

| | | |
|-------------------------------|-------------------------------------------------------------------|------------------------------------------|
| Well Name: JICARILLA APACHE B | Well Location: T24N / R5W / SEC 30 / NENE / 36.28783 / -107.39714 | County or Parish/State: RIO ARRIBA / NM |
| Well Number: 12 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: JICARILLA APACHE |
| Lease Number: JIC11 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3003905327 | Well Status: Gas Well Shut In | Operator: DJR OPERATING LLC |

Notice of Intent

Sundry ID: 2632603

| | |
|------------------------------------------------|--------------------------------------|
| Type of Submission: Notice of Intent | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 09/03/2021 | Time Sundry Submitted: 10:36 |
| Date proposed operation will begin: 09/03/2021 | |

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

- Jicarilla_Apache_B_12___PXA_Procedure_20210903103549.pdf
- Jicarilla_Apache_B_12___Current_WBD_20210903103540.pdf
- Jicarilla_Apache_B_12___Proposed_WBD_20210903103527.pdf
- Jicarilla_Apache_B12___Reclamation_Plan_20210903103513.pdf

Received by OCD: 1/4/2022 9:12:43 AM

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Conditions of Approval

Additional Reviews

General_Requirement_PxA_20220104081318.pdf
2632603_NOIA_12_3003905327_KR_01042022_20220104081232.pdf
24N05W30AKd_Jicarilla_Apache_B_12_20220103173306.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: DACYE SHULL | Signed on: SEP 03, 2021 10:35 AM |
| Name: DJR OPERATING LLC | |
| Title: Regulatory Technician | |
| Street Address: 1 ROAD 3263 | |
| City: AZTEC | State: NM |
| Phone: (505) 632-3476 | |
| Email address: DSHULL@DJRLLC.COM | |

Field Representative

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

BLM Point of Contact

| | |
|---------------------------------|-----------------------------------------|
| BLM POC Name: KENNETH G RENNICK | BLM POC Title: Petroleum Engineer |
| BLM POC Phone: 5055647742 | BLM POC Email Address: krennick@blm.gov |
| Disposition: Approved | Disposition Date: 01/04/2022 |
| Signature: Kenneth Rennick | |

Plug and Abandonment Procedure
DJR Operating, LLC
Jicarilla Apache B 12
API # 30-039-05327
NE/NE, Unit A, Sec. 30, T24N, R5W
Rio Arriba County, NM

I.

1. Hold Pre job meeting, comply with all NMOCD, BLM and environmental regulations.
2. MIRU P&A 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. ND WH, NU BOP, function test BOP.
6. Set tubing stop. Trip out of hole with 1½” tubing. LD tubing to be sent in for storage/salvage.

II.

7. MIRU P&A rig and equipment.
8. PU 1 ½” workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 6465’. TOOH.
9. Plug 1: TIH with 1 ½” workstring to 6656’. Spot sufficient cement to cover about 300’ inside casing (perfs, top of Dakota, and excess.). PU and pump water to assure tubing is clear. WOC.
10. Tag TOC. Roll hole with water. Drop standing valve and pressure test tubing to 1000 psi. Test casing to 600 psi. If casing does not test, contact engineering. TOOH.
11. MIRU logging truck. Run CBL log from TOC to surface.

12. Plug 2. Gallup: RU cement equipment, pump water to assure that tubing is clear. Mix and spot a balanced plug of Class G cement from 5495' to 5395'.
13. Plug 3. Mancos: Perforate holes at 4618'. Set 3 ½" CR at 4568'. Mix and pump Class G cement through CR inside/outside 3 ½" casing from 4618-4518'.
14. Plug 4. Mesa Verde: Perforate holes at 3750'. Set 3 ½" CR at 3700'. Mix and pump Class G cement through CR inside/outside 3 ½" casing from 3750' to 3650'.
15. Plug 5. Chacra: Perforate holes at 2680'. Set 3 ½" CR at 2630'. Mix and pump Class G cement through CR inside/outside 3 ½" casing from 2680' to 2580'.
16. Plug 6. DV tool and Pictured Cliffs: Mix and spot an inside balanced plug of Class G cement from 2415-2140'. (pending results of CBL and TOC).
17. Plug 7. Fruitland, Kirtland and Ojo Alamo: Perforate holes at 2130'. Set 3 ½" CR at 2080'. Mix and pump Class G cement through CR inside/outside 3 ½" casing from 2130' to 1612'.
18. Plug 8: Nacimiento: Perforate holes at 1055'. Set 3 ½" CR at 1005'. Mix and pump Class G cement through CR inside/outside 3 ½" casing from 1055-955'.
19. Plug 9: Perforate at 271'. Attempt to establish circulation to surface. Tie onto 3 ½" casing and mix and pump sufficient cement to bring cement to surface inside and outside 3 ½" casing. Top off as needed.
20. RD cementing equipment. Cut off wellhead, fill any exposed annulus with cement as necessary. Install **SURFACE P&A marker** as per BIA 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.

