Form 3160-5
(June 2015)

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
JIC38

6. If Indian, Allottee or Tribe Name
JICARILLA APACHE

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
AXI APACHE H 5

2. Name of Operator
DJR OPERATING LLC
Contact: SHAW-MARIE CRUES
E-Mail: scrues@djrllc.com

9. API Well No.
30-039-05221-00-S1

3a. Address
1600 BROADWAY SUITE 1600
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 505-632-3476

10. Field and Pool or Exploratory Area
BALLARD

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 31 T24N R5W SWSW 890FSL 890FWL
36.264521 N Lat, 107.407937 W Lon

11. County or Parish, State
RIO ARRIBA COUNTY, NM

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

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

BP

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.

DJR Operating, LLC requests permission to Plug & Abandon the subject well per the attached Procedure, wellbore diagram, and Reclamation Plan.

Notify NMOCD 24 hrs prior to beginning operations

NMOCD
OCT 16 2019
DISTRICT III

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #470791 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Rio Puerco
Committed to AFMSS for processing by ALBERTA WETHINGTON on 06/28/2019 (19AMW0019SE)

Name *(Printed/Typed)* SHAW-MARIE CRUES — Title HSE TECHNICIAN

Signature (Electronic Submission) — Date 06/26/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS — Title PETROLEUM ENGINEER — Date 10/10/20

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 Rio Puerco

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 ****

NMOCD

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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

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: DJR AXI Apache H 5

API: 30-039-05221

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. Submit electronic copy of the CBL 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. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.

3. BLM pick top of Ojo Alamo at 1550 ft. Modify Plug #1 to cover 1500-2086 ft.

DJR Operating LLC

Plug And Abandonment Procedure

AXI Apache H #005

890' FSL & 890' FWL, Section 31, T24N, R5W

Rio Arriba County, NM / API 30-039-05221

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.

2. Check casing, tubing, and bradenhead pressures.

3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.

4. ND wellhead and NU BOP. Function test BOP.

5. P/U 4-1/2" bit or casing scraper on 2-3/8" workstring and round trip as deep as possible above top perforation at 2136'.

6. P/U 4-1/2" CR, TIH and set CR at +/- 2086'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.

7. RU wireline and run CBL with 500 psi on casing from CR at 2086' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to

Jack Savage (BLM) at jwsavage@blm.gov and Brandon Powell at Brandon.powell@state.nm.us upon completions of logging operations.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

9. Plug 1 (**Pictured Cliffs Perforations and Formation Top, Fruitland, Kirtland, Ojo Alamo Formation Tops 2086'-1600', 40 Sacks Class G Cement)**

   Mix 40 sx Class G cement and spot a balanced plug inside casing to cover Pictured Cliffs perforations and formation top, Fruitland, Kirtland, and Ojo Alamo formation tops.

10. Plug 2 (**Nacimiento Formation Top 1000'-850', 12 Sacks Class G Cement)**

    Mix 12 sx Class G cement and spot a balanced plug inside casing to cover the Nacimiento formation top.

11. Plug 3 (**Surface Shoe and Surface 206'-surface, 65 Sacks Class G Cement)**

    Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 65 sx cement and spot a balanced plug from 206' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 206' and the annulus from the squeeze holes to surface. Shut in well and WOC.

12. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.

P & A RECLAMATION PLAN

Date: June 20, 2019

Attendees:

BIA: Kurt Sandoval, Real Estate Services

BLM Specialist: Bob Switzer

JOGA Specialists: None in Attendance

DJR Pipeline Specialist: Rockey Mackey, Caleb Talet

DJR Regulatory: Paul Lehrman

Operator: DJR Operating, LLC

Well Name & Number: AXI Apache H5

API No. 30-039-05221

Section 31 Township 24 North Range 5 West

Lease No: 38

Footage 890 FSL 890 FWL

County Rio Arriba State New Mexico

Latitude/Longitude: Lat: 36.2645187 Long: -107.40795134

Surface: Jicarilla Apache Nation

Twinned Location: No

USDI-Geological Survey: Tafoya Canyon 7.5 Minute Quad

WELL PAD

Topography: Rolling Sage Hills/Rincons

Stockpile Topsoil: Yes

Soil Type: Sandy

Vegetation Community: Mesa Seed Mix

Vegetation Specifics:

