

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: 8/16/18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-23941-00-00	JICARILLA APACHE D	004	DJR OPERATING, LLC	G	A	Rio Arriba	J	L	36	24	N	5	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: Conversion to Water well

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Extend plug #1 up to 1950' to fully isolate the Kirtland formation which could be productive.
- In addition to standard water testing DJR will also need to sample the water well for Natural Gas, hydrocarbons and H2S. DJR will need to submit this sample information to the agencies to show there is no production from this zone.
- If the Jicarilla Water Administration accepts the water well an "Affidavit of Responsibility for Conversion to Water Well" form will need to be completed.
- If the well requires plugging extend the surface plug down to 490' to cover the OCD's pick for the Nacimiento.
- If the well requires plugging extend the plug #3 down to 1870' to cover the OCD's pick for the Ojo Alamo.

NMOCD Approved by Signature

8/31/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

AUG 14 2018

Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. JIC 40
2. Name of Operator DJR Operating, LLC		6. If Indian, Allottee or Tribe Name Jicarilla Apache
3a. Address 1 Road 3263 Aztec, NM 87410	3b. Phone No. (include area code) 505-632-3476 x201	7. If Unit or CA/Agreement, Name and/or N
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) "L" - Sec. 36-T24N-R5W 1850' FSL X 800' FWL		8. Well Name and No. Jicarilla Apache D 4
		9. API Well No. 30-039-23941
		10. Field and Pool, or Exploratory Area Ballard PC
		11. County or Parish, State Rio Arriba County, NM

12. CHECK 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"/> Fracture Treat	<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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Proposed Water
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Well

13. Describe Proposed or Completed Operations (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 shall 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 shall be filed once Testing has been completed. Final Abandonment Notices shall 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 would like to plugback the above well per the attached procedure.

NMOCD
AUG 20 2018
DISTRICT III

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

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Amy Archuleta	Title Regulatory
Signature	Date August 14, 2018

THIS SPACE FOR FEDERAL OR STATE USE

Approved by 	Title PE	Date 8/16/18
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 FTO	

Title 18 U.S.C. Section 1001, makes 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 reverse)

NMOCD

Proposed Plugback and Recompletion as Water Well

July 11, 2018

Jicarilla Apache D #4

Ballard Pictured Cliffs

1850' FSL and 800' FWL, Section 36, T24N, R5W
Rio Arriba County, New Mexico / API 30-039-23941

Lat: N _____ / Lat: W _____

NMOCD

AUG 20 2018

DISTRICT III

Note: 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. 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.
2. Rods: Yes X , No _____, Unknown _____.
Tubing: Yes X , No _____, Unknown _____, Size 1.5" IJ , Length 2386'.
Packer: Yes _____, No X , Unknown _____, Type _____.
3. **Plug #1 (PC interval and Fruitland tops, 2318' – 1966')** Round trip 5.5" gauge ring or mill to 2318' or as deep as possible. RIH and set 5.5" cement retainer at 2318'. Mix and pump 47 sxs Class G cement above CR to cover the PC interval and Fruitland top. TOH and LD setting tool.
4. **WOC Plug #1.** RIH and tag cement. Set CIBP at 2000' (or appx 10' above cement for Plug #1).

Pressure test casing to 500#. If casing tests than run MIT. Submit to appropriate parties.

NOTE: Leave 100' -150' rat hole for sump accumulation of water. Perforations in target zone as close as possible (3 SPF 120 degree phasing with 25 to 50 perforations). Stage perfs from top to bottom so as not to wash out zone.

RU A-Plus wireline struck. Perforate Ojo Alamo zone from 1725' – 1775' using 3 SPF 120 degree phasing with 25 to 50 perforations.

Test and complete well as a water well.

If water passes quality and quantity tests, the well will be temporarily shut in until Jicarilla Water Administration approval is received.

If water zone is found unproductive, well will continue to be plugged to surface.

5. **Plug #2 (Ojo Alamo top, 1575-1675)** Set CR at 1675'. Mix and pump 18 sx Class G cement above CR to cover Ojo Alamo top and perforations.
6. **Plug #3 (Nacimiento top, 941' - 841')** Mix and pump 18 sxs Class G cement above CR to cover the Nacimiento top. PUH.

7. **Plug #4 (8.625" casing shoe, 371' – 0')**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 44 sxs cement and spot a balanced plug from 371' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing and annulus from the squeeze holes to surface. Shut in well and WOC.
8. 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

Jicarilla Apache D #4

Proposed Water Well Ballard Pictured Cliffs

1850' FSL, 800' FWL, Section 36, T-24-N, R-5-W

Rio Arriba County, NM, API #30-039-23941

Today's Date: 5/3/18

Spud: 2/4/86

Completed: 3/5/86

Elevation: 6731' GL

12.25" hole

Nacimiento @ 891'

Leave 100' -150' rat
hole for sump
accumulation of water.
Perforations in target
zone as close as
possible (3 SPF 120
degree phasing with 25
to 50 perforations.
Stage perfs from top to
bottom so as not to
wash out zone.

Ojo Alamo @ 1722'

Kirtland @ 1870'

Fruitland @ 2016'

Pictured Cliffs @ 2360'

7-7/8" hole

TD 2550'
PBTD 2434'

Circulated cement to surface

8.625" 24# Casing set @ 321'
Cement with 215 sxs, circulated to surface.

NMOC
AUG 20 2018
DISTRICT III

Perforate 1725' - 1775'

Plug #1: 2318' - 1966'
Class G cement, 47 sxs

Set CIBP @ 2000'
(or 10' above cement for Plug #1)

Set CR @ 2318'

Pictured Cliffs Perforations:
2368' - 2392'

5.5", 15.5#, 17# Casing set @ 2550'
Cement with 512 sxs, circulated to surface