

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.
JIC45

6. If Indian, Allottee or Tribe Name
JICARILLA APACHE

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. AXI APACHE P 5
2. Name of Operator DJR OPERATING LLC Contact: SHAW-MARIE CRUES E-Mail: scrues@djrlc.com		9. API Well No. 30-043-20634-00-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 20 T23N R4W SENW 1850FNL 1660FWL		11. County or Parish, State SANDOVAL COUNTY, NM

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.

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
NOV 20 2019
DISTRICT III

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

**Electronic Submission #475332 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 07/30/2019 (19AMW0027SE)**

Name (Printed/Typed) SHAW-MARIE CRUES	Title HSE TECHNICIAN
Signature (Electronic Submission)	Date 07/25/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOE KILLINS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>11/18/201</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>Rio Puerco</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 ****

Handwritten initials and marks: A, 8

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 P5

API: 30-043-20634

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. After setting CIBP, run a CBL from 2400 to surface. 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.
4. BLM pick: top of Nacimiento is 270 ft. Modify Plug #2 to cover 320 ft to surface.

PLUG AND ABANDONMENT PROCEDURE

February 15, 2019

AXI Apache P 5

Ballard Pictured Cliffs

1850' FNL and 1660' FWL, Section 20, T23N, R4W

Sandoval County, New Mexico / API 30-043-20634

Lat: N _____ / Lat: W _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes _____, No X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size .75", Length 2468'.
Note: 1.25" joint and changeover
Packer: Yes _____, No X, Unknown _____, Type _____.
3. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 2420' – 1450')**: Round trip 2.875" gauge ring to 2420' or as deep as possible. RIH and set 2.875" wireline CIBP at 2420'. Circulate well clean. Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. PU tubing workstring and RIH. Spot 29 sxs Class G cement inside casing from 2420' to cover through the Ojo Alamo top. PUH.
4. **Plug #2 (7" surface casing shoe, 250' - Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 10 sxs cement and spot a balanced plug from 250' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing and annulus from the squeeze holes to surface. Shut in well and WOC.
5. 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 cut off anchors. Restore location per BLM stipulations

PLUG AND ABANDONMENT PROCEDURE

February 15, 2019

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AXI Apache P 5

Current

Ballard Pictured Cliffs
1850' FNL, 1660' FWL, Section 20, T-23-N, R-4-W
Sandoval County, NM, API #30-043-20634

Today's Date: 2/14/19
Spud: 4/7/82
Completed: 5/24/82
Elevation: 7001' GI
7011' KB

9-7/8" hole

Cement circulated to surface
7" 23# Casing set @ 96'
Cement with 50 sxs, circulated

Nacimiento @ 200'

.75" tubing @ 2468'
(1.25" joint and changeover)

Ojo Alamo @ 1500'

Kirtland @ 2174'

Fruitland @ 2320'

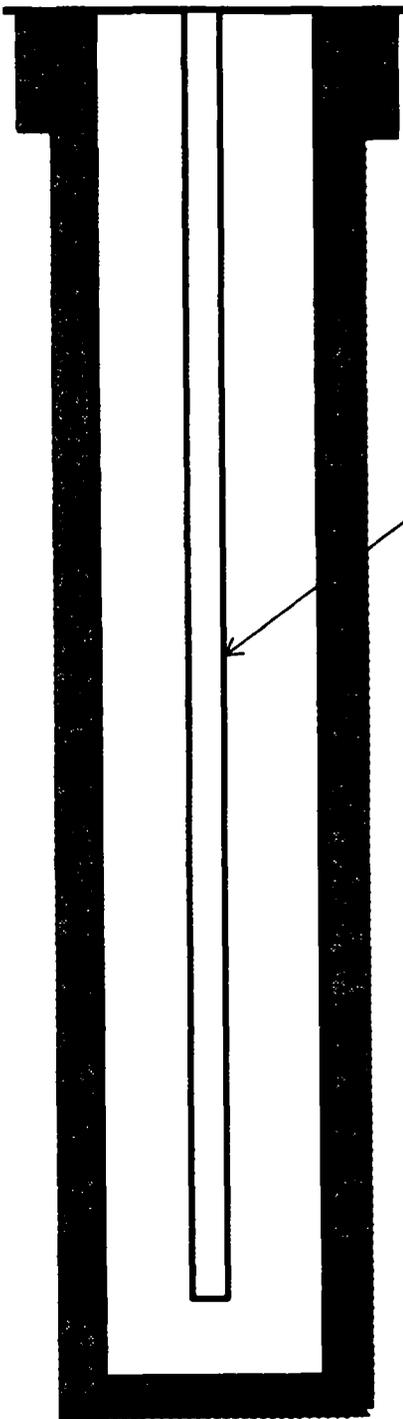
Pictured Cliffs @ 2467'

Pictured Cliffs Perforations:
2470' - 2482'

