

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5/20/2020

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.5. Lease Serial No.
NMNM25445

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SOUTH BISTI 17 O 19. API Well No.
30-045-28380-00-S110. Field and Pool or Exploratory Area
BISTI LOWER GALLUP

11. County or Parish, State

SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DJR OPERATING LLC

Contact: SHAW-MARIE FORD

E-Mail: sford@djrlc.com

3a. Address

1600 BROADWAY SUITE 1960
DENVER, CO 80202

3b. Phone No. (include area code)

Ph: 505-632-3476

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

Sec 17 T25N R12W SWSE 0950FSL 2235FEL
36.396454 N Lat, 108.132690 W Lon

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 |
| <i>BP</i> | <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.

During plugging operations, prior to pumping the last plug BH showed 10 psi. DJR was unable to set last plug. A detailed description of what occurred & Remediation Procedure is attached.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #516082 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 05/20/2020 (20JK0335SE)

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 JOE KILLINS

Title ENGINEER

Date 05/20/2020

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 Farmington

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 ****

Revisions to Operator-Submitted EC Data for Sundry Notice #516082

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|---|--|
| Sundry Type: | ABD SR | ABD NOI |
| Lease: | NMNM25445 | NMNM25445 |
| Agreement: | | |
| Operator: | DJR OPERATING LLC 1 ROAD 3263 AZTEC, NM 87410 Ph: 505-632-3476 | DJR OPERATING LLC 1600 BROADWAY SUITE 1960 DENVER, CO 80202 Ph: 303-595-7433 |
| Admin Contact: | SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476 | SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476 |
| Tech Contact: | SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476 | SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476 |
| Location: | | |
| State: | NM | NM |
| County: | SAN JUAN | SAN JUAN |
| Field/Pool: | BISTI LOWER GALLUP | BISTI LOWER GALLUP |
| Well/Facility: | SOUTH BISTI 17 O 1 Sec 17 T25N R12W SWSE 950FSL 2235FEL 36.396549 N Lat, 108.133392 W Lon | SOUTH BISTI 17 O 1 Sec 17 T25N R12W SWSE 0950FSL 2235FEL 36.396454 N Lat, 108.132690 W Lon |



South Bisti 17 O 1
Section 17, T25N, R12W
API#: 30-045-28380
May 20, 2020
LD

TD: 5025'
Surface Csg: 8-5/8" 24# @ 362'
PBSD: 0' (Top P&A cement plug)
Casing: 5-1/2" 15.5# @ 5010'
BHT: 145 °F
KB: 12'

History: This well was plugged in May 15, 2020. Prior to pumping the last P&A plug we had seen 10 psi on the BH. The last plug was pumped from 521' to surface. The surface and production casings were cut off in preparation to place the DH marker. Prior to placing the top-off plug, bubbles were noted in the 5 1/2" x 8 5/8" annulus, LEL test was run and no LELs were noted. The TOC in the annulus was measured with a plumb bob and tape, the TOC was found to be at 33' on one side of the 5 1/2" casing and at 71' on the other. A call was made to NMOCD describing the situation. Approval to top off the annulus cement with 1" poly pipe was given. BLM rep on site concurred. The P&A marker was installed and a top off plug of 38 sx class G cement was placed. We then SD over weekend.

On Monday May 18, 2020 we noticed a small opening where some fall back of about 2' had occurred and that some bubbles were present. The best description of the opening is a "worm hole." An LEL reading of 8% was observed. BLM rep was on site. NMOCD was notified. Verbal approval was given to move off and monitor the fall back and LEL of the bubbles. LEL levels were taken during the week of May 18 through May 20. The LEL levels varied depending on wind, etc. but were consistently high enough to trigger the limit alarm on the monitor.

DJR Operating proposes to drill out cement, run CBL log and repair as outlined here.

Remediation Procedure:

Cellar Preparation

1. MIRU WSI. Hold safety meeting. Excavate enough cellar to allow the 8 5/8" casing to be cut off at least 8" below the present level. Cut off P&A marker. The 5 1/2" casing is to remain as is.
2. WSI will machine 2 O-ring grooves inside the base of a 5 1/2" x 8 5/8" "Larkin-type" WH with outlet valve (s).
3. Slip the Larkin head over the 8 5/8" surface casing stub. Secure onto 8 5/8" casing with set screws. Install pack-off around the 5 1/2" casing stub. Attach a hose to the

5 ½" x 8 5/8" annulus outlet to allow any gas to be vented away from the cellar area.

4. Weld a 4' piece of 5 ½" casing on top of the 5 ½" casing stub with a slip collar. Install a 7 1/16" x 5K flange on top of the 5 ½" casing extension.

Rig Work

5. MIRUSU. Hold safety meeting.
6. NU BOP.
7. PU 4 7/8" blade bit and 3 ½" drill collars. Drill out the cement plug from surface to 375'.
8. Load hole from the top of plug to surface. (Plug was originally placed from 521' to surface).
9. MIRU Basin Logging. Run CBL log from 375' to surface.
10. Based on the CBL results, perforate 4 squeeze holes in the 5 ½" casing below the 8 5/8" casing shoe.
11. Attempt to pump into the squeeze holes. Note rate and pressure. Note pressure fall-off rate.
12. Based on the results from Step # 11, a cement design will be prepared.
13. After pumping cement, remove the "Larkin-type" head and observe the 5 ½" x 8 5/8" annulus for any bubbles.

**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: South Bisti 17 O1

CONDITIONS OF APPROVAL

1. Remedial 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 electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL review inside/outside plugs required. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing. Plugs will be adjusted based on cement coverage indicated by the CBL. Do not proceed with any additional plugging operations prior to reviewing CBL results and proposed procedure with BLM and confirming plug depths.

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

CONDITIONS

Action 22019

CONDITIONS OF APPROVAL

| | | | | | |
|--------------------|-------------|----------------|--------|----------------|--------------|
| Operator: | | | OGRID: | Action Number: | Action Type: |
| DJR OPERATING, LLC | 1 Road 3263 | Aztec, NM87410 | 371838 | 22019 | C-103P |

| | |
|--------------|-----------|
| OCD Reviewer | Condition |
| ahvermersch | None |