

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: 5/20/2020

Well information:

30-045-05447 CENTRAL BISTI UNIT #071

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:
- Ensure coverage 4705'-4605'. OCD Gallup pick @ 4655'.
- CBL Required.



NMOCD Approved by Signature

8/11/2020
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. 14206031228
2. Name of Operator DJR OPERATING LLC		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO
Contact: SHAW-MARIE FORD E-Mail: sford@djrlc.com		7. If Unit or CA/Agreement, Name and/or No. 8910060900
3a. Address 1 ROAD 3263 AZTEC, NM 87410	3b. Phone No. (include area code) Ph: 505-632-3476	8. Well Name and No. CENTRAL BISTI UNIT 71
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T25N R12W SESE 0330FSL 0990FEL 36.409225 N Lat, 108.110458 W Lon		9. API Well No. 30-045-05447-00-S1
		10. Field and Pool or Exploratory Area BISTI
		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 requests permission to Plug & Abandon the subject well according to the attached Procedure, Current & Proposed Wellbore Diagram & Reclamation Plan.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #516069 verified by the BLM Well Information System For DJR OPERATING LLC, sent to the Farmington Committed to AFMSS for processing by JOE KILLINS on 05/27/2020 (20JK0277SE)	
Name (Printed/Typed) SHAW-MARIE FORD	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 05/20/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOE KILLINS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>08/06/2020</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
Central Bisti Unit 71
API # 30-045-05447
SE/SE, Unit P, Sec. 9, T25N, R12W
San Juan County, NM

Note: This well was drilled and cased with 7" 23# casing. After developing casing leaks, 4.5" flush joint casing was run from surface to 4001' and cemented.

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 4 1/2" bit and scraper, make sure that the bit and scraper will go to 3970'. TOOH.

13. PU and RIH with a 4 ½” cement retainer. Set the CR at +/- 3970’. Pressure test tubing to 1000 psi, sting out of CR, load and roll the hole, test casing to 600 psi. If casing does not test, contact engineering. TOOH.
14. MIRU logging truck. Run CBL log from 3970’ to surface. Hold 600 psi on casing if possible. Electronic copy of CBL to be sent to; Brandon Powell, NMOCD Brandon.Powell@state.nm.us, Joe Killins, BLM jkillins@blm.gov, John Hoffman, BLM jhoffman@blm.gov and Scott Lindsay, DJR slindsay@djrlc.com.
15. TIH with workstring to 3970’. Sting into retainer.
16. Plug 1. RU cement equipment. Pump water to assure that tubing is clear. Mix and attempt to squeeze 35 sx Class G cement through CR into Gallup perforations. If zone pressures up, sting out of CR, spot cement on top of retainer and continue to Plug 2.
17. Plug 2. Gallup: Pump water to assure that tubing is clear. Mix and spot a 100’ balanced plug of Class G cement from 3970’-3870’.
18. Plug 3. Mancos: Depending on the results of the new CBL, mix and spot a 100’ balanced plug of Class G cement from 3768’ to 3668’. (May be inside/outside, above existing TOC)
19. Plug 4. Mesa Verde: Depending on the results of the new CBL, mix and spot a 100’ balanced plug of Class G cement from 1880’ to 1780’. (May be inside/outside)
20. Plug 5. Chacra: Depending on the results of the new CBL, mix and spot a 100’ balanced plug of Class G cement from 1484’ to 1384’. (May be inside/outside)
21. Plug 6. Pictured Cliffs and Fruitland: Depending on the results of the new CBL, mix and spot a 450’ balanced plug of Class G cement from 1160’ to 710’. (May be inside/outside)
22. Plug 7. Kirtland: Depending on the results of the new CBL, mix and spot a 100’ balanced plug of Class G cement as indicated by BLM/OCD. (May be inside/outside)
23. Plug 8: Surface shoe to surface: Perforate 4 holes at 255’. Tie on to 4 ½” casing and mix and pump inside and outside from 255’ to surface with Class G cement or until circulation is established.
24. 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.

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.

