

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
14206031448

6. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

7. If Unit or CA/Agreement, Name and/or No.
8910060900

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. CENTRAL BISTI UNIT 53
2. Name of Operator DJR OPERATING LLC		9. API Well No. 30-045-05558-00-S1
3a. Address 1 ROAD 3263 AZTEC, NM 87410		10. Field and Pool or Exploratory Area BISTI LOWER GALLUP
3b. Phone No. (include area code) Ph: 505-632-3476		11. County or Parish, State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T25N R12W SWNE 1979FNL 1980FEL 36.431915 N Lat, 108.131775 W Lon		

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

KP

DJR requests permission to Plug & Abandon the subject well per the attached Procedure, Current & Proposed Wellbore Diagram, and Reclamation Plan.

Notify NMOCD 24hrs
Prior to beginning
operations
CBL Required

14. I hereby certify that the foregoing is true and correct. Electronic Submission #520457 verified by the BLM Well Information System For DJR OPERATING LLC, sent to the Farmington Committed to AFMSS for processing by HEATHER PERRY on 07/07/2020 (20HCP0013SE)	
Name (Printed/Typed) SHAW-MARIE FORD	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 06/26/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOE KILLINS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>08/26/2020</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Farmington</u>

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AV

Plug and Abandonment Procedure

for

DJR Operating, LLC

Central Bisti Unit 53

API # 30-045-05558

SW/NE, Unit G, Sec. 5, T25N, R12W

San Juan County, NM

I.

1. Hold Pre job meeting, comply with all NMOCD, BLM and environmental regulations.
2. MIRU prep 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. MIRU hot oil unit, pump hot water to clear rods and tubing of paraffin.
6. Trip out of hole with rods and pump. Lay down to be sent in for storage/salvage.
7. Unset TAC.
8. ND WH, NU BOP, function test BOP.
9. Trip out of hole with 2 3/8" tubing. LD tubing to be sent in for storage/salvage.
10. RDMO prep rig to next location.

II.

11. MIRU P&A rig and equipment.
12. PU workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 4760'. TOOH.

13. PU and RIH with a 5 ½” cement retainer. Set the CR at +/- 4760’. Load hole with water. Pressure test tubing to 1000 psi, sting out of CR, test casing to 600 psi. If casing does not test, contact engineering. TOOH.
14. RIH with wireline and run GR/CCL/CBL while holding 650 psi on casing. Electronic copy of CBL to be sent to: Brandon Powell, NMOCD Brandon.Powell@state.nm.us, Joe Killins, BLM jkillins@blm.gov, John Hoffman, BLM jhoffman@blm.gov and Scott Lindsay, DJR, slindsay@djrlc.com.
15. P&A procedure may be modified as determined by the casing pressure test and the CBL log.
16. Plug 1: TIH and sting back into CR, establish rate, and attempt to mix and pump 20 sx Class G cement through the CR into the Gallup perforations. If zone pressures up, sting out of CR and spot plug on top to bring TOC inside to 4561’. Pump water to ensure that tubing is clear.
17. Plug 2: Mancos: PU bit and scraper, TIH and make sure scraper will go below 3810’. TOOH. RIH and perforate 4 holes at 3810’. PU and TIH with 5-1/2” CR and set at 3760’. Establish rate. Mix and pump sufficient cement to bring TOC to 3710’ behind pipe. Sting out of CR and spot plug on top to bring TOC inside to 3710’. Pump water to ensure that tubing is clear. TOOH.
18. Plug 3: Mesaverde: PU bit and scraper, TIH and make sure scraper will go below 1910’. TOOH. RIH and perforate 4 holes at 1910’. PU and TIH with 5-1/2” CR and set at 1860’. Establish rate. Mix and pump sufficient cement to bring TOC to 1810’ behind pipe. Sting out of CR and spot plug on top to bring TOC inside to 1810’. Pump water to ensure that tubing is clear.
19. Plug 4: Chacra: PU bit and scraper, TIH and make sure scraper will go below 1510’. TOOH. RIH and perforate 4 holes at 1510’. PU and TIH with 5-1/2” CR and set at 1460’. Establish rate. Mix and pump sufficient cement to bring TOC to 1410’ behind pipe. Sting out of CR and spot plug on top to bring TOC to 1410’ inside. Pump water to ensure that tubing is clear.
20. Plug 5: Pictured Cliffs, Fruitland: PU bit and scraper, TIH and make sure scraper will go below 1155’. TOOH. RIH and perforate 4 holes at 1155’. PU and TIH with 5-1/2” CR and set at 1105’. Establish rate. Mix and pump sufficient cement to bring TOC to 899’ behind pipe. Sting out of CR and spot plug on top to bring TOC to 899’ inside. Pump water to ensure that tubing is clear.

