Well Name: AXI APACHE C

Well Location: T23N / R5W / SEC 4 / NENE / 36.259224 / -107.360938

County or Parish/State: RIO ARRIBA / NM

Well Number: 7

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name: JICARILLA APACHE

Lease Number: JIC39

Unit or CA Name:

Unit or CA Number:

US Well Number: 3003905187

Well Status: Gas Well Shut In

Operator: DJR OPERATING LLC

Notice of Intent

Sundry ID: 2653807

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 01/24/2022

Time Sundry Submitted: 09:44

Date proposed operation will begin: 01/24/2022

Procedure Description: This NOI to P&A is being submitted for engineering & geological review per Dave M. of the BLM prior to onsite inspection. A Reclamation Plan will be submitted on a subsequent sundry at a later date. DJR Operating, LLC requests permission to Plug & Abandon the subject well according to the attached Procedure, Current & Proposed Wellbore Diagram.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

AXI_Apache_C_7_BIA_Rationale_Form_20220124094414.pdf

PXA_Procedure_AXI_Apache_C_7_20220124094414.pdf

AXI_Apache_C_7_Proposed_WBD_20220124094414.pdf

AXI_Apache_C_7_Current_WBD_20220124094414.pdf

Well Name: AXI APACHE C

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Well Status: Gas Well Shut In

Operator: DJR OPERATING LLC

Conditions of Approval

Additional Reviews

General_Requirement_PxA_20220210145714.pdf

2653807_NOIA_C_7_3003905187_KR_02102022_20220210145700.pdf

23N05W04_AXI_Apache_C_7_KGR_20220210095120.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 24, 2022 09:44 AM

Name: DJR OPERATING LLC

Title: Regulatory Specialist

Street Address: 1 Road 3263

City: Aztec **State:** NM

Phone: (505) 632-3476

Email address: sford@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: 02/10/2022

Signature: Kenneth Rennick

Plug and Abandonment Procedure

for

DJR Operating, LLC

AXI Apache C 7

API # 30-039-05187

NE/NE, Unit A, Sec. 4, T23N, R5W

Rio Arriba County, NM

NOTE: Wellhead is welded to casing

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 (possibly also either 1-1/4" or 1-1/2"). 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 2226'. TOOH.

8. Plug 1: Perforations and Pictured Cliffs: TIH with CR and set at 2226'. Pressure test tubing to 1000 psi. Sting out of CR. Roll hole Pressure test casing to 600 psi. Sting back into CR and attempt to squeeze below CR with 10sx. Sting out and spot 50' plug on top of CR. Pump water to ensure that tubing is clear. TOOH.

9. MIRU logging truck. Run CBL log from CR to surface. Hold 600 psi on casing if possible. Electronic copy of CBL to be sent to Ken Rennick krennick@blm.gov, Monica Kueling monica.kueling@state.nm.us, Loren Diede ldiede@djrllc.com, and slindsay@djrllc.com. Plugs may be adjusted per log results.

10. Plug 2. Fruitland, Kirtland, and Ojo Alamo: RIH with wireline and perforate holes at 2064' (or as indicated by CBL). PU and TIH with 5-1/2" CR and set at 2014'. Establish rate. Squeeze below CR with sufficient cement to bring TOC to 1630' inside and outside. Spot 384' on top of CR. Pump water to ensure tubing is clear.

11. Plug 3. Nacimiento, surface casing shoe, surface: RIH with wireline. Perforate holes at 280' (or as indicated by CBL). Tie onto 5-1/2" casing. Establish rate. Mix and pump sufficient cement to bring cement to surface inside and outside 5-1/2" casing.

12. RD cementing equipment. Cut off wellhead, fill annuli 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.

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. /sk. Cement volumes are based on inside capacities +50' and outside capacities + 100% excess.

Surface PxA marker is to be installed at surface, 12"x18", and exposed at the reclaimed GL surface.

DJR Operating, LLC

Current Wellbore Diagram

AXI Apache C 7

API # 30-039-05187

NE/NE, Unit A, Sec 4, T23N, R5W

Rio Arriba County, NM

GL 6744'

KB 6757'

Spud Date 11/12/1959

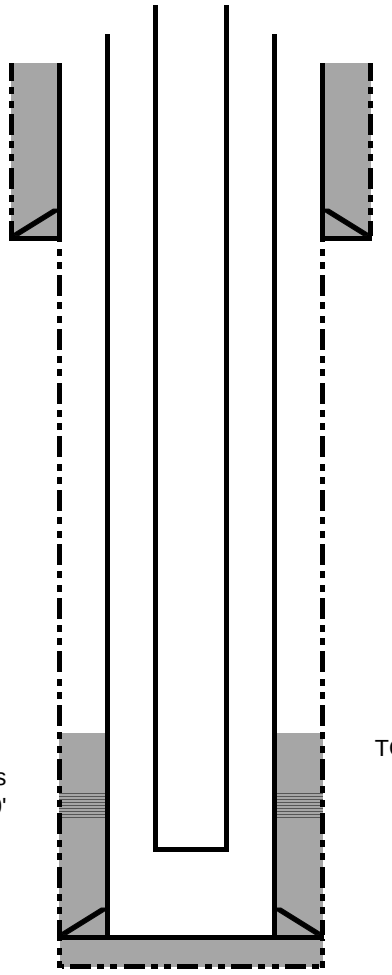
SURF CSG	
Hole size	12.25"*
Csg Size:	8.625"
Wt:	24#
Grade:	J-55
ID:	8.097"
Depth	100'
casing cap ft^3/ft:	0.3575
TOC:	circulated

PROD CSG	
Hole size	7.875"*
Csg Size:	5.5"
Wt:	14#
Grade:	J-55
ID:	5.012"
Depth	2385'
Casing cap ft^3/ft:	0.137
Csg/csg Ann. ft^3/ft	0.1926
Csg/OH ft^3/ft	0.1733
TOC:	2081' (calc.)

