

| | | |
|----------------------------|--|---------------------------------------|
| Well Name: SOUTH BISTI 21H | Well Location: T25N / R12W / SEC 21 / SENE / 36.388519 / -108.110657 | County or Parish/State: SAN JUAN / NM |
| Well Number: 1 | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMSF078065 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004527784 | Well Status: Oil Well Shut In | Operator: DJR OPERATING LLC |

Notice of Intent

| | |
|---|-------------------------------------|
| Type of Submission: Notice of Intent | Type of Action Plug and Abandonment |
| Date Sundry Submitted: 02/17/2021 | Time Sundry Submitted: 09:43 |
| Date proposed operation will begin: 03/01/2021 | |
| Procedure Description: DJR Operating, LLC requests permission to Plug & Abandon the subject well according to the attached Procedure, Current & Proposed Wellbore Diagram and Reclamation Plan. | |

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

- Procedure Description
- Reclamation_Plan_South_Bisti_21_H_1_20210217094346.pdf
 - PXA_Procedure_South_Bisti_21_H_1_20210217094346.pdf
 - Proposed_WBD_South_Bisti_21_H_1_20210217094346.pdf
 - Current_WBD_South_Bisti_21_H_1_20210217094346.pdf

| | | |
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Conditions of Approval

Specialist Review
General_Requirement_P_A_20210316130640.pdf

Additional Reviews
South_Bisti_21H_No_1_Geo_Rpt_20210719111200.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

| | |
|---|---|
| Operator Electronic Signature: SHAW-MARIE FORD | Signed on: FEB 17, 2021 09:43 AM |
| Name: DJR OPERATING LLC | |
| Title: Regulatory Specialist | |
| Street Address: 1 Road 3263 | |
| City: Aztec | State: NM |
| Phone: (505) 632-3476 | |
| Email address: sford@djrlc.com | |

Field Representative

| | | |
|-----------------------------|---------------|-------------|
| Representative Name: | | |
| Street Address: | | |
| City: | State: | Zip: |
| Phone: | | |
| Email address: | | |

BLM Point of Contact

| | |
|----------------------------------|---|
| BLM POC Name: RYAN JOYNER | BLM POC Title: Physical Scientist |
| BLM POC Phone: 9703851242 | BLM POC Email Address: rjoyner@blm.gov |
| Disposition: Approved | Disposition Date: 07/19/2021 |
| Signature: rjoyner | |

Plug and Abandonment Procedure
for
DJR Operating, LLC
South Bisti 21 H 1
API # 30-045-27784
SE/NE, Unit H, Sec. 21, 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 2-3/8" workstring, TIH with bit and scraper, make sure that the bit and scraper will go to 4738'. Drop standing valve. Pressure test tubing to 1000 psi. Recover standing valve. TOOH.
13. Plug 1. Perforations and Gallup: RU cement equipment.
14. TIH to 4738'. Mix and spot a 184' plug of Class G cement from 4738' to 4554'.

15. Tag TOC. Roll hole. Pressure test casing to 600 psi. If casing does not test, contact engineering.
16. Plug 2. Mancos: Mix and spot a 100' balanced plug of Class G cement from 3742'-3642'.
17. Plug 3. Mesa Verde and Chacra: Mix and spot a 543' balanced plug of Class G cement from 1897' to 1354'.
18. Plug 4: Pictured Cliffs: Mix and spot a 100' balanced plug of Class G cement from 1154' to 1054'.
19. Plug 5: Fruitland, Kirtland. Ojo Alamo and surface casing shoe: Mix and spot balanced plug from 847' to surface with Class G cement.
20. 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.
21. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
22. 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.

Current Wellbore Diagram

DJR Operating, LLC

South Bisti 21 H 1

API # 30-045-27784

SE/NE, Unit H, Sec 21, T25N, R12W

San Juan County, NM

GL 6278'
 KB 6291'
 Spud Date 6/7/1990

SURF CSG

Hole size 12.25"
 Csg Size: 8.625"
 Wt: 24#
 Grade: J-55
 ID: 8.097"
 Depth 320'
 Csg cap ft³: 0.3576
 TOC: Surface

Circulated cement
 to surface.