Note: All cement is to be Class G mixed at 15.8 ppg, yield 1.15 cu ft / sx. Cement volumes are based on inside capacities +50' excess and outside capacities + 100% excess. Outside plugs will be determined once new CBL has been run.

Current Wellbore Diagram
DJR Operating, LLC
Central Bisti Unit 71

API # 30-045-05447
SE/SE, Unit P, Sec 9, T25N, R12W
San Juan County, NM

GL 6198'
KB 6208'
Spud Date 12/5/1955

SURF CSG

Hole size 15.5"
Csg Size: 10.75"
Wt: 32.75#
Grade: N/A
ID: 10.192"
Depth 205'
Csg cap ft³: 0.5666
TOC: Circ cmt
to surface

FORMATION TOPS

	Surface
Nacimiento	N/A
Ojo Alamo	N/A
Kirtland	N/A
Fruitland	760'
Pictured Cliffs	1110'
Chacra	1434'
Mesa Verde	1830'
Mancos	3718'
Gallup	4629'

PROD CSG

Hole size 9"
Csg Size: 7"
Wt: 23#
Grade: J-55
ID: 6.366"
Depth 4880'
Csg cap ft³: 0.2210
Csg/Csg Ann ft³: 0.2993
Csg/OH cap ft³: 0.1745
TOC: 3740'

The 7" csg developed several casing leaks. Ran 100 jts. (3990') 4-1/2" 11.6# J-55 scab liner set @ 4001', 8/24/88. Cemented with 200 sx Thriftylight followed by 100 sx Class B + 2% CaCl. Circulated 60 bbls cement to surface.

4.5" FJ in 7" 23#	4001'
ID.	4.052"
Csg cap ft ³ :	0.0895

Prod Tubing Detail:

2 3/8	4809'
SN	4776'

Rod Detail:

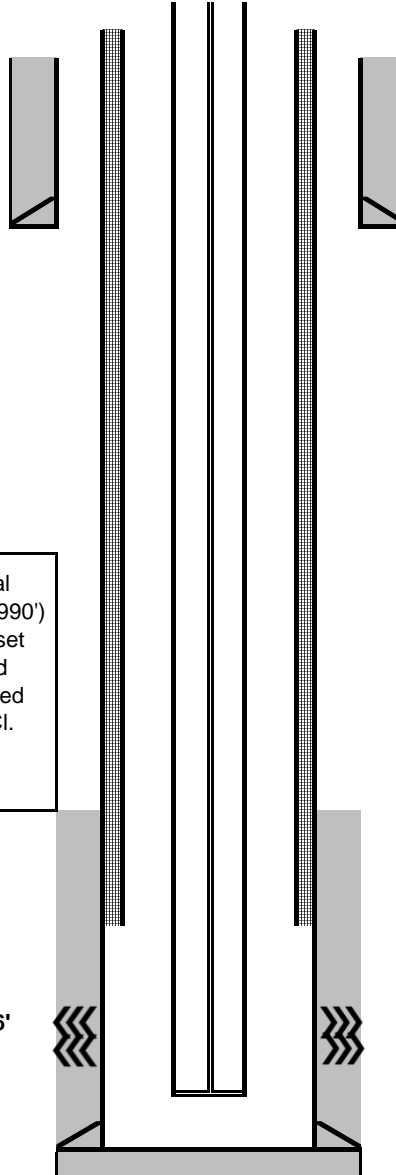
2"x1-1/2"x16' RWAC,, 4X1-1/4" sinker bars, 6x3/4" guided rods, 179x3/4" plain rods, 8'x6'x3/4" rod subs, 22' polished rod.

