

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, 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: 6/26/2018

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-05369-00-00	CENTRAL BISTI UNIT	048	DJR OPERATING, LLC	O	A	San Juan	F	I	17	25	N	12	W

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 24hrs prior to beginning operations.
- Add a plug from 1573' - 1473' inside/outside to cover the Chacra top.

NMOCD Approved by Signature

7/12/18

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

DJR Operating, LLC

3a. Address

C/O A Plus WS Farmington, NM

3b. Phone No. (include area code)

505-486-6958

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

UL - I, 1980' FSL & 660' FEL, Sec. 17, T25N, R12W

5. Lease Serial No.

NMSF - 078058

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Central Bisti Unit 48

9. API Well No.

30-045-05369

10. Field and Pool or Exploratory Area

Bisti Lower Gallup

11. Country or Parish, State

San Juan

NEW MEXICO

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 P&A the subject well per the attached procedure, current and proposed wellbore diagram.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

NMOC

JUL 12 2018

DISTRICT III

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

Nell Lindenmeyer / Agent for DJR

Title

Engineer Tech

Signature

Date

6/26/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instruction on page 2)

NMOC

PLUG AND ABANDONMENT PROCEDURE

May 1, 2018

Central Bisti Unit #48

Bisti Lower Gallup

1980' FSL & 660' FEL, Section 17, T25N, R12W, San Juan County, New Mexico

API 30-045-05369 / Long _____ / _____

Note: The procedure is revised based on the approved P&A sundry. All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes____, No X, Unknown____.
Tubing: Yes X, No____, Unknown____, Size 2-3/8", Length 4755'.
Packer: Yes____, No X, Unknown____, Type _____.
4. **Plug #1 (Gallup perforations, 4725' – 4625')**: R/T 5.5" gauge ring or mill to 4725'. RIH and set 5.5" CR at 4725'. Pressure test tubing to 1000#. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as necessary. Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to isolate the Gallup formation. PUH.
5. **Plug #2 (Gallup top, 4630' – 4530')**: Mix and pump 18 sxs Class G cmt and spot a balanced plug inside casing to isolate the Gallup top. PUH.
6. **Plug #3 (Mancos top, 3847' – 3747')**: Perforate 2 holes at 3847'. TIH with tubing and set 5 ½" CR at 3797'. Load casing with water and circulate well clean. Mix and pump 52 sxs; squeeze 34sxs Class G cement behind 5 ½" casing and 18 sxs above CR. PUH and WOC. TIH and tag cement; top off if necessary. TOH with tubing. PUH.
7. **Plug #4 (Mesaverde top, 2023' - 1923')**: Perforate 2 holes at 2023'. TIH with tubing and set 5 ½" CR at 2073'. Load casing with water and circulate well clean. Mix and pump 52 sxs; squeeze 34 sxs Class G cement behind 5 ½" casing and 18 sxs above CR. PUH and WOC. TIH and tag cement; top off if necessary. TOH with tubing. PUH.
8. **Plug #5 (Pictured Cliffs top, 1190' – 1090')**: Perforate 2 holes at 1190'. TIH with tubing and set 5 ½" CR at 1140'. Load casing with water and circulate well clean. Mix and pump 52 sxs; squeeze 34 sxs Class G cement behind 5 ½" casing and 18 sxs above CR. PUH and WOC.

9. **Plug #6 (Fruitland Coal top, 958' – 858')**: Perforate 2 holes at 958'. TIH with tubing and set 5 ½" CR at 908'. Load casing with water and circulate well clean. Mix and pump 52sxs; squeeze 34 sxs Class G cement behind 5 ½" casing and 18 sxs above CR. PUH and WOC.
10. **Plug #7 (8-5/8" Surface casing shoe and Surface, 243' - Surface)**: Perforate 2 holes @ 243'. Mix and pump 83 sxs; circulate good cement out bradenhead valve. TOH and LD tubing. Shut well in and WOC.
11. 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 cut off anchors. Restore location per BLM stipulations