FORMATION TOPS

| | |
|-----------------|---------|
| Nacimiento | Surface |
| Ojo Alamo | N/A |
| Kirtland | 531' |
| Fruitland | 797' |
| Pictured Cliffs | 1104' |
| Chacra | 1404' |
| Mesa Verde | 1847' |
| Mancos | 3692' |
| Gallup | 4604' |

PROD CSG

Hole size 7.875"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: J-55
 ID: 4.95"
 Depth 4918'
 Csg cap ft³: 0.1336
 Csg/Csg Ann ft³: 0.1926
 Csg/OH cap ft³: 0.1732
 TOC: Surface

Circulated cement
 to surface.

Prod Tubing Detail:

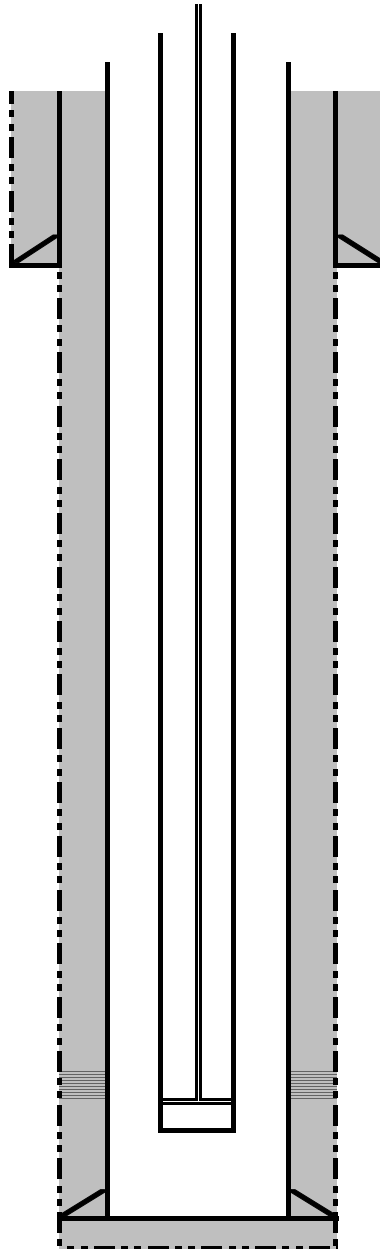
2-3/8" tbg. string: MA, SN, 5 jts., TAC 140 jts.
 tbg. No other information.

Rod Detail

2"x1-1/2"x16' RWAC pump, 4'x3/4" stabilizer
 bar, 4 sinker bars, 20x3/4" guided rods,
 164x3/4" plain rods, 8', 4', 4" rod subs, 1-
 1/4"x22' polished rod. With 1-1/2x10' liner.

Perfs 4732-38'

PBTD 4873'
 TD 4925'



Proposed Wellbore Diagram

DJR Operating, LLC

South Bisti 21 H 1

API # 30-045-27784

SE/NE, Unit H, Sec 21, T25N, R12W

San Juan County, NM

GL 6278'
 KB 6291'
 Spud Date 6/7/1990

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Hole size 12.25"
 Csg Size: 8.625"
 Wt: 24#
 Grade: J-55
 ID: 8.097"
 Depth 320'
 Csg cap ft³: 0.3576
 TOC: Surface
 Circulated cement
 to surface.

FORMATION TOPS

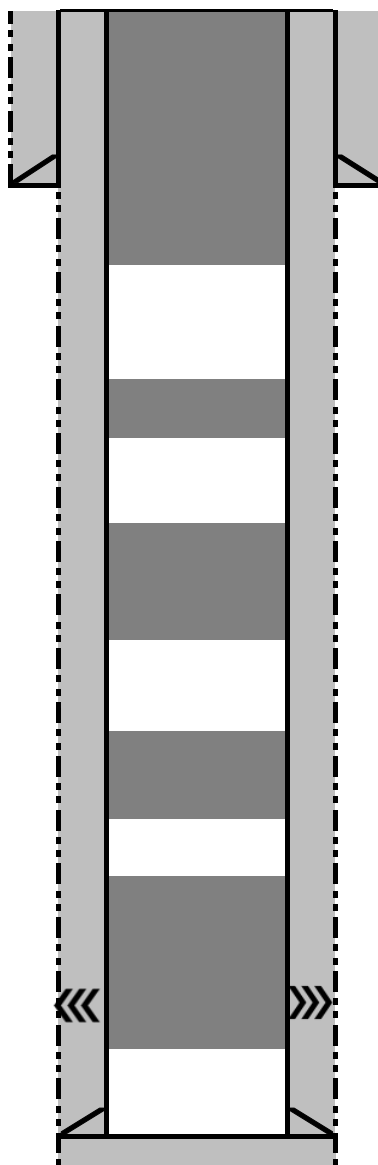
| Formation | Top |
|-----------------|---------|
| Nacimiento | Surface |
| Ojo Alamo | N/A |
| Kirtland | 531' |
| Fruitland | 797' |
| Pictured Cliffs | 1104' |
| Chacra | 1404' |
| Mesa Verde | 1847' |
| Mancos | 3692' |
| Gallup | 4604' |