6.25" Hole

2.875", 6.5#, Casing set at 2583'
Cement with 250 sxs, circulated to surface

PBTD 2504'
TD 2599'



AXI Apache P 5 Proposed P&A

Ballard Pictured Cliffs
1850' FNL, 1660' FWL, Section 20, T-23-N, R-4-W
Sandoval County, NM, API #30-043-20634

Today's Date: 2/14/19
Spud: 4/7/82
Completed: 5/24/82
Elevation: 7001' GI
7011' KB

9-7/8" hole

Nacimiento @ 200'

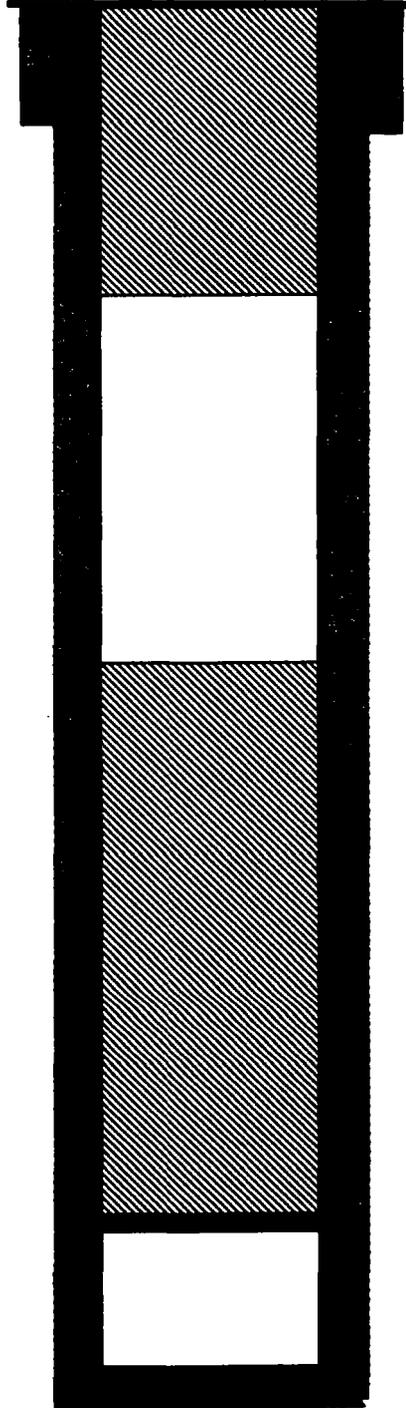
Ojo Alamo @ 1500'

Kirtland @ 2174'

Fruitland @ 2320'

Pictured Cliffs @ 2467'

6.25" Hole



Cement circulated to surface
7" 23# Casing set @ 96'
Cement with 50 sxs, circulated

Plug #2: 250' - 0'
Class G cement, 10 sxs

Plug #1: 2420' - 1450'
Class G cement, 29 sxs

Set CIBP @ 2420'

Pictured Cliffs Perforations:
2470' - 2482'

2.875", 6.5#, Casing set at 2583'
Cement with 250 sxs, circulated to surface

PBTD 2504'
TD 2599'

**BLM FLUID MINERALS
Geologic Report**

Date Completed: 11/14/19

Well No.	Axi Apache P #5	Location	1850'	FNL &	1660'	FWL
Lease No.	Jicarilla Apache Lease # 45	Sec. 20	T23N		R4W	
Operator	DJR	County	Sandoval	State	New Mexico	
Total Depth	2599'	PBTD 2504'	Formation Pictured Cliffs			
Elevation (GL)	7001'		Elevation (KB, est) 7011'			

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm			Surface	270'	Fresh water sands
Nacimiento Fm			270'	1500'	Surface/Fresh water sands
Ojo Alamo Ss			1500'	1690'	Aquifer (fresh water)
Kirtland Shale			1690'	2020'	
Fruitland Fm			2020'	2470'	Coal/Gas/Possible water
Pictured Cliffs Ss			2470'		Gas
Lewis Shale					
Chacra (Upper)					Water/Possible 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					Gas
Gallup					O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

- Log analysis of reference well #2 (attached worksheet) indicates both the San Jose and Ojo Alamo formations contain fresh water ($\leq 5,000$ ppm TDS). The Nacimiento contains usable water ($\leq 10,000$ ppm TDS).

- Please ensure that the tops of the Pictured Cliffs and Fruitland formations, as well as the entire Ojo Alamo aquifer, identified in this report, are isolated by proper placement of cement plugs. This will protect the fresh water sands in this well bore.

- BLM geologist's picks for the top of the Kirtland and Fruitland formations vary from operator's picks in this well.