Common Name	Scientific Name	Variety	Form	PLS lbs/Acre
Sandberg Bluegrass	Poa Secunda		Bunch	1.0
Indian Ricegrass Rimrock	Oryzopsis hymenoides		Bunch	1.1
Lewis Flax	Linum lewissi		Grass	.80
Small Burnet	Sanguisorba minor		Forb	2.0
UT Sweetvetch	Hedysarum boreale		Legume	1.0
Antelope Bitterbrush	Purshia tridentata		Shrub	1.5
Sand Dropseed	*Sporobolus cryptandrus*		Bunch	.50

Mtn. Mahogany	*Cercocarpus montanus*		Shrub	1.0
Sideoats Grama	Bouteloua curtipendula		Grass	1.0
Blue Gramma	Bouteloua gracilis		Bunch	1.0
Galleta	*Pleuraphis jamesii*		Bunch	2.0
			Total	12.90

Straw mulch (i.e. barley, wheat. Oat, etc.) will be uniformly applied and crimped on reclaimed areas of the well site.

Vegetation Cages: No

Noxious Weeds: No

Facilities on Location:

- Well Head
- Pipeline (DJR)
- Meter Run

Gravel Present: Minimal

Steel Pits: No

Cathodic Ground bed: No

Trash on Location: Minor, all trash and debris will be removed

Power Poles: No

Construct Diversion Ditch: No

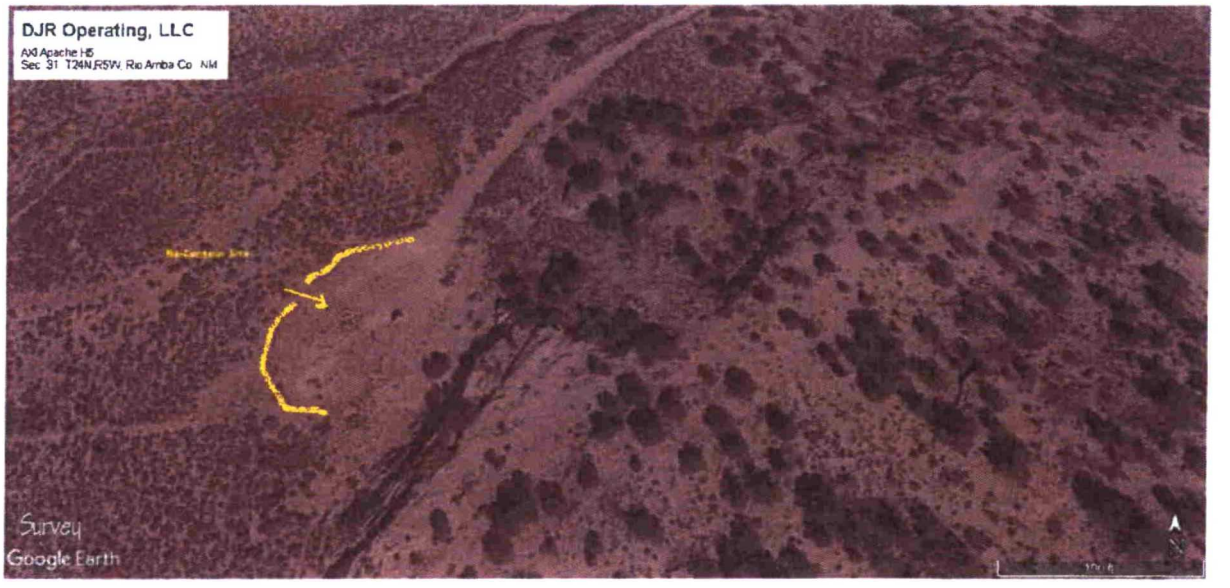
Contaminated Soil: None

Construct Silt Trap: No

Recontour Disturbed Areas to Natural Terrain: Yes, on pad only

Location and Access Barricade: No

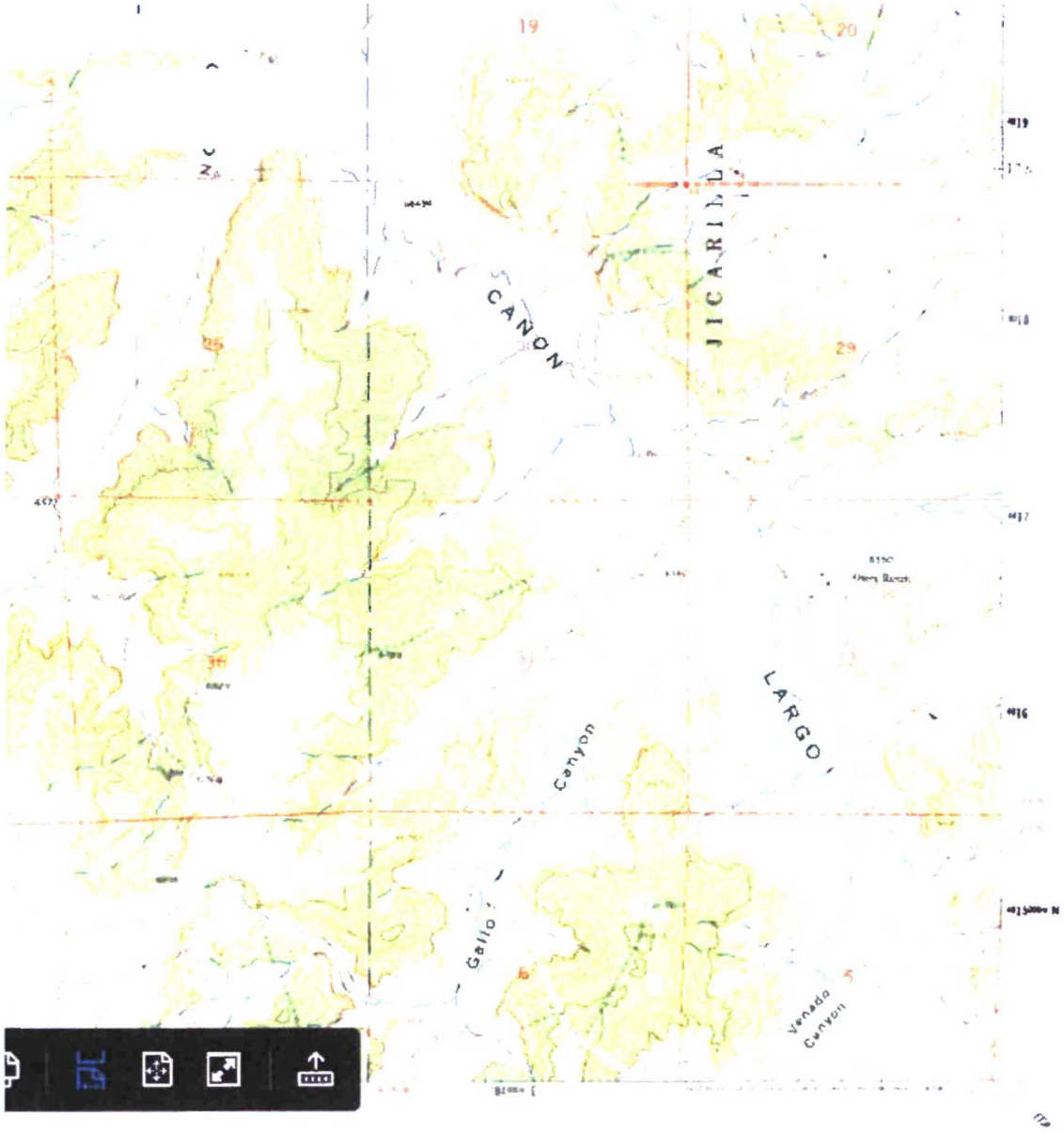
Site Layout:



