

|                            |   |  |
|----------------------------|---|--|
| Well Name: AXI APACHE H    | Well Location: T24N / R5W / SEC 32 / SWSW / 36.264776 / -107.389309 | County or Parish/State: RIO ARRIBA / NM  |
| Well Number: 9             | Type of Well: CONVENTIONAL GAS WELL                                 | Allottee or Tribe Name: JICARILLA APACHE |
| Lease Number: JIC38        | Unit or CA Name:  | Unit or CA Number:                       |
| US Well Number: 3003905220 | Well Status: Producing Gas Well                                     | Operator: DJR OPERATING LLC              |

Notice of Intent

Sundry ID: 2674581

|  |                                      |
|--|--------------------------------------|
| Type of Submission: Notice of Intent           | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 06/02/2022              | Time Sundry Submitted: 10:20         |
| Date proposed operation will begin: 06/02/2022 |                                      |

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

NOI\_PA\_BLM\_Submittal\_20220602102025.pdf

|                                   |  |   |
|-----------------------------------|--|---|
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| <b>Well Number:</b> 9             | <b>Type of Well:</b> CONVENTIONAL GAS WELL                                 | <b>Allottee or Tribe Name:</b> JICARILLA APACHE |
| <b>Lease Number:</b> JIC38        | <b>Unit or CA Name:</b>  | <b>Unit or CA Number:</b>                       |
| <b>US Well Number:</b> 3003905220 | <b>Well Status:</b> Producing Gas Well                                     | <b>Operator:</b> DJR OPERATING LLC              |

Conditions of Approval

Specialist Review

24N5W32AXIApacheH9KGR\_20220607102644.pdf  
2674581\_NOIA\_H\_9\_3003905220\_KR\_06072022\_20220607102619.pdf

Operator

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

|   |   |
|---|---|
| <b>Operator Electronic Signature:</b> SHAW-MARIE FORD | <b>Signed on:</b> JUN 02, 2022 10:20 AM |
| <b>Name:</b> DJR OPERATING LLC                        |   |
| <b>Title:</b> Regulatory Specialist                   |   |
| <b>Street Address:</b> 1 Road 3263                    |   |
| <b>City:</b> Aztec                                    | <b>State:</b> NM                        |
| <b>Phone:</b> (505) 632-3476                          |   |
| <b>Email address:</b> sford@djrlc.com                 |   |

Field

|                             |               |             |
|-----------------------------|---------------|-------------|
| <b>Representative Name:</b> |               |             |
| <b>Street Address:</b>      |               |             |
| <b>City:</b>                | <b>State:</b> | <b>Zip:</b> |
| <b>Phone:</b>               |               |             |
| <b>Email address:</b>       |               |             |

BLM Point of Contact

|  |  |
|--|--|
| <b>BLM POC Name:</b> KENNETH G RENNICK | <b>BLM POC Title:</b> Petroleum Engineer       |
| <b>BLM POC Phone:</b> 5055647742       | <b>BLM POC Email Address:</b> krennick@blm.gov |
| <b>Disposition:</b> Approved           | <b>Disposition Date:</b> 06/07/2022            |
| <b>Signature:</b> Kenneth Rennick      |  |

**Plug and Abandonment Procedure**  
**for**  
**DJR Operating, LLC**  
**AXI Apache H 9**  
**API # 30-039-05220**  
**SW/SW, Unit M, Sec. 32, T24N, R5W**  
**Rio Arriba 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. ND WH, NU BOP, function test BOP.
5. Trip out of hole with 1-1/4" tubing. LD tubing to be sent in for storage/salvage.

**II.**

6. PU workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 2050'. TOOH.
7. Plug 1: Perforations and Pictured Cliffs: TIH with CR and set near 2050'. 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 10 sx. Sting out and pump water to ensure that tubing is clear. TOOH.
8. 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](mailto:krennick@blm.gov), Monica Kueling [monica.kueling@state.nm.us](mailto:monica.kueling@state.nm.us), Loren Diede [ldiede@djrlc.com](mailto:ldiede@djrlc.com), and [slindsay@djrlc.com](mailto:slindsay@djrlc.com). Plugs may be adjusted per log results.
9. Plug 2: Pictured Cliffs: Spot 100' plug on top of CR. PU and pump water to ensure tubing is clear.

