.

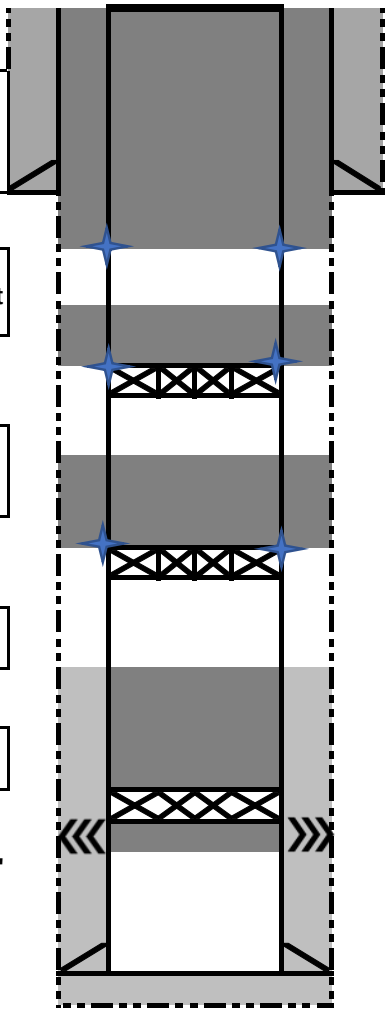
Plug 2: 2980' to 2868', 112' plug. Class G cement.

Plug 1: Mix and attempt to place 10 sx Class G cement through CR into perfs.

Cement Retainer 2980'

Pictured Cliffs perfs 2996 to 3016'

PBTD ?
TD 3035'



BLM FLUID MINERALS
Geologic Report

Date Completed: 5/15/20

Well No.	Duff Federal Com #2		Location	990′ FSL	&	1825′ FEL	
Lease No.	NMNM03453		Sec. 27	T24N		R1W	
Operator	DJR Operating LLC		County	Rio Arriba	State	New Mexico	
Total Depth	3035′	PBTD 3035′	Formation	Blanco Pictured Cliffs South			
Elevation (GL) 7354′			Elevation (KB) 7366′ (est.)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm			Surface	1360′	Surface/Fresh water sands
Nacimiento Fm			1360′	2630′	
Ojo Alamo Ss			2630′	2730′	Aquifer (fresh water)
Kirtland Shale			2730′	2880′	
Fruitland Fm			2880′	2996′	Coal/Gas/Possible water
Pictured Cliffs Ss			2996′		Gas
Lewis Shale					
Chacra					Probable water or dry
Cliff House Ss (main)					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					Source rock
Gallup					O&G/Water
Dakota					O&G/Water

Remarks:
P & A

Reference Well:
1) DJR Operating Fm. Tops
Same

- Please ensure that the tops of the Pictured Cliffs and Fruitland formations as well as the entire Ojo Alamo aquifer, identified in this report, are isolated by proper placement of cement plugs. This will protect the freshwater sands in this well bore.

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:
EC#512601

Re: Permanent Abandonment
Well: Duff Federal Com #2

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. BLM picks top of Fruitland at 2880' md. TOC for plug 2 must be at least 2830' md.

4. BLM picks top of Ojo Alamo at 2630' md. TOC for plug 3 must be at least 2580' md.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 **A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.**

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.

5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.

5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.

5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.

6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H_2S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.