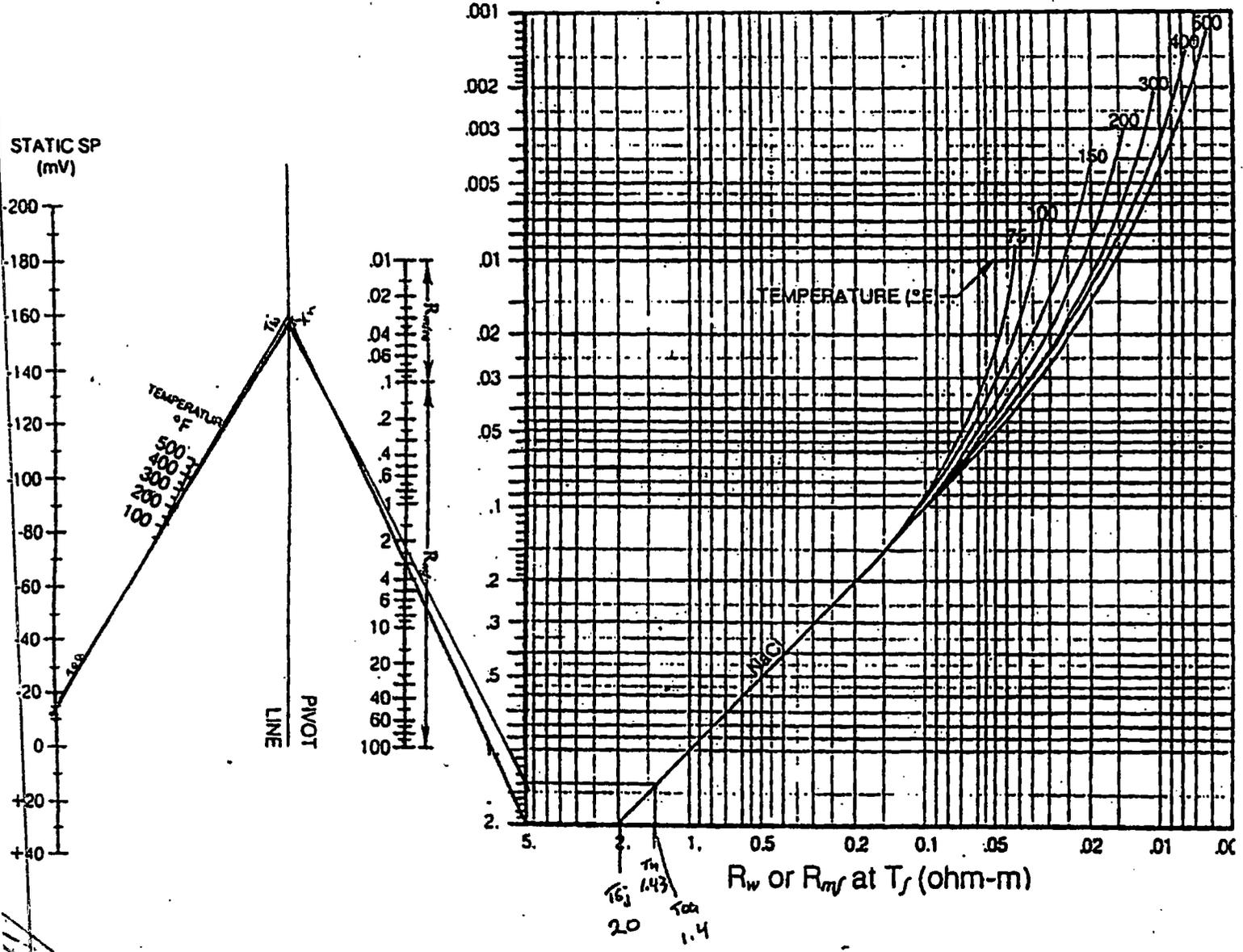
Reference Well:

1)DJR	Fm. Tops
Same	
2) Star Acquisition	Water
VII LLC	Analysis
Jicarilla 71 #40	
469' FNL, 1853' FWL	
Sec 9, T23N, R4W	
GL 7085', KB 7099'	

Prepared by: Walter Gage

Star Acquisition - Chase Oil Co.
 VII LLC, J.A. #71-40
 RMF=2.96 @ 68° 469' PHL 1853' FW
 sec. 9, 23N-7W
 BL7085' KB7099

R_{weq} or R_{mfeq} at T_f (ohm-m)



FORMATION	T_s	T_n	T_{oa}
DEPTH (BH)	7278'	7278'	7278'
T (BH)	155°	155°	155°
Geo. GRADIENT	1.3	1.3	1.3
DEPTH (E)	749'	2018'	2300'
T (F)	68°	86°	89°
R_{mf} @ T_e	2.96	2.4	2.3
R_m @ T_w			
$R(s)$			
SP	-12mV	-13mV	-15mV
R_{so}/R_m			
h			
SSP			
R_w @ T_e	2.0	1.43	1.4
R_w @ 77°F	1.82	1.58	1.62
R_w (CORE)			
TDS	≈ 490 ppm	≈ 4600 ppm	≈ 405 ppm

T_s 1.43
 T_n 1.4
 T_{oa} 2.0