10. Plug 3: Fruitland, Kirtland, and Ojo Alamo: RIH with wireline and perforate holes as close to 50' below base of Fruitland as possible (or as indicated by CBL). PU and TIH with 5-1/2" CR and set near 1868' (if possible). Establish rate. Mix and pump sufficient volume to bring TOC to 1450' inside and outside. Pump water to ensure tubing is clear.
11. Plug 4: Nacimiento: Perforate holes at 913'. Set CR near 863'. Mix and pump sufficient volume to bring TOC to 813' inside and outside.
12. Plug 5: Surface casing shoe and surface plug: RIH with wireline. Perforate holes at 186'. 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.
13. 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.
14. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
15. 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 H 9**  
**API # 30-039-05220**  
**SW/SW, Unit M, Sec 32, T24N, R5W**  
**Rio Arriba County, NM**

**GL 6563'**  
**KB 6572'**  
**Spud Date 11/22/1959**

SURF CSG

Hole size 12.25"  
 Csg Size: 8.625"  
 Wt: 24#  
 Grade: J-55  
 ID: 8.097"  
 Depth: 136'  
 casing cap ft<sup>3</sup>/ft: 0.3575  
 TOC: circulated

FORMATION TOPS

|                 |         |
|-----------------|---------|
| San Jose        | Surface |
| Nacimiento      | 863'    |
| Ojo Alamo       | 1550'   |
| Kirtland        | 1690'   |
| Fruitland       | 1868'   |
| Pictured Cliffs | 2064'   |

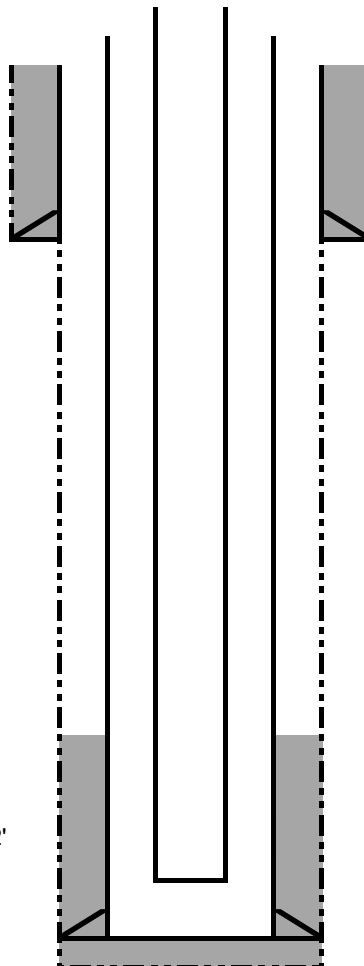
PROD CSG

Hole size 7.875"  
 Csg Size: 5.5"  
 Wt: 14#  
 Grade: J-55  
 ID: 5.012"  
 Depth 2202'  
 Casing cap ft<sup>3</sup>/ft: 0.137  
 Csg/csg Ann. ft<sup>3</sup>/ft 0.1926  
 Csg/OH ft<sup>3</sup>/ft 0.1733  
 TOC: 1862' (calc.)

\*Estimated (OH size N/A)

Pictured Cliffs perms 2068-2092'

PBTD 2165'  
 TD 2203'

**Production Tubing Detail**

Possibly 1-1/4" tbg. at 2089'.

TOC: 1862' (calc.)

6/2/2022

**DJR Operating, LLC**  
**Proposed Wellbore Diagram**  
**AXI Apache H 9**  
**API # 30-039-05220**  
**SW/SW, Unit M, Sec 32, T24N, R5W**  
**Rio Arriba County, NM**

GL 6563'  
 KB 6572'  
 Spud Date 11/22/1959

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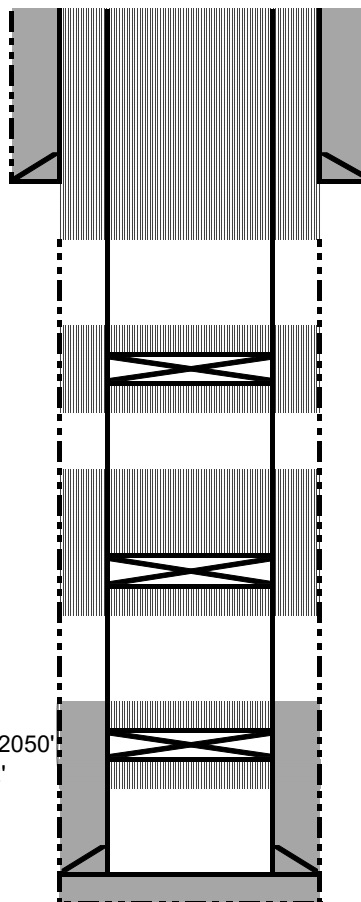
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 TOC: 1862' (calc.)

