

|                                |                                                                     |                                       |
|--------------------------------|---------------------------------------------------------------------|---------------------------------------|
| Well Name: CARSON UNIT 10 COM  | Well Location: T25N / R12W / SEC 10 / SWNE / 36.417419 / 108.094742 | County or Parish/State: SAN JUAN / NM |
| Well Number: 332               | Type of Well: OTHER                                                 | Allottee or Tribe Name:               |
| Lease Number: NMNM070322       | Unit or CA Name:                                                    | Unit or CA Number:                    |
| US Well Number: 300452766700S1 | Well Status: Producing Gas Well                                     | Operator: DJR OPERATING LLC           |

Notice of Intent

Type of Submission: Notice of Intent

Date Sundry Submitted: 01/25/2021

Date proposed operation will begin: 01/25/2021

Type of Action Plug and Abandonment

Time Sundry Submitted: 10:20

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\_Carson\_Unit\_10\_COM\_332\_20210125102027.pdf
  - Proposed\_WBD\_Carson\_Unit\_10\_COM\_332\_20210125102019.pdf
  - Current\_WBD\_Carson\_Unit\_10\_COM\_332\_20210125102010.pdf
  - PA\_Procedure\_Carson\_Unit\_10\_COM\_332\_20210125102001.pdf

|                                       |                                                                            |                                              |
|---------------------------------------|----------------------------------------------------------------------------|----------------------------------------------|
| <b>Well Name:</b> CARSON UNIT 10 COM  | <b>Well Location:</b> T25N / R12W / SEC 10 / SWNE / 36.417419 / 108.094742 | <b>County or Parish/State:</b> SAN JUAN / NM |
| <b>Well Number:</b> 332               | <b>Type of Well:</b> OTHER                                                 | <b>Allottee or Tribe Name:</b>               |
| <b>Lease Number:</b> NMNM070322       | <b>Unit or CA Name:</b>                                                    | <b>Unit or CA Number:</b>                    |
| <b>US Well Number:</b> 300452766700S1 | <b>Well Status:</b> Producing Gas Well                                     | <b>Operator:</b> DJR OPERATING LLC           |

Conditions of Approval

Specialist Review

General\_Requirement\_P\_A\_20210316104443.pdf

Additional Reviews

25N12W10GKpc\_Carson\_Unit\_10\_Com\_332\_20210430105916.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:** JAN 25, 2021 10:20 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:** CHRISTOPHER P WENMAN

**BLM POC Title:** Natural Resource Specialist

**BLM POC Phone:** 5055647600

**BLM POC Email Address:** cwenman@blm.gov

**Disposition:** Approved

**Disposition Date:** 05/03/2021

**Signature:** Chris Wenman

**Plug and Abandonment Procedure**  
**for**  
**DJR Operating, LLC**  
**Carson Unit 10 Com 332**  
**API # 30-045-27667**  
**SW/NE, Unit G, Sec. 10, T25N, R12W**  
**San Juan County, NM**

**I.**

1. Hold pre-job meeting, comply with all NMOCD, BLM and environmental regulations.
2. Check and record tubing, casing and bradenhead pressures.
3. 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.
4. Trip out of hole with rods and pump. Lay down to be sent in for storage/salvage.
5. ND WH, NU BOP, function test BOP.
6. Trip out of hole with 2 3/8" tubing. LD tubing to be sent in for storage/salvage.

**II.**

7. PU workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 1060'. TOOH.
8. PU and RIH with a 4 1/2" cement retainer. Set the CR at +/- 1060'. Pressure test tubing to 1000 psi, sting out of CR, test casing to 600 psi. If casing does not test, contact engineering.

**Provided that casing test was good, proceed to step 9.**

9. RU cement equipment. Pump water to assure that tubing is clear.
10. Plug 1. Mix and attempt to pump 10 sx class G cement through cement retainer and displace with 5.1 bbl water. If zone pressures up, sting back out of retainer and continue with Plug 2.

11. Plug 2. Fruitland, Kirtland, Ojo Alamo, and surface casing shoe. From 1060' to surface, mix and pump cement until cement circulation is achieved at surface.
12. RD cementing equipment. Cut off wellhead, fill annuli 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.
13. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
14. 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.**

**DJR Operating, LLC**  
**Current Wellbore Diagram**  
**Carson Unit 10 Com 332**

API # 30-045-27667  
 SW/NE, Unit G, Sec 10, T25N, R12W  
 San Juan County, NM

GL 6231'  
 KB N/A  
 Spud Date 3/14/1990

**SURF CSG**

Hole size 8.75"  
 Csg Size: 7"  
 Wt: 20#  
 Grade: J-55  
 ID: 6.331"  
 Depth 123'  
 casing cap ft<sup>3</sup>/ft: 0.2273  
 TOC: Cmt back-filled to surface