Surface P&A marker is to be installed at surface, 12" x 18" and exposed at the reclaimed GL surface.

Current Wellbore Diagram

DJR Operating, LLC

Jicarilla Apache B 12

API # 30-039-05327

NE/NE, Unit A, Sec 30, T24N, R5W

Rio Arriba County, NM

GL 6615'
 KB 6628'
 Spud Date 3/2/1963

SURF CSG

Hole size 13.75"
 Csg Size: 8.625"
 Wt: 24#
 Grade: J-55
 ID: 8.097"
 Depth 221'
 Csg cap ft³: 0.3575
 Csg/Csg Ann ft³: 0.3144
 Csg/OH cap ft³: 0.6254
 TOC: Cir surf

FORMATION TOPS

| | |
|-----------------|-------|
| Nacimiento | 1005' |
| Ojo Alamo | 1662' |
| Kirtland | 1911' |
| Fruitland | 2080' |
| Pictured Cliffs | 2190' |
| Lewis | 2271' |
| Chacra | 2630' |
| Mesa Verde | 3700' |
| Mancos | 4568' |
| Gallup | 5445' |
| Dakota | 6470' |

PROD CSG

Hole size 7.875"
 Csg Size: 3.5"
 Wt: 9.2#
 Grade: J-55
 ID: 2.992"
 Depth 6721'
 Csg cap ft³: 0.0488
 Csg/Csg Ann ft³: 0.2908
 Csg/OH cap ft³: 0.2714
 TOC Stg 1:* 5400'
 TOC Stg 2:* 1985'

*TS

Dakota perfs : 6472-6656'
 PBTD 6685'
 TD 6725'

PROD TBG DETAIL:

| | |
|-------------------------|----------|
| 1.5" EUE 2.9# 10rd J-55 | 6611' |
| Plunger Well | SN 6611' |

TOC 1985'

DV Tool 2365'

TOC 5400'

Proposed Wellbore P&A Diagram

DJR Operating, LLC

Jicarilla Apache B 12

API # 30-039-05327

NE/NE, Unit A, Sec 30, T24N, R5W

Rio Arriba County, NM

GL 6615'
 KB 6628'
 Spud Date 3/2/1963

SURF CSG

Hole size 13.75"
 Csg Size: 8.625"
 Wt: 24#
 Grade: J-55
 ID: 8.097"
 Depth 221'
 Csg cap ft3: 0.3575
 Csg/Csg Ann ft3: 0.3144
 Csg/OH cap ft3: 0.6254
 TOC: Cir surf

FORMATION TOPS

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 Ojo Alamo 1662'
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 Fruitland 2080'
 Pictured Cliffs 2190'
 Lewis 2271'
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 Dakota 6470'

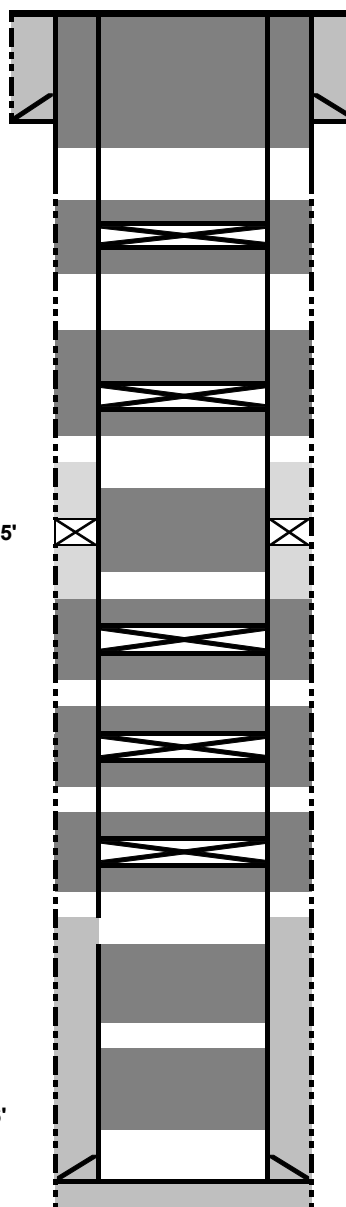
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 TOC Stg 1:* 5400'
 TOC Stg 2:* 1985'

*TS

DV Tool 2365'

Dakota perfs : 6472-6656'
 PBTD 6685'
 TD 6725'



Plug 9: Surface: Perforate at 271'. Pump cement inside/outside to surface.

