

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: 5/1/2020

Well information:

30-045-34002 BISTI GALLUP 20 #009

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:
- Install proposed plug #6 to cover the Fruitland. OCD Fruitland pick @ 840.'


NMOCD Approved by Signature

6/4/2020
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD received
5/1/2020FORM 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.5. Lease Serial No.
NMNM25448

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
BISTI GALLUP 20 92. Name of Operator
DJR OPERATING LLCContact: SHAW-MARIE FORD
E-Mail: sford@djrlc.com9. API Well No.
30-045-34002-00-S13a. Address
1600 BROADWAY SUITE 1960
DENVER, CO 802023b. Phone No. (include area code)
Ph: 505-632-347610. Field and Pool or Exploratory Area
BISTI LOWER GALLUP

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

Sec 20 T25N R12W NESE 1980FSL 660FEL
36.384869 N Lat, 108.128049 W Lon

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.

KP

DJR Operating, LLC requests permission to Plug & Abandon the subject well according to the attached Procedure, Current and Proposed Wellbore Diagram, and Reclamation Plan.

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

Electronic Submission #508079 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 03/24/2020 (20AMW0185SE)

Name (Printed/Typed) SHAW-MARIE FORD

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 03/23/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved By JOE KILLINSTitle ENGINEERDate 05/01/2020

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 Farmington

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

Group A

for

DJR Operating, LLC

Bisti Gallup 20-9

API # 30-045-34002

NE/SE, Unit I, Sec. 20, T25N, R12W

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 4640'. TOOH.
13. PU and RIH with a 4 1/2" cement retainer. Set the CR at +/- 4640'. Pressure test tubing to 1000 psi, sting out of CR, test casing to 600 psi. If casing does not test, contact engineering.

14. Plug 1. Sting back into CR and attempt to mix and pump 50 sx class G cement through the CR into the Gallup perforations. If zone pressures up, sting out of CR and continue with plug 2.
15. Plug 2. Gallup; RU cement equipment, pump water to assure that tubing is clear. Mix and spot a 50' balanced plug of Class G cement from 4640' to 4590'.
16. Plug 3. Mancos; Mix and spot a 100' balanced plug of Class G cement from 3812' to 3712'.
17. Plug 4. Cliff House; Mix and spot a 100' balanced plug of Class G cement from 1719' to 1619'.
18. Plug 5. Chacra; Mix and spot a 100' balanced plug of Class G cement from 1531' to 1431'.
19. Plug 6; Pictured Cliffs and Fruitland; spot a 497' balanced plug of Class G cement from 1248' to 751'.
20. Plug 7: Spot balanced plug from 437' to surface with Class G cement.
21. 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.
22. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
23. 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
Bisti Gallup 20-9
 API # 30-045-34002
 NE/SE, Unit I, Sec 20, T25N, R12W
 San Juan County, NM

GL 6342'
 KB 6354'
 Spud Date 8/28/2008 (Conductor, 15', 18")
 11/13/2008 (Surf Csg)

SURF CSG

Hole size 12.25"
 Csg Size: 8.625"
 Wt: 24#
 Grade: J-55
 ID: 8.097"
 Depth 387'
 Csg cap ft³: 0.3576
 TOC: Surf

FORMATION TOPS

Nacimiento	Surface
Ojo Alamo	
Kirtland	
Fruitland	801'
Pictured Cliffs	1198'
Lewis	1291'
Chacra	1481'
Cliffhouse	1669'
Menefee	1924'
Point Lookout	3550'
Mancos	3762'
Gallup	4646'

PROD CSG

Hole size 7.875"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: J-55
 ID: 4.95"
 Depth 5146'
 Csg cap ft³: 0.1336
 Csg/Csg 0.1926
 Ann ft³:
 Csg/OH cap
 ft³: 0.1732
 TOC: Circ
 surf