**FORMATION TOPS**

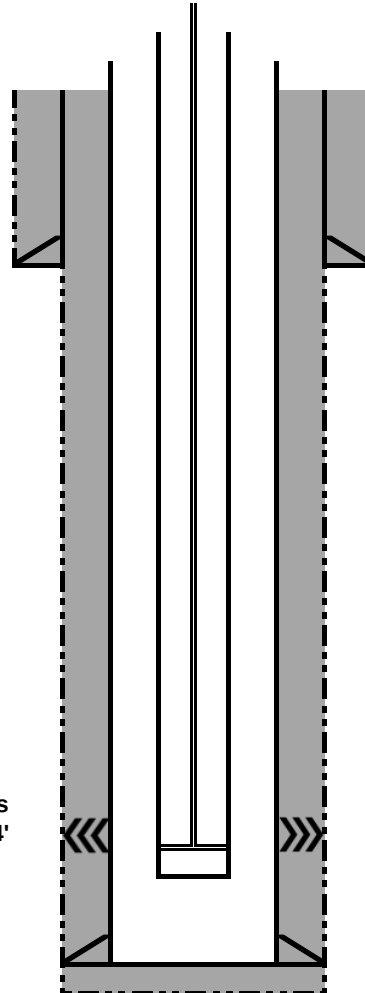
|                 |         |
|-----------------|---------|
| Nacimiento      | Surface |
| Ojo Alamo       | N/A     |
| Kirtland        | N/A     |
| Basal Ft. Coal  | 1094'   |
| Pictured Cliffs | 1118'   |

**PROD CSG**

Hole size 6.25"  
 Csg Size: 4.5"  
 Wt: 10.5#  
 Grade: J-55  
 ID: 4.052"  
 Depth 1228'  
 casing cap ft<sup>3</sup>/ft: 0.0895  
 7x4.5 cap ft<sup>3</sup>/ft 0.1169  
 TOC: Circ cmt to surface

Fruitland Coal perms  
 1094-1114'

PBTD 1194'  
 TD 1250'

**Production Tubing/Rod Detail**

17' tail joint, SN, 35 jts. 2.375" tubing.  
 EOT 1126'

2"x1.5"x12' RWAC, 44x.75" rods, 4', 8'  
 rod subs, 16' polished rod

10/23/2020

**DJR Operating, LLC**  
**Proposed Wellbore Diagram**

**Carson Unit 10 Com 332**

API # 30-045-27667

SW/NE, Unit G, Sec 10, T25N, R12W  
 San Juan County, NM

GL 6231'

KB N/A

Spud Date 3/14/1990

**SURF CSG**

Hole size 8.75"

Csg Size: 7"

Wt: 20#

Grade: J-55

ID: 6.331"

Depth 123'

casing cap ft3/ft: 0.2273

TOC: Cmt back-  
filled to surface

**FORMATION TOPS**

|                 |         |
|-----------------|---------|
| Nacimiento      | Surface |
| Ojo Alamo       | N/A     |
| Kirtland        | N/A     |
| Fruitland       | 1094'   |
| Pictured Cliffs | 1118'   |

**Plug 2:** 1060' to surface, to cover  
Fruitland, Kirtland, Ojo Alamo, surface  
shoe.

**PROD CSG**

Hole size 6.25"

Csg Size: 4.5"

Wt: 10.5#

Grade: J-55

ID: 4.052"

Depth 1228'

casing cap ft3/ft: 0.0895

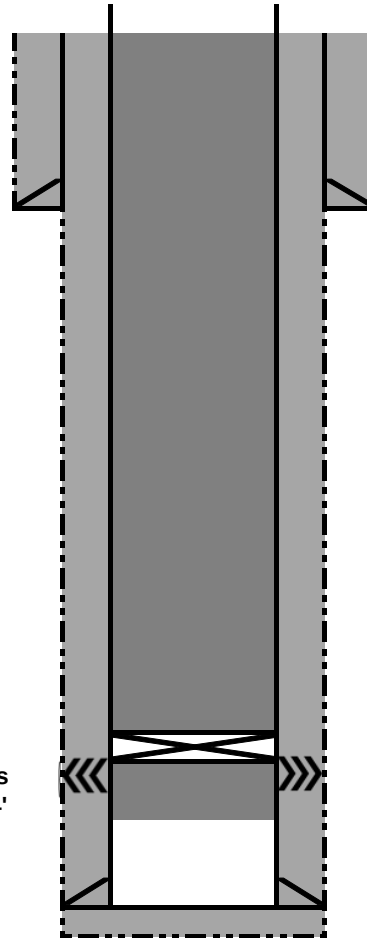
7x4.5 cap ft3/ft 0.1169

TOC: Circ cmt  
to surface

Cement Ret. 1060'  
Fruitland Coal perms  
1094-1114'

