Well Name: SKIP HIXON

Well Location: T26N / R3W / SEC 27 / NWSE /

County or Parish/State: RIO ARRIBA / NM

Well Number: 1

Type of Well: OIL WELL

Allottee or Tribe Name: JICARILLA APACHE

Lease Number: JIC117

Unit or CA Name:

Unit or CA Number:

US Well Number: 3003924172

Well Status: Producing Oil Well

Operator: DJR OPERATING LLC

Notice of Intent

Sundry ID: 2669072

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 04/27/2022

Time Sundry Submitted: 01:47

Date proposed operation will begin: 04/27/2022

Procedure Description: This request is being submitted for engineering & geological review prior to onsite inspection as approved by Dave M. of the BLM. 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

NOI_PA_BLM_Submittal_Rev1_20220629114013.pdf

Well Name: SKIP HIXON

Well Location: T26N / R3W / SEC 27 / NWSE /

County or Parish/State: RIO ARRIBA / NM

Well Number: 1

Type of Well: OIL WELL

Allottee or Tribe Name: JICARILLA APACHE

Lease Number: JIC117

Unit or CA Name:

Unit or CA Number:

US Well Number: 3003924172

Well Status: Producing Oil Well

Operator: DJR OPERATING LLC

Conditions of Approval

Additional

General_Requirement_PxA_20220706135513.pdf

2669072_NOIA_1_3003924172_KR_07062022_20220706135500.pdf

26N03W27JKd_Skip_Hixon_1_20220706113954.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

Operator Electronic Signature: SHAW-MARIE FORD

Signed on: JUN 29, 2022 11:40 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 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: 07/06/2022

Signature: Kenneth Rennick

Plug and Abandonment Procedure

for

DJR Operating, LLC

Skip Hixon 1

API # 30-039-24172

NW/SE, Unit J, Sec. 27, T26N, R3W

Rio Arriba County, NM

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 unknown quantity of 2 3/8" tubing. LD tubing to be sent in for storage/salvage.

6. RU Pit, pump, and power swivel. PU 2-3/8" workstring, bit and 4x3-1/8" drill collars. Drill out cement plug at 4138' and clean out to near 6976'. TOOH.

7. MIRU logging truck. Run gauge ring to make sure casing is clear for CBL. Run CBL log from top of cement at approximately 6976' to surface. 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.

8. Plug 1: Mancos: Spot balanced plug from 6335-6235'. Pump water to ensure tubing is clear.

9. Plug 2: Mesa Verde: Spot balanced plug from 5717-5617'. Pump water to ensure tubing is clear.

10. Plug 3: Chacra: Spot balanced plug from 4972-4872'. Pump water to ensure tubing is clear.

11. Plug 4: Pictured Cliffs perforations: PU and TIH with 5-1/2" CR and set near 3970'. Pressure test tubing to 1000 psi. Sting out of CR and pressure test casing to 600 psi. Sting back into CR. Squeeze below CR with 10 sx.

12. Plug 5: Pictured Cliffs top, Fruitland, and portion of Kirtland top (inside). Sting out and spot sufficient volume on top of CR to bring TOC to 3740'. Reverse out. Pump water to assure that tubing is clear. TOOH.

13. Plug 6: Remaining Kirtland plug and Ojo Alamo: RIH with wireline and perforate holes at 3730'. Set CR near 3700'. Mix and pump sufficient volume to bring TOC to 3510' inside and outside. Pump water to assure that tubing is clear.

14. Plug 7: Nacimiento top: RIH with wireline and perforate holes at 1882'. PU and TIH with 5-1/2" CR and set at 1832'. Mix and pump sufficient volume to bring TOC to 1782' inside and outside 5-1/2" casing. Pump water to assure that tubing is clear.

15. Plug 8: Surface casing shoe and surface plug: Perforate holes at 372'. Tie onto 5-1/2" casing, establish rate, and mix and pump sufficient volume to bring cement to surface inside and outside.

16. 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.

17. RD and MO all rig and cement equipment. Ensure that location is free of trash and contamination before moving off.

18. 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 ft^3/sk. Cement volumes are to include 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.