Operator: DJR Operating, LLC

Well Name & Number: AXI Apache H5

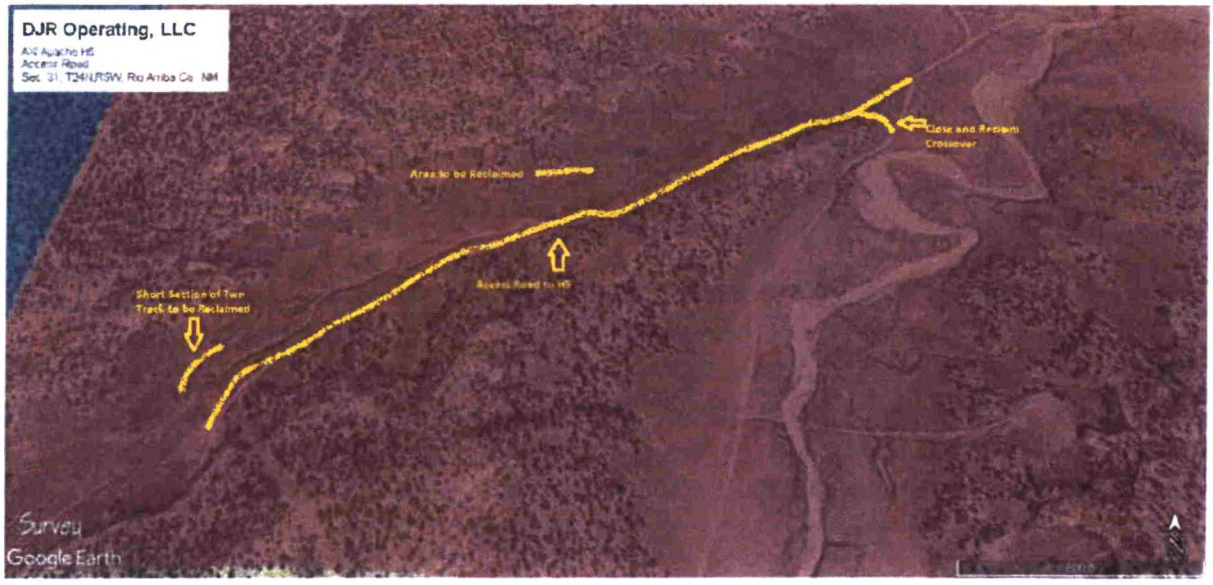
TOPO PLAT



TAFOYA CANYON 7.5 MINUTE QUAD

ACCESS ROAD

Access Length:	4000'
Remediation Method:	Reclaim access from pad back to area shown on plat.
Culverts:	No
Cattle Guard:	No
Other:	Place water bars as required



PIPELINE

Pipeline Company	DJR
Relocate Riser/Pipeline	No, riser, meter run, drip tank and **all pipe within well pad boundaries above and below grade**, and all pipeline back edge of pad to east, and any above ground equipment.

GRAZING

Stipulations, if any, per approval.

GENERAL RECLAMATION PLAN NARRATIVE

On June 20, 2019 Kurt Sandoval of the Jicarilla Agency Bureau of Indian Affairs, Robert Switzer of the BLM FFO. No representatives of the Jicarilla Oil and Gas Administration were present. DJR Operating, LLC had representatives, Paul Lehrman, Rockey Mackey and Caleb Talet. The following was discussed:

Re-contour well site using materials from the existing site. Pull soils from North side into cut on South side. Spread soil from all areas on reclaimed pad before reseeding. Feather areas taken to pad level. Remove tank, drips, if any, piping etc. from location.

Reclaim access road from well site to northeast and place water bars on access road as appropriate. **Note: Reclaim and close turn-out on east end of access road.**

Reclamation work will begin as soon as the well is plugged, (to allow for better seed germination), or at a later date as approved by JOGA/BIA, and after the submitted approved plugging Sundry. Timing of the seeding may change and will be contingent on the plugging of the well, weather and the optimal time to seed. Seeding will be repeated if a satisfactory stand in not obtained as determined by JOGA/BIA upon evaluation of the second growing season.

Notification will be provided via e-mail, or phone to Kurt Sandoval, Alfred Vigil, Jr., and Robert Switzer. This will be done 48 hours prior to starting dirt work. Kurt Sandoval email: kurt.sandoval@bia.gov, phone 575-759-3951, Alfred Vigil, Jr. email: alfredvigiljr@jicarillaoga.com, phone 575-419-0003, and Robert Switzer email: rswitzer@blm.gov and cell 505-793-1809. DJR will also submit a Permission to Perform Work (PTPW) form to the BIA prior to beginning any work associated with this plan. An affidavit of completion will be submitted once the work has been completed.