\*Estimated (OH size N/A)

Cement Ret. near 2050'  
 Pictured Cliffs perms 2068-2092'

PBSD 2165'  
 TD 2203'



**Plug 5:** Surface casing shoe and plug: Perforate holes at 186'. Tie onto 5-1/2" casing and mix and pump sufficient volumet to bring TOC to surface, inside and outside.

**Plug 4:** Nacimiento: Perforate holes at 913'. Set CR near 863'. Mix and pump sufficient volume to bring TOC to 813', inside and outside.

**Plug 3:** Perforate as close to 50' below top of Fruitland as possible, based on CBL. Set CR near 1868', if possible. Mix and pump sufficient volume to bring TOC to 1450' inside and outside.

**Plug 1:** Pictured Cliffs: Set CR near 2050'. Attempt to pump 10 sx cement through CR. Run CBL. **Plug 2:** Spot 100' plug on top of CR.

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

AFMSS 2 Sundry ID 2674581

Attachment to notice of Intention to Abandon

Well: Axi Apache H 9

**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 (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 6/7/2022

**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 P&A Geologic Report

**Date Completed:** 06/07/2022

|   |  |                      |            |                           |       |            |  |
|---|--|----------------------|------------|---------------------------|-------|------------|--|
| Well No. AXI Apache H 9 (API# 30-039-05220) |  | Location:            | SWSW       |                           |       |            |  |
| Lease No. JIC38                             |  | Sec. 32              | T24N       |                           |       | R5W        |  |
| Operator DJR Operating, LLC                 |  | County               | Rio Arriba |                           | State | New Mexico |  |
| Total Depth 2203'                           |  | PBTD 2165'           |            | Formation Pictured Cliffs |       |            |  |
| Elevation (GL) 6563'                        |  | Elevation (KB) 6572' |            |                           |       |            |  |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks                       |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm         |          |             |         |            | Surface/freshwater sands      |
| Nacimiento Fm       |          |             | 863     |            | Possible freshwater sands     |
| Ojo Alamo Ss        |          |             | 1550    |            | Aquifer (possible freshwater) |
| Kirtland Shale      |          |             | 1690    |            |                               |
| Fruitland Fm        |          |             | 1868    |            | Coal/Gas/Possible water       |
| Pictured Cliffs Ss  |          |             | 2064    |            | Gas                           |
| Lewis Shale         |          |             |         |            |                               |
| Chacra              |          |             |         |            | Gas                           |
| Cliff House         |          |             |         |            | Water/Possible gas            |
| Menefee Fm          |          |             |         |            | Coal/Ss/Water/Possible O&G    |
| Point Lookout Ss    |          |             |         |            | Probable water/Possible O&G   |
| Mancos              |          |             |         |            | Water/Possible gas            |
| Gallup              |          |             |         |            | O&G/Water                     |
| Greenhorn           |          |             |         |            |                               |
| Graneros Shale      |          |             |         |            |                               |
| Dakota Ss           |          |             |         |            | O&G/Water                     |

Remarks:

P & A

Reference Well:

- Picture Cliffs perforations 2068 - 2092'.

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 114575

CONDITIONS

|   |   |
|---|---|
| Operator:<br>DJR OPERATING, LLC<br>1 Road 3263<br>Aztec, NM 87410 | OGRID:<br>371838                                    |
|   | Action Number:<br>114575                            |
|   | Action Type:<br>[C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition   | Condition Date |
|------------|---|----------------|
| kpickford  | CBL required  | 6/10/2022      |
| kpickford  | Notify NMOCD 24 Hours Prior to beginning operations   | 6/10/2022      |
| kpickford  | Adhere to BLM approved plugs and COAs. See GEO Report | 6/10/2022      |