Perfs 4730-4836'

PBTD 4846'
TD 4880'

TOC 3740' (TS)

4.5" FJ in 7" 23# set at 4001'



Proposed PXA Wellbore Diagram
DJR Operating, LLC
Central Bisti Unit 71

API # 30-045-05447
SE/SE, Unit P, Sec 9, T25N, R12W
San Juan County, NM

GL 6198'
KB 6209'
Spud Date 12/5/1955

SURF CSG

Hole size 15.5"
Csg Size: 10.75"
Wt: 32.75#
Grade: N/A
ID: 10.192"
Depth 205'
Csg cap ft3: 0.5666
TOC: Circ cmt to surface

FORMATION TOPS

Nacimiento	Surface
Ojo Alamo	N/A
Kirtland	N/A
Fruitland	760'
Pictured Cliffs	1110'
Chacra	1434'
Mesa Verde	1830'
Mancos	3718'
Gallup	4629'

PROD CSG

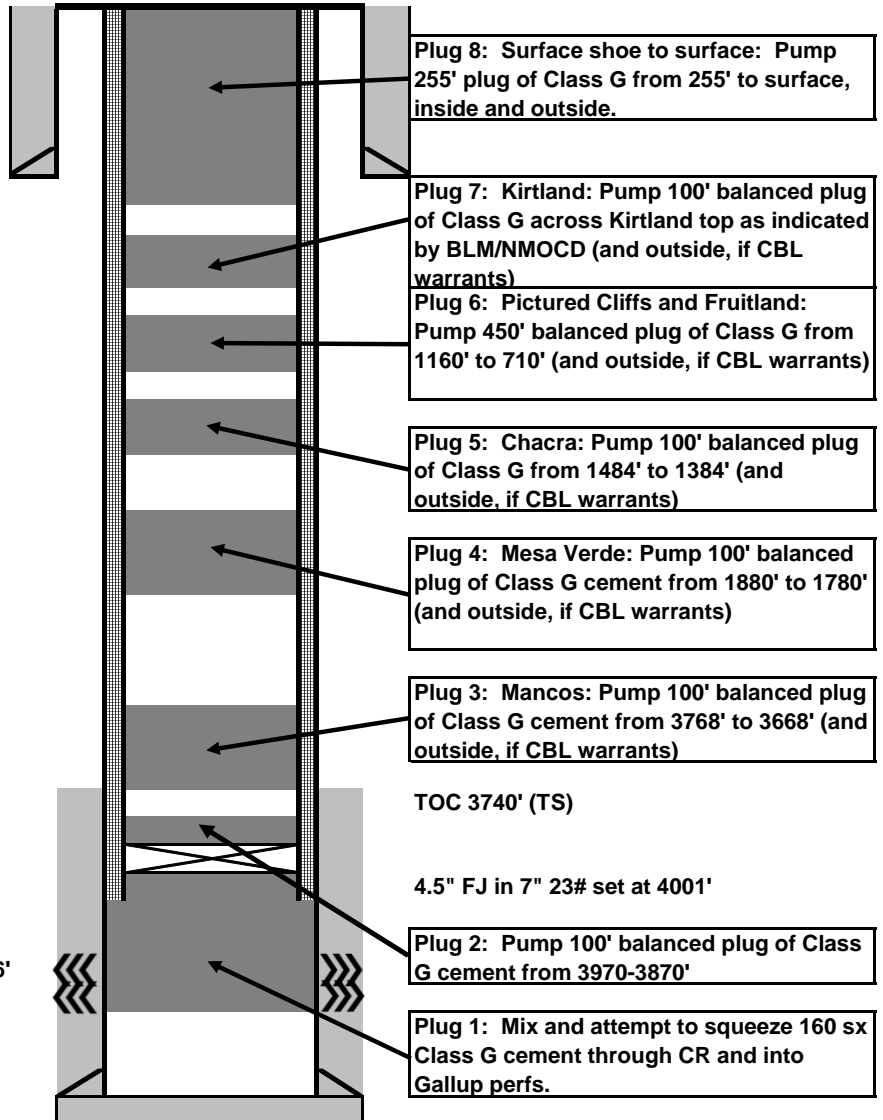
Hole size 9"
Csg Size: 7"
Wt: 23#
Grade: J-55
ID: 6.366"
Depth 4880'
Csg cap ft3: 0.2210
Csg/Csg Ann ft3: 0.2993
Csg/OH cap ft3: 0.1745
TOC: 3740'

4.5" FJ in 7" 23#	4001'
ID.	4.052"
Csg cap ft3:	0.0895

CR 3970'

Perfs 4730-4836'

PBTD 4846'
TD 4880'



Central Bisti Unit #71

General Reclamation Plan Narrative

On April 15, 2020 an onsite to discuss surface reclamation plan was conducted with attendees Randy McKee of the BLM FFO, DJR operating, LLC contractors, Vance Hixon and Tim Huerter.