Plug 8: Nacimiento: Perforate at 1055'. CR set at 1005'. Pump through CR, Spot plug inside/outside 1055-955'.

Plug 7: Fruitland, Kirtland, Ojo Alamo: Depending on CBL results, perforate at 2130'. CR set 2080'. Pump through CR, Spot plug inside/outside from 2130' to 1612'.
 TOC 1985'

Plug 6: DV tool, Pictured Cliffs: Set balanced plug inside from 2415-2140'.

Plug 5: Chacra: Perforate at 2680'. CR set at 2630', Pump through CR, Spot plug inside/outside 2680-2580'.

Plug 4: Mesaverde: Perforate at 3750'. CR set at 3700'. Spot plug inside/outside from 3750-3650'.

Plug 3: Mancos: Perforate at 4618'. CR set at 4568'. Spot plug inside/outside from 4618-4518'.

TOC 5400'

Plug 2: GP: Set balanced plug inside from 5495-5395'.

Plug 1: Dakota: Spot cement inside 3-1/2" from 6656' to approximately 6356'.

All cement plugs are to be Class G mixed at 15.8 ppq and 1.15 ft³/sk.

**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)

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2632603

Attachment to notice of Intention to Abandon

Well: Jicarilla Apache B 12

CONDITIONS OF APPROVAL

1. 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 at (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a. Plug 5 (Chacra) – Adjust or add a plug to cover BLM formation top pick at 3004 feet.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

K. Rennick 1/4/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 01/03/2022

| | | | | | | | |
|-----------------------------------------------------|------------|----------------------|------------|-----|-------|------------|-----|
| Well No. Jicarilla Apache B #12 (API# 30-039-05327) | | Location | 1175 | FNL | & | 1175 | FEL |
| Lease No. JIC11 | | Sec. 30 | T24N | | | R05W | |
| Operator DJR Operating, LLC | | County | Rio Arriba | | State | New Mexico | |
| Total Depth 6725' | PBTD 6685' | Formation Dakota | | | | | |
| Elevation (GL) 6615' | | Elevation (KB) 6628' | | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm | | | Surface | 1005 | Surface/freshwater sands |
| Nacimiento Fm | | | 1005 | 1662 | Possible freshwater sands |
| Ojo Alamo Ss | | | 1662 | 1911 | Aquifer (possible freshwater) |
| Kirtland Shale | | | 1911 | 2080 | |
| Fruitland Fm | | | 2080 | 2190 | Coal/Gas/Possible water |
| Pictured Cliffs Ss | | | 2190 | 2271 | Gas |
| Lewis Shale | | | 2271 | 3004 | |
| Chacra | | | 3004 | 3700 | Gas |
| Cliff House Ss | | | 3700 | 3778 | Water/Possible gas |
| Menefee Fm | | | 3778 | 4380 | Coal/Ss/Water/Possible O&G |
| Point Lookout Ss | | | 4380 | 4568 | Probable water/Possible O&G |
| Mancos Shale | | | 4568 | 5445 | |
| Gallup | | | 5445 | 6360 | O&G/Water |
| Greenhorn | | | 6360 | 6436 | |
| Graneros Shale | | | 6436 | 6470 | |
| Dakota Ss | | | 6470 | PBTD | O&G/Water |

Remarks:

P & A

- BLM pick for the Chacra formation top varies from Operator pick.

- No CBL on file. CBL planned as part of P&A procedure.

- Adjust Plug #5 (Chacra), or add a plug, to cover BLM formation top pick at 3004'.

- The plugs proposed in the P&A procedure, with changes recommended above, will adequately protect any freshwater sands in this well bore.

- Dakota perms 6472' – 6656'.

Reference Well:

1) **Formation Tops**
Same

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

CONDITIONS

Action 70177

CONDITIONS

| | |
|-------------------------------------------------------------------|-----------------------------------------------------|
| Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410 | OGRID: 371838 |
| | Action Number: 70177 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--------------------------------------------------------|----------------|
| kpickford | CBL required | 1/6/2022 |
| kpickford | Adhere to BLM approved COAs and plugs. See GEO report. | 1/6/2022 |
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 1/6/2022 |