Current Wellbore Diagram

DJR Operating, LLC

Skip Hixon 1

API # 30-039-24172
NW/SE, Unit J, Sec 27, T26N, R3W
Rio Arriba County, NM

GL	**7390'**
KB	**7402'**
Spud Date	**12/9/1987**

SURF CSG

Hole size	12.25"
Csg Size:	9.625"
Wt:	36#
Grade:	J-55
ID:	8.921
Depth	322'
Csg cap ft^3:	0.434
TOC:	Surf

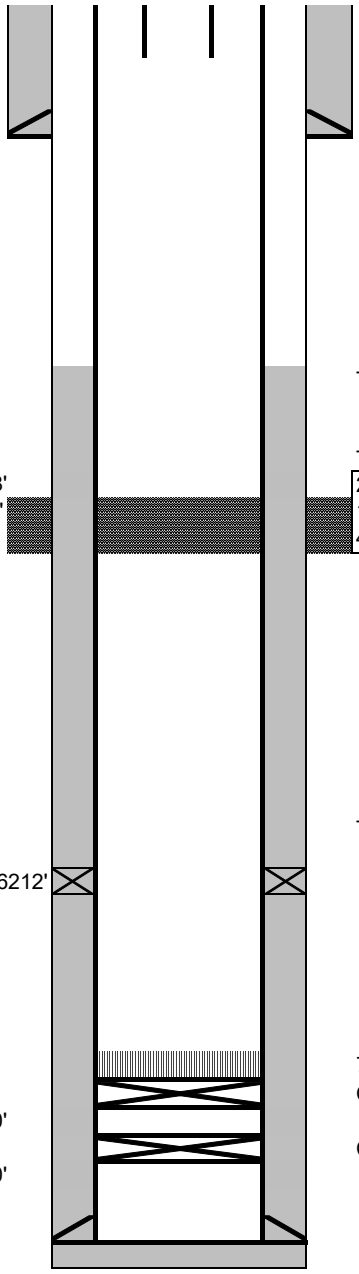
PROD CSG

Hole size	5/7.875"
Csg Size:	5.5"
Wt:	17#
Grade:	K-55
ID:	4.892"
Depth	8524'
Csg cap ft^3:	0.1305

8.75" OH to 5640'
7.875" OH to 8525'
TOC 3740' (CBL: 11/27/2001)

FORMATION TOPS

Nacimiento	1832'
Ojo Alamo	3560'
Kirtland	3744'
Fruitland	3830'
Pictured Cliffs	3977'
Chacra	4922'
Mesa Verde	5667'
Mancos	6285'
Gallup	7311'
Dakota	8198'



Prod Tubing Detail:

Only a few joints of 2-3/8" tubing (per verbal communication).

Rod Detail:

None

TOC 3790' (CBL: 11/27/2001)

TOC 3900' (TS)

PC perfs 3984-4048'
New PBTD 4138'

2001: Perfed at 3900'. Sqz'd with 150 sx. Drilled out cement to 4138'.

TOC Above 6090' (CBL)

DV Tool at 6212'

74' cement on top of CIBP
CIBP 7050' (2001)

7080-7340'

CIBP 7350' (1988)

Dakota perfs 7638-7660'

Original PBTD 8430'
TD 8525'