All fences (if any), production equipment, concrete slabs, anchors, flowlines on pad, risers/drips, if any, tanks, debris, and trash will be removed from location and disposed of at the proper facilities.

The reclaimed areas of the pad to be ripped to a sufficient depth to accept seed and the straw mulch (crimped), leaving the surface as rough as needed, to provide sufficient root establishment, growth, and stabilization of disturbed areas.

All Seed will be distributed via drill seeding.

Straw mulch (i.e. barley, wheat. Oat, etc.) will be uniformly applied and crimped on reclaimed areas of the well site.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
JICARILLA AGENCY
P.O. BOX 167
DULCE, NEW MEXICO 87528

IN REPLY REFER TO:
Branch of Real Estate Services

Reclamation Inspection Checklist

Company: **DJR Operating, LLC**
1 Road 3263
Aztec, New Mexico 87410-9521

Lease No.:	**38**
Location Name:	**AXI Apache H #5**
API / ROW No.:	**30-039-05221**
Legal Description:	Section 31, Township 24 North, Range 5 West
Plug Date:	

Inspection Items	Complete	Incomplete
1. Dry-hole Marker / Surface Monument		
2. Facilities Removed including debris		
3. Reclamation of Access Road		
4. Fence for Access Road		
5. Pipeline Removed or Buried		
6. Recontoured: Ripped (Dig) and/or Disked (Level)		
7. Top Soil Stability: Erosion and/or Runoff Control		
8. Seeding: Drill and/or Broadcast		
9. Successful Vegetation Growth		
10. Fence for Vegetation		
11. Weed Treatment: Noxious or Invasive (mulch blocks weed growth).		
12. Recommended Approval for Final Reclamation		

Comments to be added to Reclamation Plan submitted

I certify that the completion of the above indicated reclamation inspection is true and correct.

Signature _____ Date _____

Wellbore Diagram

AXI Apache H #005
API #: 3004505221
Rio Arriba County, New Mexico

Plug 3

206 feet - Surface

206 feet plug

65 sacks of Class G Cement

Plug 2

1000 feet - 850

150 feet plug

12 sacks of Class G Cement

Plug 1

2086 feet - 1600

486 feet plug

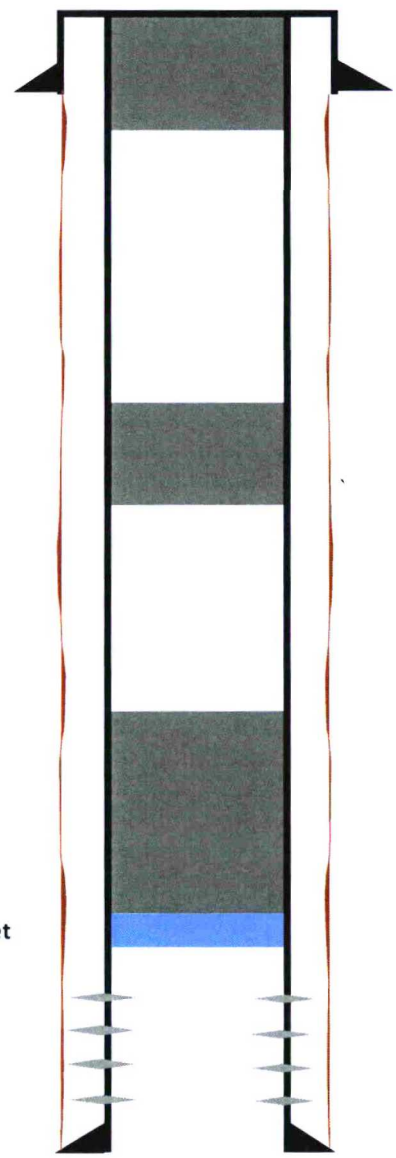
40 sacks of Class G Cement

Surface Casing

8.625" 24# @ 158 ft

Formation

Pictured Cliffs - 2131 ft



Retainer @ 2086 feet

Production Casing

5.5" 14# @ 2270 ft