U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Sundry Print Report

03/23/2021

Well Name: CARSON UNIT COAL 17

Well Location: T25N / R11W / SEC 17 / NWSW / 36.399 / 108.03322

County or Parish/State: SAN JUAN / NM

Well Number: 1

Type of Well: OTHER

Allottee or Tribe Name:

Lease Number: NMSF078061

Unit or CA Name:

Unit or CA Number:

US Well Number: 300453196600S1

Well Status: Gas Well Shut In

Operator: DJR OPERATING LLC

Notice of Intent

Type of Submission: Notice of Intent

Type of Action Plug and Abandonment

Date Sundry Submitted: 01/25/2021

Time Sundry Submitted: 10:04

Date proposed operation will begin: 01/25/2021

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

Carson_Unit_Coal_17_1_Reclamation_Plan_20210125100339.pdf

Carson_Unit_Coal_17_1_Proposed_WBD_20210125100330.pdf

Carson_Unit_Coal_17_1_Current_WBD_20210125100320.pdf

Carson_Unit_Coal_17_1_PA_Procedure_20210125100311.pdf

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Conditions of Approval

Specialist Review

General_Requirement_P_A_20210316103459.pdf

Additional Reviews

25N11W17LKpc_Carson_Unit_Coal_17_1_20210322075537.pdf

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: FORD

Signed on: JAN 25, 2021 10:03 AM

Name: DJR OPERATING LLC

Title: Regulatory Specialist

Street Address: 1700 LINCOLN STREET, SUITE 2800

City: DENVER **State:** CO

Phone: (505) 632-3476

Email address:

Field Representative

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

BLM Point of Contact

BLM POC Name: JOE D KILLINS

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647731

BLM POC Email Address: jkillins@blm.gov

Disposition: Approved

Disposition Date: 03/23/2021

Signature: Joe D Killins

Plug and Abandonment Procedure

for

DJR Operating, LLC

Carson Unit Coal 17 # 1

API # 30-045-31966

NW/SW, Unit L, Sec. 17, T25N, R11W

San Juan 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. Trip out of hole with rods and pump. Lay down to be sent in for storage/salvage.
5. ND WH, NU BOP, function test BOP.
6. Trip out of hole with 2 3/8" tubing. LD tubing to be sent in for storage/salvage.

II.

7. PU workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 1150'. TOOH.
8. PU and RIH with a 4 ½" cement retainer. Set the CR at +/- 1150'. Pressure test tubing to 1000 psi, sting out of CR, test casing to 600 psi. If casing does not test, contact engineering.

   Provided that casing test was good, proceed to step 9.

9. RU cement equipment. Pump water to assure that tubing is clear.
10. Plug 1. Mix and attempt to pump 10 sx Class G cement through cement retainer and displace with 4.5 bbl water. If zone pressures up, sting back out of retainer and continue with Plug 2.

11. Plug 2. Fruitland, Kirtland, Ojo Alamo, and surface casing shoe. From 1150' to surface, mix and pump cement until cement circulation is achieved at surface.

12. RD cementing equipment. Cut off wellhead, fill annuli 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.

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

14. Send all reports and attachments to DJR Aztec office for regulatory filings.

Note: All cement is to be Class G cement 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.

DJR Operating, LLC

Current Wellbore Diagram

Carson Unit Coal 17 # 1

API # 30-045-31966
NW/SW, Unit L, Sec 17, T25N, R11W
San Juan County, NM

GL 6420'
KB N/A
Spud Date 4/6/2004

SURF CSG

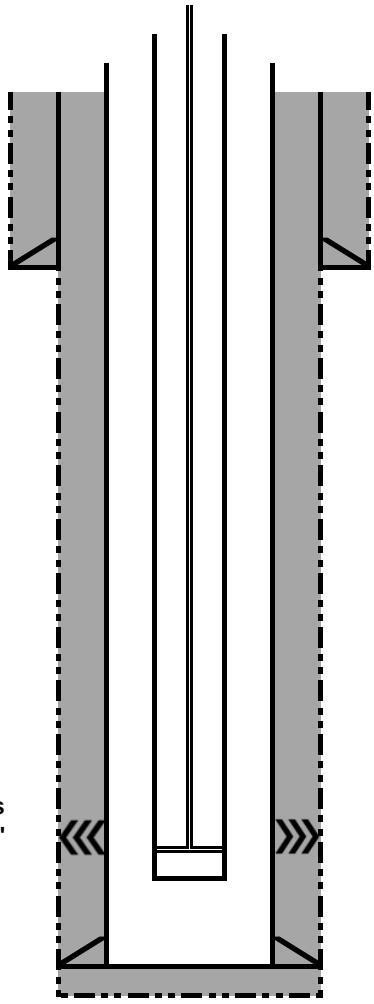
Hole size	8.75"
Csg Size:	7"
Wt:	23#
Grade:	J-55
ID:	6.366"
Depth	150'
casing cap ft^3/ft:	0.2210
TOC:	Circ cmt to surface