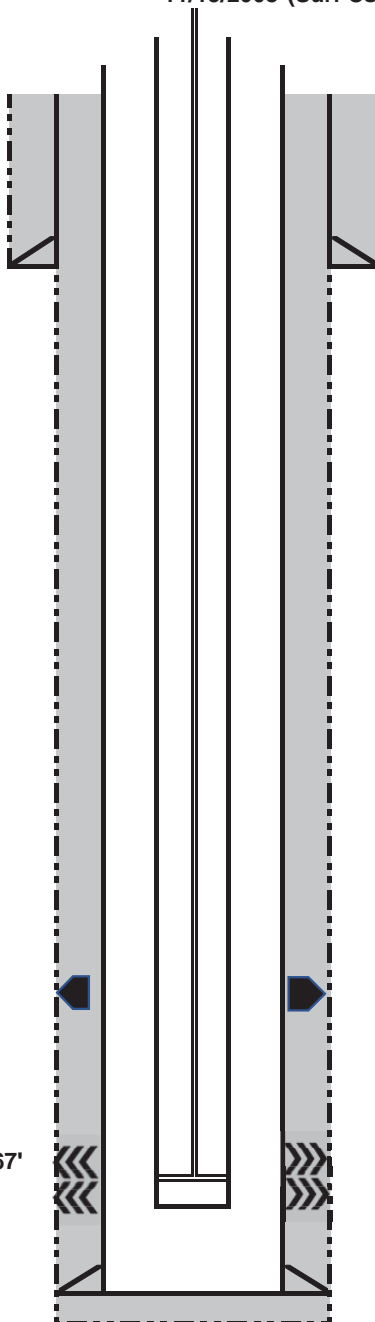
PROD TBG DETAIL:

2 3/8	4930'
SN	4897'
TAC	4550'
1 1/4 x 16 polish rod	
3/4, 4' Pony	
polish rod	
7/8" plain	54
3/4" plain	97
3/4" molded guides	40
1 1/4" sinker bars	2
1 1/2" sinker bars	2
Stabilizer	1
RHAC	2x1 1/4x10x14

Perfs 4673 - 4867'

PBTD 5093'
 TD 5150'

DV Tool 3475'



Proposed Wellbore P&A Diagram

DJR Operating, LLC

Bisti Gallup 20-9

API # 30-045-34002

NE/SE, Unit I, Sec 20, T25N, R12W

San Juan County, NM

GL 6342'
KB 6354'
Spud Date 8/28/2008 (Conductor, 15', 18")
11/13/2008 (Surf Csg)

SURF CSG

Hole size 12.25"
Csg Size: 8.625"
Wt: 24#
Grade: J-55
ID: 8.097"
Depth 387'
Csg cap ft': 0.3576
TOC: Surf

FORMATION TOPS

Nacimiento	Surface
Ojo Alamo	
Kirtland	
Fruitland	801'
Pictured Cliffs	1198'
Lewis	1291'
Chacra	1481'
Cliffhouse	1669'
Menefee	1924'
Point Lookout	3550'
Mancos	3762'
Gallup	4646'

Plug 7: 437' to surface, 437' plug. Class G cement.

Plug 6: Pictured Cliffs, Fruitland, 1248' to 751', 497' plug. Class G cement.

Plug 5: Chacra, 1531' to 1431', 100' plug. Class G cement.

Plug 4: Cliff House, 1719' to 1619', 100' plug. Class G cement.

Plug 3: Mancos, 3812' to 3712', 100' plug, Class G cement.

DV tool 3475'

Plug 2: Gallup, 4640' to 4596', 50' plug above CR. Class G cement.

