

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: 6/26/2019

Well information:

**30-039-05170 AXI APACHE H #001**

**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 24hrs prior to beginning operations.
- Adjust plug #1 to 2,002' - 1,470' to cover the Ojo Alamo top. OCD Ojo Alamo pick @ 1,520'.

  
\_\_\_\_\_  
NMOCD Approved by Signature

10/17/19  
\_\_\_\_\_  
Date

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**

|   |  |  |
|---|--|--|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other                  |  | 5. Lease Serial No.<br>JIC38                             |
| 2. Name of Operator<br>DJR OPERATING LLC  |  | 6. If Indian, Allottee or Tribe Name<br>JICARILLA APACHE |
| 3a. Address<br>1600 BROADWAY SUITE 1600<br>DENVER, CO 80202   |  | 7. If Unit or CA/Agreement, Name and/or No.              |
| 3b. Phone No. (include area code)<br>Ph: 505-632-3476   |  | 8. Well Name and No.<br>AXI APACHE H 1                   |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 5 T23N R5W SENE 1980FNL 990FEL<br>36.256606 N Lat, 107.378754 W Lon |  | 9. API Well No.<br>30-039-05170-00-S1                    |
|   |  | 10. Field and Pool or Exploratory Area<br>BALLARD        |
|   |  | 11. County or Parish, State<br>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                                |  |  |   |
|--|---|--|--|---|
| <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 per the attached Procedure, wellbore diagram, and Reclamation Plan.

Notify NMOCD 24 hrs  
prior to beginning  
operations

NMOCD

OCT 09 2019

DISTRICT III

|  |                      |
|--|----------------------|
| 14. I hereby certify that the foregoing is true and correct.<br><b>Electronic Submission #470790 verified by the BLM Well Information System</b><br><b>For DJR OPERATING LLC, sent to the Rio Puerco</b><br><b>Committed to AFMSS for processing by ALBERTA WETHINGTON on 06/28/2019 (19AMW0018SE)</b> |                      |
| Name (Printed/Typed) SHAW-MARIE CRUES  | Title HSE TECHNICIAN |
| Signature (Electronic Submission)  | Date 06/26/2019      |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |                                 |                          |
|---|---------------------------------|--------------------------|
| Approved By <u>JOHN HOFFMAN</u>   | Title <u>PETROLUEM ENGINEER</u> | Date <u>10/08/2019</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>Rio Puerco</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 \*\***

NMOCD *AX*

## **DJR Operating LLC**

### **Plug And Abandonment Procedure**

#### **AXI Apache H #001**

**1980' FNL & 990' FEL, Section 05, T23N, R5W**

**Rio Arriba County, NM / API 30-039-05170**

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.
2. Check casing, tubing, and bradenhead pressures.
3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP.
5. P/U 5-1/2" bit or casing scraper on 2-3/8" workstring and round trip as deep as possible above top perforation at 2052'.
6. P/U 5-1/2" CR, TIH and set CR at +/- 2002'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.
7. RU wireline and run CBL with 500 psi on casing from CR at 2002' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to



Jack Savage (BLM) at [jwsavage@blm.gov](mailto:jwsavage@blm.gov) and Brandon Powell at [Brandon.powell@state.nm.us](mailto:Brandon.powell@state.nm.us) upon completions of logging operations.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

**NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing**

9. Plug 1 (**Pictured Cliffs Perforations and Formation Top, Fruitland, Kirtland, Ojo Alamo Formation Tops 2002'-1600', 50 Sacks Class G Cement**)

Mix 50 sx Class G cement and spot a balanced plug inside casing to cover Pictured Cliffs perforations and formation top, Fruitland, Kirtland, and Ojo Alamo formation tops.

10. Plug 2 (**Nacimiento Formation Top 1000'-850', 18 Sacks Class G Cement**)

Mix 18 sx Class G cement and spot a balanced plug inside casing to cover the Nacimiento formation top.

11. Plug 3 (**Surface Shoe and Surface 365'-surface, 115 Sacks Class G Cement**)

Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 115 sx cement and spot a balanced plug from 365' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 365' and the annulus from the squeeze holes to surface. Shut in well and WOC.

12. 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 restore location per BLM stipulations.

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## Wellbore Diagram

AXI Apache H #001

API #: 3004505170

Rio Arriba County, New Mexico

### Plug 3

365 feet - Surface

365 feet plug

115 sacks of Class G Cement

### Plug 2

1000 feet - 850

150 feet plug

18 sacks of Class G Cement

### Plug 1

2002 feet - 1600

402 feet plug

50 sacks of Class G Cement

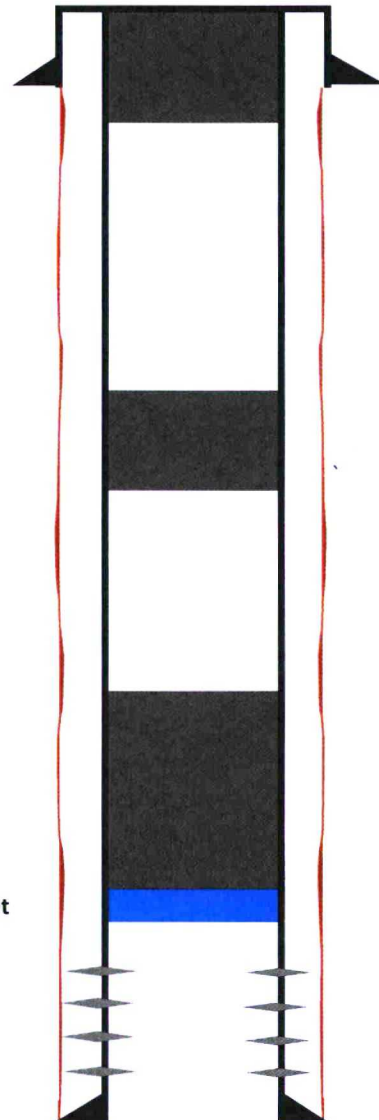
### Surface Casing

8.625" 24# @ 303 ft

Retainer @ 2002 feet

### Production Casing

5.5" 14# @ 2152 ft



**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<sub>2</sub>S.

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.

**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: Axi Apache H #1 API: 30-045-05170

**CONDITIONS OF APPROVAL**

1. Plugging operations authorized are subject to the "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. CBL required after setting CIBP from 4647' to surface to confirm TOC. Submit electronic copy of the log for verification to the following addresses: [jhoffman@blm.gov](mailto:jhoffman@blm.gov) and [Brandon.Powell@state.nm.us](mailto:Brandon.Powell@state.nm.us) . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.
4. BLM picks formation tops as indicated in the table below for use in determining TOC for all plugs:

|                 | <u>Top</u> |
|-----------------|------------|
| Nacimiento      | 950        |
| Ojo Alamo       | 1523       |
| Kirtland        | 1635       |
| Fruitland       | 1750       |
| Pictured Cliffs | 2054       |
|                 |            |
|                 |            |

5. Plug #1 2002' to 1500'.
6. Surface plug: perforate and circulate cement.