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 Csg cap ft³: 0.1336
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 Csg/OH cap ft³: 0.1732
 TOC: Surface
 Circulated cement
 to surface.

Perfs 4732-38'

PBTD 4873'
 TD 4925'



Plug 5: Fruitland, Kirtland, Ojo,
 surface casing shoe, to surface. Spot
 847' Class G cement plug from 847' to
 surface.

Plug 4: Pictured Cliffs: Spot 100'
 Class G cement plug from 1154' to
 1054'.

Plug 3: Mesa Verde and Chacra: Spot
 543' Class G cement plug from 1897'
 to 1354'.

Plug 2: Mancos: Spot 100' Class G
 cement plug from 3742' to 3642'.

Plug 1: Spot 184' Class G cement
 plug from 4738' to 4554' to cover perfs
 and top of Gallup.

**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.

(October 2012 Revision)

BLM - FFO - Geologic Report**Date Completed**

7/15/2021

| | | | | | | | |
|-----------|-------------------|-----------|------------|----------|------|-----------|----------------|
| Well No. | South Bisti 21H | # 1 | Surf. Loc. | 1900 | FNL | 990 | FEL |
| | | | Sec. | 21 | T25N | | R12W |
| Lease No. | NMSF078065 | TVD | 4925 | PBTD | 4873 | Formation | Mancos(Gallup) |
| | | Elevation | GL | 6278 | | Elevation | Est. KB |
| Operator | DJR Operating LLC | | County | San Juan | | State | New Mexico |

| Geologic Formations | Est. tops | Subsea Elev. | Remarks |
|----------------------------|------------------|---------------------|----------------------------|
| Nacimiento Fm. | Surface | 6297 | Surface /fresh water sands |
| Ojo Alamo Ss | BSC* | >5934 | Fresh water aquifer |
| Kirtland Fm. | 531 | 5760 | |
| Fruitland Fm. | 797 | 5494 | Coal/gas/possible water |
| Pictured Cliffs | 1104 | 5187 | Possible water |
| Lewis Shale | 1250 | 5041 | Source rock |
| Huerfanito Bentonite | 1320 | 4971 | |
| Chacra (upper) | 1440 | 4851 | Possible gas/water |
| Lewis Sh Stringer (upper) | 1700 | 4591 | Source rock |
| Chacra (lower) | 1845 | 4446 | |
| LaVentana | 1972 | 4319 | |
| Cliff House Ss | 2160 | 4131 | Water |
| Menefee Fm. | 2482 | 3809 | Coal/water/possible gas |
| Point Lookout Fm. | 3540 | 2751 | Possible gas/water |
| Mancos Shale | 3692 | 2599 | Source Rock |
| Gallup | 4604 | 1687 | Oil & gas |

- Vertical wellbore - all fm. tops are TVD.

- BLM geologist's estimates for the tops of the Chacra and Mesa Verde fms. vary from operator's estimates in this well.

-The top and bottom of Plug 3 vary from the BLM geologist's formation depths. This plug must be modified to match the BLM depths.

* Behind Surface Casing (< 315' depth)

1) DJR
Fm. Tops
Same

Prepared by: Walter Gage

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 36910

COMMENTS

| | |
|---|---|
| Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410 | OGRID: 371838 |
| | Action Number: 36910 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

COMMENTS

| Created By | Comment | Comment Date |
|------------|-------------------------|--------------|
| kpickford | KP GEO Review 7/21/2021 | 7/21/2021 |

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1625 N. French Dr., Hobbs, NM 88240
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CONDITIONS

Action 36910

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| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 7/21/2021 |
| kpickford | Follow COAs noted on BLM Geologic Report | 7/21/2021 |