PBTD 1194'  
TD 1250'

**Plug 1:** Attempt to pump 10 sx class G  
cement through CR to Fruitland perms.



**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.

(October 2012 Revision)



# BLM FLUID MINERALS Geologic Report

**Date Completed:** 12/30/2020

|                                                      |       |            |                                                            |          |     |       |            |     |
|------------------------------------------------------|-------|------------|------------------------------------------------------------|----------|-----|-------|------------|-----|
| Well No. Carson Unit 10 Com #332 (API# 30-045-27667) |       |            | Location                                                   | 1990     | FNL | &     | 1650       | FEL |
| Lease No. NMNM-070322                                |       |            | Sec. 10                                                    | T25N     |     |       | R12W       |     |
| Operator DJR Operating, LLC                          |       |            | County                                                     | San Juan |     | State | New Mexico |     |
| Total Depth                                          | 1250' | PBTD 1194' | Formation Fruitland Coal (producing), Pictured Cliffs (TD) |          |     |       |            |     |
| Elevation (GL) 6231'                                 |       |            | Elevation (KB)                                             |          |     |       |            |     |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks                     |
|---------------------|----------|-------------|---------|------------|-----------------------------|
| San Jose Fm         |          |             |         |            | Surface/Fresh water sands   |
| Nacimiento Fm       |          |             | Surface | 464        | Fresh water sands           |
| Ojo Alamo Ss        |          |             | 464     | 528        | Aquifer (fresh water)       |
| Kirtland Shale      |          |             | 528     | 820        |                             |
| Fruitland Fm        |          |             | 820     | 1118       | Coal/Gas/Possible water     |
| Pictured Cliffs Ss  |          |             | 1118    | PBTD       | Gas                         |
| Lewis Shale         |          |             |         |            |                             |
| Chacra              |          |             |         |            |                             |
| Cliff House Ss      |          |             |         |            | Water/Possible gas          |
| Menefee Fm          |          |             |         |            | Coal/Ss/Water/Possible O&G  |
| Point Lookout Ss    |          |             |         |            | Probable water/Possible O&G |
| Mancos Shale        |          |             |         |            |                             |
| Gallup              |          |             |         |            | O&G/Water                   |
| Graneros Shale      |          |             |         |            |                             |
| Dakota Ss           |          |             |         |            | O&G/Water                   |

Remarks:

P & A

- BLM formation top picks for the Ojo Alamo, Kirtland, and Fruitland vary from operator picks. No changes to the plugging program are required as the well bore will be cemented from the CR @ 1060' to Surface.
- Log analysis of reference well #2 indicates the Nacimiento and Ojo Alamo sands investigated likely contain fresh water ( $\leq 5,000$  ppm TDS). Plugging plan has cement from the CR @ 1060' to Surface which will protect freshwater sands in this well bore.
- Fruitland coal perforations @ 1094'-1114'.

Reference Well:

1) Shell Oil Co. Fm. Tops  
Carson Unit #10  
2010' FNL, 1931' FEL  
Sec. 10, T25N, R12W  
GL 6232'

2) Giant E & P Co. Water  
Carson Unit #23 Analysis  
1980' FSL, 1980' FEL  
Sec. 19, T25N, R11W  
GL 6438' KB 6447'

Prepared by: Chris Wenman

**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 26814

**COMMENTS**

|            |                        |             |                |        |        |                |       |              |        |
|------------|------------------------|-------------|----------------|--------|--------|----------------|-------|--------------|--------|
| Operator:  | DJR OPERATING, LLC     | 1 Road 3263 | Aztec, NM87410 | OGRID: | 371838 | Action Number: | 26814 | Action Type: | C-103F |
| Created By | Comment                |             |                |        |        | Comment Date   |       |              |        |
| kpickford  | KP GEO Review 5/5/2021 |             |                |        |        | 05/05/2021     |       |              |        |

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

CONDITIONS  
  
Action 26814

CONDITIONS OF APPROVAL

|              |                    |             |                |        |        |                |       |              |           |
|--------------|--------------------|-------------|----------------|--------|--------|----------------|-------|--------------|-----------|
| Operator:    | DJR OPERATING, LLC | 1 Road 3263 | Aztec, NM87410 | OGRID: | 371838 | Action Number: | 26814 | Action Type: | C-103F    |
| OCD Reviewer |                    |             |                |        |        |                |       |              | Condition |
| kpickford    |                    |             |                |        |        |                |       |              | None      |