PROD CSG

Hole size	6.75"
Csg Size:	4.5"
Wt:	10.5#
Grade:	J-55
ID:	4.052"
Depth	1438'
casing cap ft^3/ft:	0.0895
7x4.5 cap ft^3/ft	0.1169
TOC:	Circ cmt to surface

FORMATION TOPS

Nacimiento	**Surface**
Ojo Alamo	**263'**
Kirtland	**339'**
Fruitland Coal	**1171'**
Pictured Cliffs	**1234'**



Fruitland Coal perfs
1176'-1228'

PBTD 1438'
TD 1450'

Production Tubing/Rod Detail
1 jt. 2.375" tbg, SN, 2.375" tbg. +/- 1303'
2"x1.5"x12' RWAC, 4' stabilizer sub, 2 K bars, 48x.75" plain rods, 16' polished rod with 10' liner.

11/4/2020

DJR Operating, LLC

Proposed Wellbore Diagram

Carson Unit Coal 17 # 1

API # 30-045-31966
NW/SW, Unit L, Sec 17, T25N, R11W
San Juan County, NM

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KB N/A
Spud Date 4/6/2004

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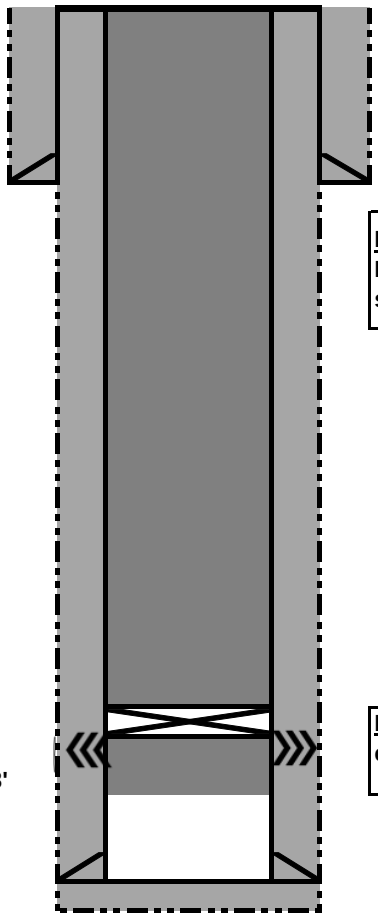

Plug 2: **1150' to surface, to cover Fruitland, Kirtland, Ojo Alamo, surface shoe.**

Cement Ret. 1150'

1176'-1228'

Plug 1: Attempt to pump 10 sx class G cement through CR to Fruitland perfs.

COTD 1438'
TD 1450'

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
Geologic Report

Date Completed: 3/19/2021

Well No. Carson Unit Coal 17 #1 (API# 30-045-31966)			Location	1885 FSL	&	665 FWL	
Lease No. NMSF-078061			Sec. 17	T25N		R11W	
Operator DJR Operating, LLC			County	San Juan	State	New Mexico	
Total Depth 1450’	PBTD 1438’		Formation Fruitland Coal (producing), Pictured Cliffs (TD)				
Elevation (GL) 6420’			Elevation (KB)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm			Surface	214	Fresh water sands
Ojo Alamo Ss			214	366	Aquifer (fresh water)
Kirtland Shale			366	850	
Fruitland Fm			850	1234	Coal/Gas/Possible water
Pictured Cliffs Ss			1234	PBTD	Gas
Lewis Shale					
Chacra					
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:
P & A

- BLM formation top picks for the Kirtland, Fruitland and Ojo Alamo formations vary from operator picks. No change to the P&A procedure is required (entire well bore will be cemented to surface).
- Log analysis of reference well #2 indicates the Nacimiento and Ojo Alamo sands investigated likely contain fresh water (≤5,000 ppm TDS). P&A procedure has cement from the cement retainer @ 1150’ to Surface which will protect freshwater sands in this well bore.
- Fruitland Coal perforations @ 1176’-1228’.

Reference Well:
1) **Formation Tops**
Same

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

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

COMMENTS

Action 21664

COMMENTS

Operator:	OGRID:	Action Number:	Action Type:
DJR OPERATING, LLC 1 Road 3263 Aztec, NM87410	371838	21664	C-103F

Created By	Comment	Comment Date
kpickford	KP GEO Review 3/23/2021	03/23/2021

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 21664

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
DJR OPERATING, LLC 1 Road 3263 Aztec, NM87410	371838	21664	C-103F

OCD Reviewer	Condition
kpickford	Notify NMOCD 24 Hours Prior to beginning operations