21. Plug 6: Kirtland, Ojo Alamo, surface casing shoe, surface plug: PU bit and scraper, TIH and make sure scraper will go below 440'. TOO. RIH and perforate 4 holes at 440'. Establish rate. Tie onto 5-1/2" casing. Mix and pump sufficient cement to bring cement to surface inside and outside 5-1/2" casing.
22. RD cementing equipment. Cut off wellhead, fill any exposed annulus 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.
23. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
24. 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.

**Current Wellbore Diagram
DJR Operating, LLC
Central Bisti Unit 53**

API # 30-045-05558

SW/NE, Unit G, Sec 5, T25N, R12W
San Juan County, NM

GL 6156'

KB 6166'

Spud Date 11/25/1956

SURF CSG

Hole size 13.75"
Csg Size: 9.625
Wt: 25.4
Grade: SW
ID: 9.125"
Depth 167'
Csg cap ft³: 0.4542
TOC: Circ surf

FORMATION TOPS

Nacimiento	Surface
Kirtland	390'
Fruitland	949'
Pictured Cliffs	1105'
Lewis	1144'
Chacra	1460'
Mesaverde	1860'
Mancos	3760'
Gallup	4611'

PROD CSG

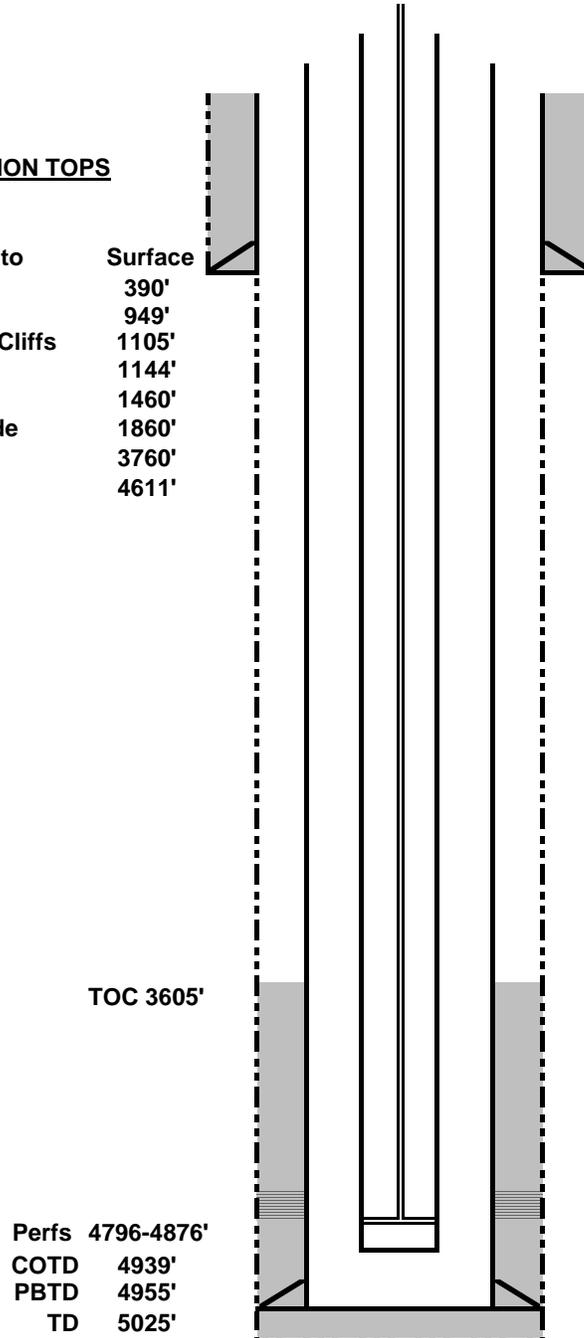
Hole size 8.75"
Csg Size: 5.5"
Wt: 15.5#
Grade: J-55
ID: 4.950"
Depth 5025'
Csg cap ft³: 0.1336
Csg/Csg
Ann ft³: 0.2891
Csg/OH cap
ft³: 0.2526
TOC: 3605' (TS)

Prod Tubing Detail:

2.375": MA, SN, 6 jts. 2-3/8" tbg., TAC, 148 jts., 10' pup. EOT @ 4889'. SN @ 4858'. TAC 4668.

Rod Detail:

2"x1-1/4"x13' RHAC-Z pump, 3' stabilizer sub, 4 K bars, 8x3/4" guided rods, 181x3/4" plain rods, 6'x4' rod subs, 22' polished rod.