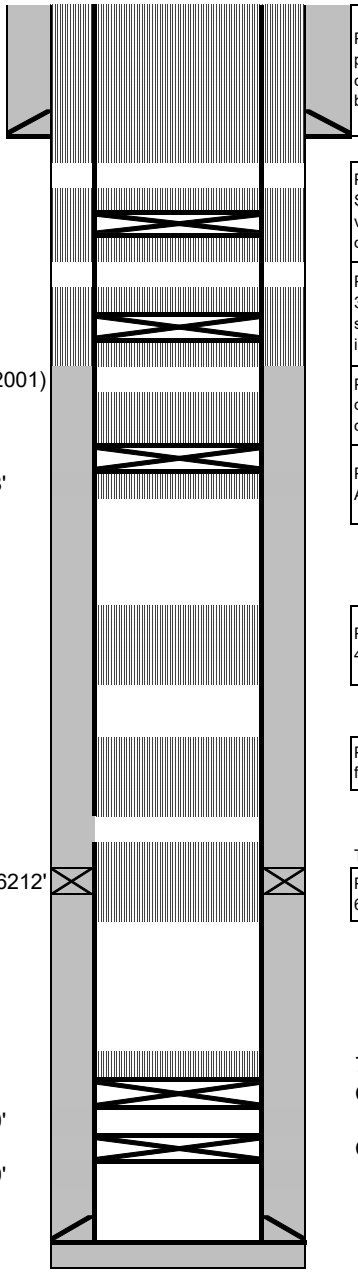
Proposed Wellbore Diagram

DJR Operating, LLC

Skip Hixon 1

API # 30-039-24172
NW/SE, Unit J, Sec 27, T26N, R3W
Rio Arriba County, NM

GL	**7390'**
KB	**7402'**
Spud Date	**12/9/1987**



SURF CSG	
Hole size	12.25"
Csg Size:	9.625"
Wt:	36#
Grade:	J-55
ID:	8.921
Depth	322'
Csg cap ft^3:	0.434
TOC:	Surf

PROD CSG	
Hole size	8.75/7.875"
Csg Size:	5.5"
Wt:	17#
Grade:	K-55
ID:	4.892"
Depth	8524'
Csg cap ft^3:	0.1305

8.75" OH to 5640'
7.875" OH to 8525'

FORMATION TOPS	
Nacimiento	1832'
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TOC 3790' (CBL: 11/27/2001)

PC perfs 3984-4048'

DV Tool at 6212'

Dakota perfs 7080-7340'
7638-7660'

Original PBTD 8430'
TD 8525'

Plug 8: Surface casing shoe and surface plug: Perf holes at 372'. Tie onto 5-1/2" casing. Mix and pump sufficient volume to bring TOC to to surface, insde and outside.

Plug 7: Nacimeinto top: Perf holes at 1882'. Set CR near 1832'. Mix and pump sufficient volume to bring TOC to 1782' inside and outside.

Plug 6: Kirtland and Ojo Alamo: Perf holes at 3730'. Set CR near 3700'. Mix and pump sufficient volume to bring TOC to 3510' inside and outside.

Plug 5: Pictured Cliffs, Fruitland, and portion of Kirtland plug, inside. Spot cement on top of CR to 3740'. Reverse out.

Plug 4: PC perfs: Set CR near 3970'. Attempt to squeeze 10 sx below CR.

Plug 3: Chacra: Spot balanced plug from 4972-4872'

Plug 2: Mesa Verde: Spot balanced plug from 5717-5617'

TOC Above 6090' (CBL)

Plug 1: Mancos: Spot balanced plug from 6335-6235'

74' cement on top of CIBP
CIBP 7050' (2001)

CIBP 7350' (1988)

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

AFMSS 2 Sundry ID 2669072

Attachment to notice of Intention to Abandon

Well: Skip Hixon 1

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 7/6/2022

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_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.

BLM FLUID MINERALS
P&A Geologic Report

Date Completed: 07/06/2022

Well No. Skip Hixon #1 (API# 30-039-24172)		Location	1740 FSL	&	2090 FEL	
Lease No. JIC117		Sec. 27	T26N		R03W	
Operator DJR Operating, LLC		County	Rio Arriba	State	New Mexico	
Total Depth 8525’	PBTD 8430’	Formation	Dakota/Pictured Cliffs			
Elevation (GL) 7390’		Elevation (KB)	7402’			

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose	Surface	1832			Surface/possible freshwater sands
Nacimiento	1832	3560			Possible freshwater sands
Ojo Alamo Ss	3560			3744	Aquifer (possible freshwater)
Kirtland Shale			3744	3830	Possible gas
Fruitland			3830	3977	Coal/Gas/Water
Pictured Cliffs Ss			3977	4046	Gas
Lewis Shale			4046	4922	
Chacra			4922	5667	Possible Gas
Cliff House Ss			5667	5792	Water/probable gas
Menefee			5792	6100	Coal/Ss/Water/probable gas
Point Lookout Ss			6100	6285	Probable water/O&G
Mancos Shale			6285	7311	Probable O&G
Gallup			7311	8097	O&G
Greenhorn			8097	8164	
Graneros Shale			8164	8198	
Dakota Ss			8198	PBTD	O&G/water
Morrison					

Remarks:
P & A

- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.
- Pictured Cliffs perfs 3984’ – 4048’.
- Dakota perfs 7080’ – 7660’.

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 123209

CONDITIONS

Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410	OGRID: 371838
	Action Number: 123209
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	CBL required	7/11/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	7/11/2022
kpickford	Adhere to BLM approved plugs and COAs. See GEO Report	7/11/2022