Reclamation work will begin in 2020 (date to be determined), and after submitted approved plugging Sundry. Notification will be provided via e-mail or by phone to Randy McKee, rmckee@blm.gov and cell 505-793-1834, 48 hours prior to starting dirt work.

The following was discussed:

All fences (if any), production equipment, concrete slabs, anchors, flow lines (within pad area) risers if any (cut off at pipeline depth), tanks, will be removed off the DRJ well site and will be disposed of at the proper facilities. Any debris and trash on the well site and 100' around the outside of the well site perimeter will be removed and disposed of at the proper facility.

Wellsite piping risers will be cut off 3' below finish grade, when the piping is not buried deeper than 3' this pipe will be removed from the ground. A blind flange will be placed on the pipeline valve. Pipeline will need further investigation in order to isolate.

Re-contouring on the well site will consist of moving material from the SW edge of the site back up to the NE edge of the site. There is lot of trash on the location that will need to be removed. There is a drop pole that will need to be removed. The access road is 2,000+' and will need a lot of work to be removed. After the dirt work is complete and topsoil is distributed the disturbed areas will be seeded and mulched. There is a pipeline that crosses the pad and may need to be lowered after the reclaim work is completed.

A barrier fence with signage will be installed to protect the reclaimed area.

All seed will be distributed via drill seeding. All ripping on the well site to loosen compacted soils and drill seeding will be done following the contours to minimize water erosion. All ripping on access roads and drill seeding will be done following the contours to minimize water erosion.

Straw mulch (i.e. barley, wheat, oat, etc.) will be uniformly applied and crimped on the reclaimed areas of the well site and access road.

BLM FLUID MINERALS Geologic Report

Date Completed: 7/23/20

Well No.	Central Bisti Unit # 71	Location	330'	FSL	&	990'	FEL
Lease No.	14206031228	Sec. 9	T25N				R12W
Operator	DJR Operating LLC	County	San Juan	State		New Mexico	
Total Depth	4880'	PBTD 4846'	Formation	Bisti Lower Gallup			
Elevation (GL) 6221'			Elevation (KB) 6233' (est.)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Fresh water sands
Nacimiento Fm					Fresh water sands
Ojo Alamo Ss			Surface		Surface/Aquifer (fresh water)
Kirtland Shale	Behind Surface Casing			760'	
Fruitland Fm			760'	1090'	Coal/Gas/Possible water
Pictured Cliffs Ss			1090'	1280'	Gas
Lewis Shale			1280'	1460'	
Chacra			1460'	1720'	Probable water or dry
Lewis Shale Stringer			1720'	1850'	
La Ventana Ss Tongue/ Cliff House Ss			1850'	2450'	Water/Possible gas
Menefee Fm			2450'	3580'	Coal/Ss/Water/Possible Gas
Point Lookout Ss			3580'	3730'	Probable water/Possible O&G
Mancos Shale			3730'	4250'	Source rock
Tocito Ss Lentil			4250'	4755'	O&G/Water
Gallup			4755'		O&G/Water

Remarks:

P & A

-Please note that while the depths for most formations differ only slightly between the Operator's picks and the BLM geologist's picks, the BLM Geologist interprets the La Ventana Ss Tongue/Cliff House Ss as a continuous sandy interval containing both these units.

-The Ojo Alamo formation top is above ground level and the formation is protected adequately by the proposed plugging procedure.

-The Gallup identified is the actual Gallup formation, not a sand body within the Mancos.

Formation Tops Reference Well:

Elm Ridge Exploration Co. LLC
Central Bisti Unit # 36
330' FSL, 2310' FEL
Sec 9, T25N, R12W

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#516069

Re: Permanent Abandonment
Well: Central Bisti Unit 71

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. Submit a copy of the updated procedure reflecting geologic report and all COAs to the following email addresses before operations commence: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us
4. Submit electronic copy of the CBLs for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Required plug coverage is based on attached BLM geologic report.