Proposed Wellbore P&A Diagram
DJR Operating, LLC
Central Bisti Unit 53
 API # 30-045-05558
 SW/NE, Unit G, Sec 5, T25N, R12W
 San Juan County, NM

GL 6156'
 KB 6166'
 Spud Date 11/25/1956

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FORMATION TOPS

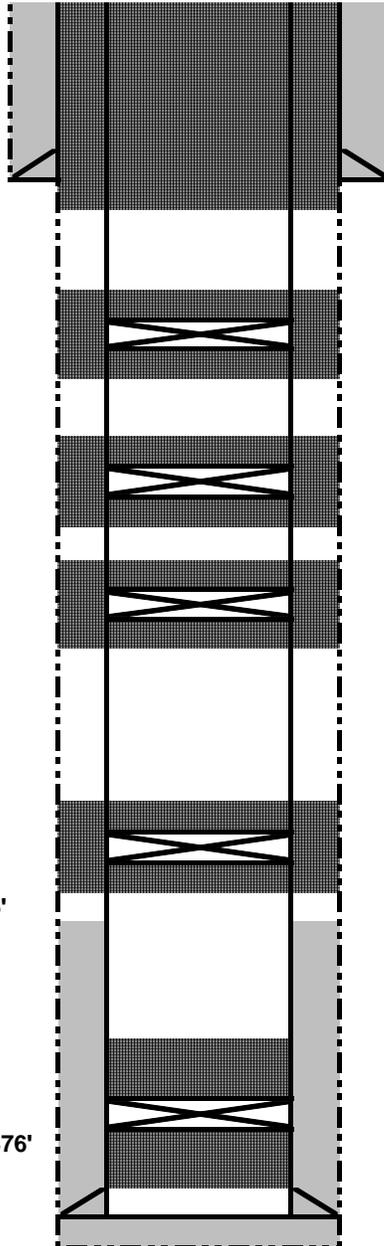
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Hole size 8.75"
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 Ann ft³:
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 TOC: 3605' (TS)

TOC 3605'

CR	4760'
Perfs	4796-4876'
COTD	4939'
PBTD	4955'
TD	5025'



Plug 6: Kirtland, Ojo Alamo, surface casing shoe, surface plug. Perf 4 holes at 440'. Tie onto 5-1/2" casing. Mix and pump sufficient cement to bring cement to surface, inside and outside 5-1/2" casing.

Plug 5: Pictured Cliffs, Fruitland: Perf 4 holes at 1155'. Set CR at 1105'. Sqz below CR to bring cement to 899' behind pipe. Spot cement on top of CR to bring TOC to 899'.

Plug 4: Chacra: Perf 4 holes at 1510'. Set CR at 1460'. Sqz below CR to bring cement to 1410' behind pipe. Spot cement on top of CR to bring TOC to 1410'.

Plug 3: MV: Perf 4 holes at 1910'. Set CR at 1860'. Sqz below CR to bring cement to 1810' behind pipe. Spot cement on top of CR to bring TOC to 1810'.

Plug 2: Mancos: Perf 4 holes at 3810'. Set CR at 3760'. Sqz below CR to bring cement to 3710' behind pipe. Spot cement on top of CR to bring TOC to 3710'.

Plug 1: Attempt to pump 20 sx cement through CR and into perfs. Spot plug on top of CR from 4760-4561' to cover Gallup top.

**BLM FLUID MINERALS
Geologic Report**

Date Completed: 8/21/2020

Well No. Central Bisti Unit #053 (API# 30-045-05558)	Location	1979	FNL &	1980	FEL
Lease No. 14206031448	Sec. 05	T25N		R12W	
Operator DJR Operating, LLC	County	San Juan	State	New Mexico	
Total Depth 5025	PBTD 4955	Formation Gallup			
Elevation (GL) 6156	Elevation (KB) 6166				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm			Surface	245	Fresh water sands
Ojo Alamo Ss			245	300	Aquifer (fresh water)
Kirtland Shale			300	949	
Fruitland Fm			949	1105	Coal/Gas/Possible water
Pictured Cliffs Ss			1105	1144	Gas
Lewis Shale			1144	1460	
Chacra			1460	1860	
Cliff House Ss			1860	2450	Water/Possible gas
Menefee Fm			2450	3604	Coal/Ss/Water/Possible O&G
Point Lookout Ss			3604	3760	Probable water/Possible O&G
Mancos Shale			3760	4611	
Gallup			4611	PBTD	O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

- BLM geologist's formation top picks coincide with operator picks except for the Ojo Alamo – BLM pick @ 300', operator pick @ 390'. The submitted plugging plan has an adequate surface plug to cover the BLM top.
- Log analysis of reference well #2 indicates the Nacimiento and Ojo Alamo sands investigated likely contain fresh water ($\leq 5,000$ ppm TDS). The submitted plugging plan has the surface plug from 440'-Surface, which will protect freshwater sands in this well bore.
- For reference from P&A Plan:
 - o Cement Retainers will be set at @ 4760', 3760', 1860', 1460', and 1105'
 - o Gallup perforations @ 4876'-4796'

Reference Well:

1) Same

Fm. Tops

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

Water
Analysis

Prepared by: Chris Wenman

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

Attachment to notice of
Intention to Abandon: EC# 520457

Re: Permanent Abandonment
Well: Central Bisti Unit 53

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
3. Submit electronic copy of the CBLs for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Required plug coverage is based on attached BLM geologic report.

**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.