*Estimated (OH size N/A)

FORMATION TOPS

San Jose	Surface
Nacimiento	230'
Ojo Alamo	1680'
Kirtland	1820'
Fruitland	2014'
Pictured Cliffs	2276'



Production Tubing Detail
Possibly 2-3/8" tbg. EOT N/A

TOC: 2081' (calc.)

Pictured Cliffs perfs
2278-2340'

PBTD 2359'
TD 2387'

1/24/2022

DJR Operating, LLC

Proposed Wellbore Diagram

AXI Apache C 7

API # 30-039-05187
NE/NE, Unit A, Sec 4, T23N, R5W
Rio Arriba County, NM

GL 6744'
KB 6757'
Spud Date 11/12/1959

SURF CSG

Hole size	12.25"*
Csg Size:	8.625"
Wt:	24#
Grade:	J-55
ID:	8.097"
Depth	100'
casing cap ft^3/ft:	0.3575
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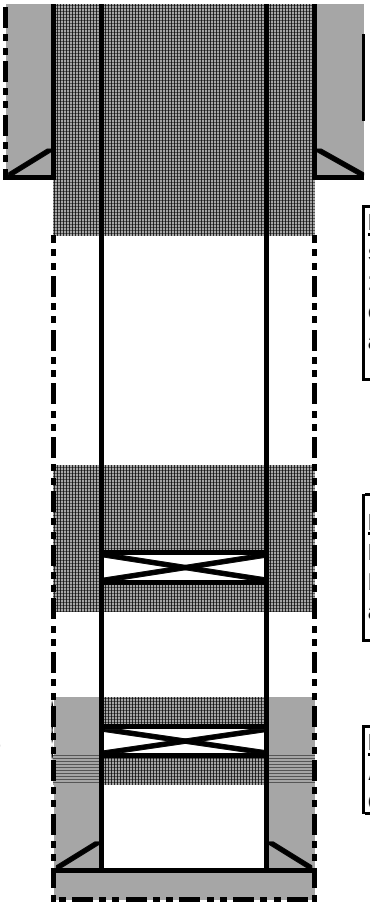
FORMATION TOPS

San Jose	Surface
Nacimiento	230'
Ojo Alamo	1680'
Kirtland	1820'
Fruitland	2014'
Pictured Cliffs	2276'

Cement Ret.
Pictured Cliffs perfs
2278-2340'

PBTD 2359'
TD 2387'



Plug 3: **Nacimiento, surface casing shoe, surface: Perf holes at 280'. Tie onto 5-1/2" casing. Mix and pump sufficient cement to bring cement to surface inside and outside 5-1/2" casing.**

Plug 2: **Fruitland, Kirtland, Ojo Alamo: Perf holes at 2064'. Set CR at 2014'. Sqz below CR to bring TOC to 1630' inside and outside.**

Plug 1: Pictured Cliffs: Set CR at 2226'. Attempt to pump 10 sx cement through CR. Spot 50' above CR.

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_2S.

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

AFMSS 2 Sundry ID 2653807

Attachment to notice of Intention to Abandon

Well: Axi Apache C 7

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.

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 2/10/2022

BLM FLUID MINERALS
P&A Geologic Report

Date Completed: 02/10/2022

Well No. AXI Apache C #7 (API# 30-039-05187)		Location	1020 FNL	&	1020 FEL	
Lease No. JIC39		Sec. 4	T23N		R05W	
Operator DJR Operating, LLC		County	Rio Arriba	State	New Mexico	
Total Depth 2387’	PBTD 2359’	Formation	Pictured Cliffs (Producing)			
Elevation (GL) 6744’		Elevation (KB)	6757’			

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm	Surface	230			Surface/freshwater sands
Nacimiento Fm	230	1680			Possible freshwater sands
Ojo Alamo Ss	1680	1820			Aquifer (possible freshwater)
Kirtland Shale	1820	2014			
Fruitland Fm	2014	2276			Coal/Gas/Possible water
Pictured Cliffs Ss	2276	PBTD			Gas
Lewis Shale					
Chacra					Gas
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
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:
P & A

Reference Well:

- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.
- No raster logs to pick formation top depths. Went with the operator tops. Appropriate for this area.
- Pictured Cliffs perfs 2278’ – 2340’.

Prepared by: *Kenneth Rennick*

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 80846

CONDITIONS

Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410	OGRID: 371838
	Action Number: 80846
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	CBL required	2/15/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	2/15/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report	2/15/2022