CBU #48

Current

Bisti Lower Gallup

Today's Date: 6/4/18

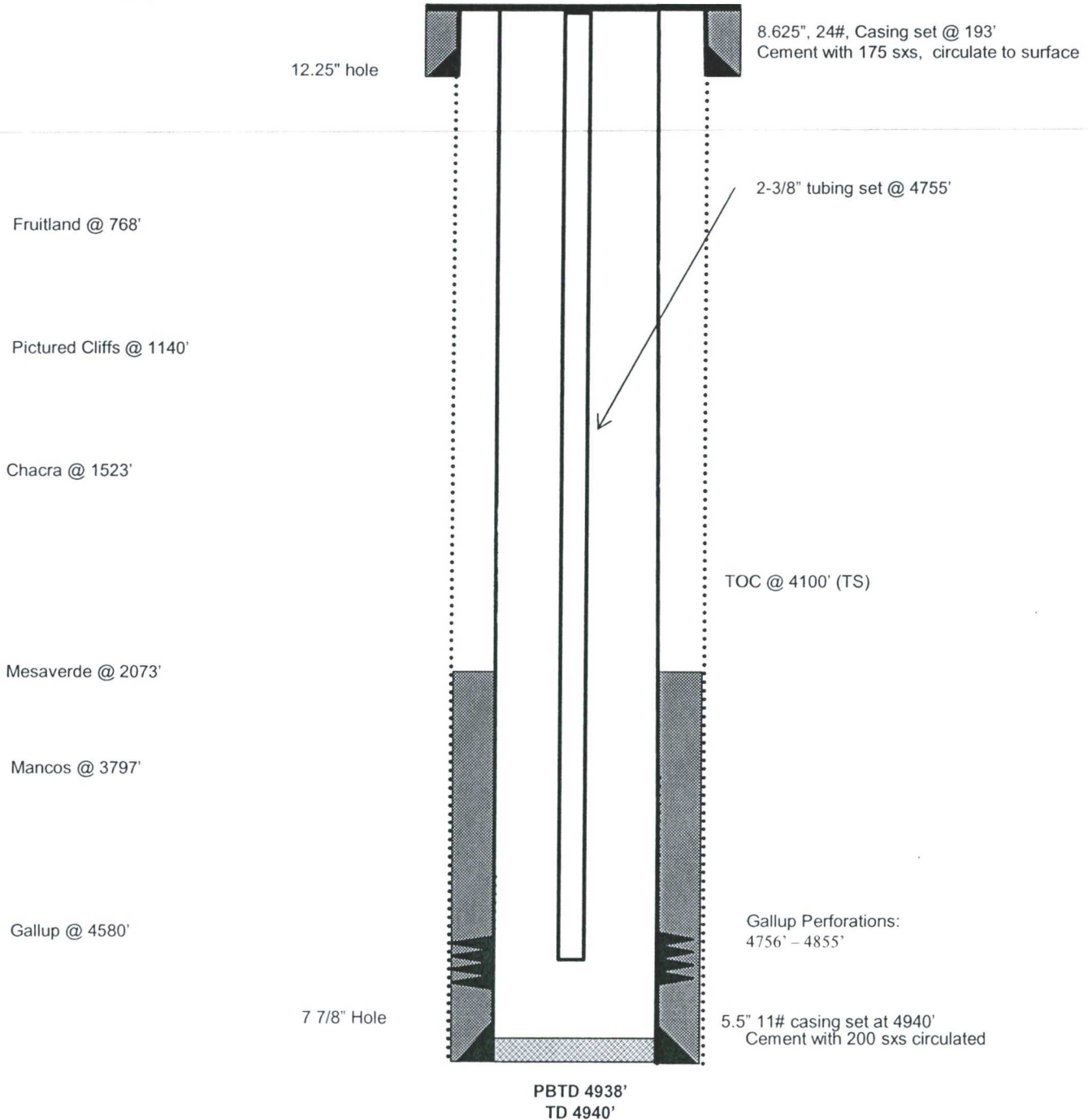
Spud: 6/29/56

Completion: 8/12/56

Elevation: 6302' GR

1980' FSL & 660' FEL, Section 17, T-25-N, R-12-W

San Juan County, NM API #30-045-05369



CBU #48 **Proposed P&A**

Bisti Lower Gallup

1980' FSL & 660' FEL, Section 17, T-25-N, R-12-W

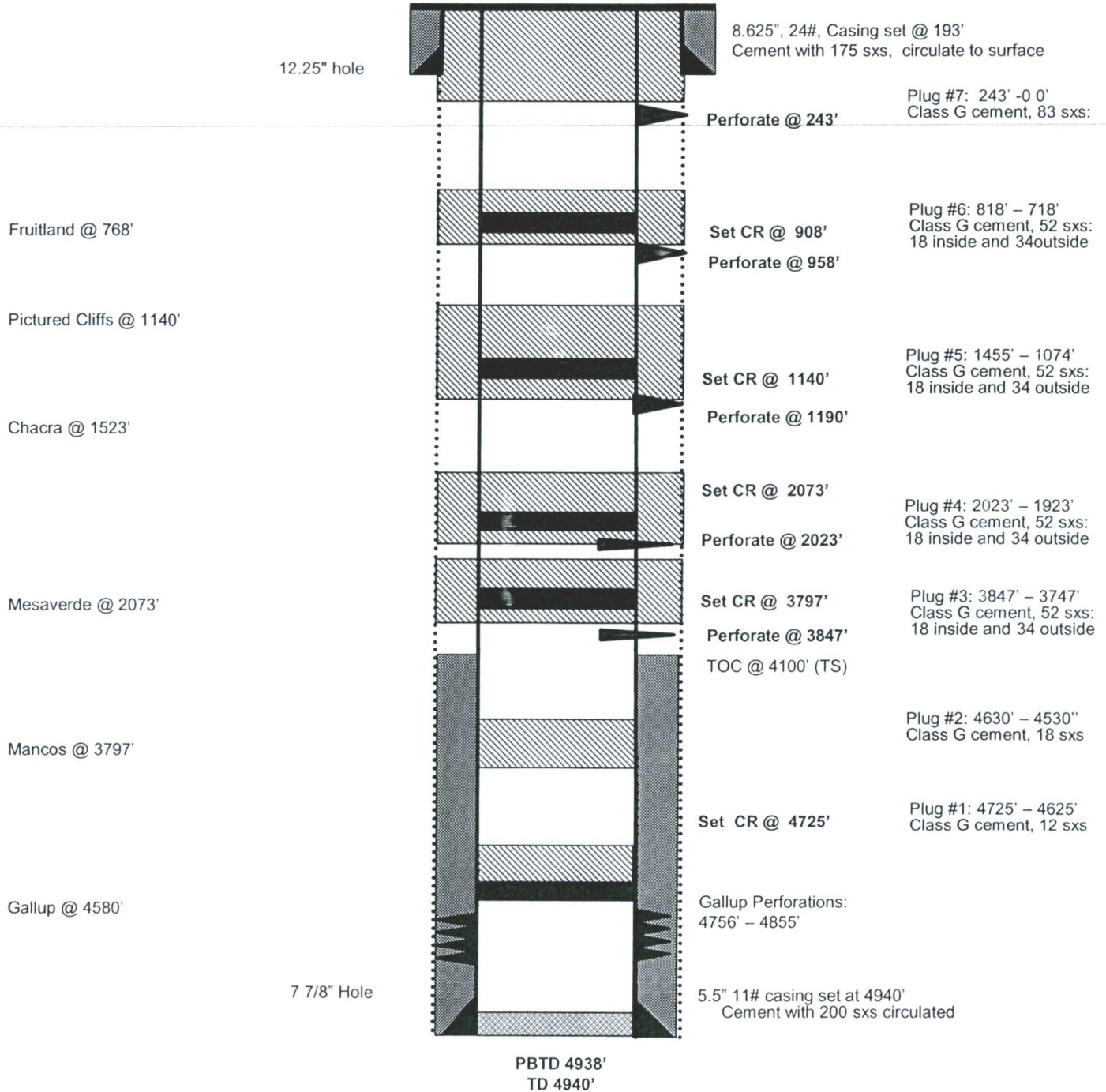
San Juan County, NM API #30-045-05369

Today's Date: 6/4/18

Spud: 6/29/56

Completion: 8/12/56

Elevation: 6302' GR



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: Central Bisti Unit 48

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 #3 (3970 - 3690) ft. inside/outside to cover the Mancos top. BLM picks top of Mancos at 3740 ft.
- b) Set Plug #4 (1951 - 1851) ft. inside/outside to cover the Mesaverde top. BLM picks top of Mesaverde at 1901 ft.
- c) Set Plug #5 (1210 - 1110) ft. inside/outside to cover the Pictured Cliffs top. BLM picks top of the Pictured Cliffs at 1160 ft.
- d) Set Plug #6 (887 - 787) ft. inside/outside to cover the Fruitland top. BLM picks top of Fruitland at 837 ft.
- e) Set Plug #7 (260 - 0) ft. inside/outside to cover the Kirtland top. BLM picks top of Kirtland at 210 ft.

Operator will run a CBL to verify cement top. Submit 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.