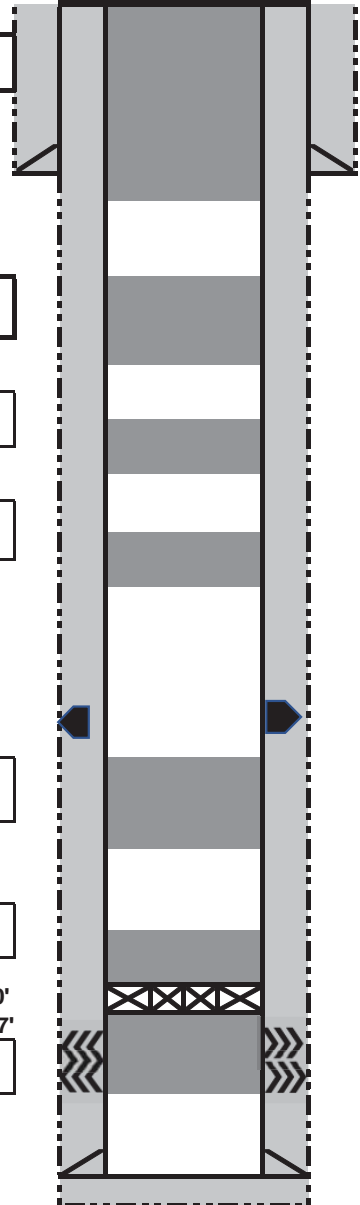
CR 4640'
Perfs 4673 - 4867'

Plug 1: Attempt to pump 50 sx class G cement through CR and into perfs.

PBTD 5093'
TD 5150'

PROD CSG

Hole size 7.875"
Csg Size: 5.5"
Wt: 15.5#
Grade: J-55
ID: 4.95"
Depth 5146'
Csg cap ft³: 0.1336
Csg/Csg 0.1926
Ann ft³: 0.1732
Csg/OH cap ft³: 0.1732
TOC: Circ surf



BLM FLUID MINERALS Geologic Report

Date Completed: 4/28/20

Well No.	Bisti Gallup 20 # 9		Location	1980'	FSL	&	660'	FEL
Lease No.	NMNM 25448		Sec. 20	T25N			R12W	
Operator	DJR Operating, LLC		County	San Juan		State	New Mexico	
Total Depth	5150'	PBTD 5093'	Formation Bisti Lower Gallup					
Elevation (GL) 6342'			Elevation (KB) 6354' (est.)					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose					
Nacimiento	Surface	20'			Surface
Ojo Alamo Ss	20'			411'	Aquifer (fresh water)
Kirtland Shale			411'	735'	
Fruitland			735'	1198'	Coal/Gas/Possible water
Pictured Cliffs Ss			1198'	1291'	Gas
Lewis Shale			1291'	1481'	
Chacra			1481'	1762'	Possible water or gas
Menefee			1762'	1915'	Coal/Ss/Water/Possible O&G
Cliff House Ss			1915'	2104'	Possible water or gas
Menefee			2104'	3570'	Coal/Ss/Water/Possible O&G
Point Lookout Ss			3570'	3762'	Probable water/Possible O&G
Mancos Shale			3762'	4646'	Source rock
Gallup			4646'		O&G/Water
Graneros Shale					

Remarks:
P & A

Reference Well:
1) DJR Operating, LLC 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.

- The top of the Ojo Alamo formation is behind the surface casing and its depths is estimated. The proposed plugging plan will adequately protect the freshwater sands in this formation.

- All depths include a 12' KB.

- Please note that the BLM geologist's pick for the Cliff House formation varies significantly from the operator's pick. In addition, the top of the Menefee formation varies slightly from the operator's pick and the Menefee is encountered twice, above and below the Cliff House.

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#508079

Re: Permanent Abandonment
Well: Bisti Gallup 20 #9

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 tops are based on the attached geologic report. Ensure all plugs cover 50 feet above and below indicated formation tops with plugs meeting General requirements. Minimum inside plug to include 50' excess cement. Minimum inside plug 18 sacks class g cement. See attached BLM geologic report.
 - a. BLM picks Cliffhouse formation top at 1915'. Plug to cover 1965 - 1865.
 - b. BLM picks Fruitland formation top at 735'. Plug to cover 785 - 685.

**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 H₂S.

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.