

| | | |
|--------------------------------------|---|--|
| Well Name: CENTRAL BISTI UNIT | Well Location: T25N / R12W / SEC 7 / SWNE / 36.417435 / -108.14975 | County or Parish/State: SAN JUAN / NM |
| Well Number: 64 | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMSF078056 | Unit or CA Name: CENTRAL BISTI UNIT | Unit or CA Number: NMNM78386X |
| US Well Number: 3004505489 | Well Status: Producing Oil Well | Operator: DJR OPERATING LLC |

Notice of Intent

Sundry ID: 2658312

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 02/22/2022

Time Sundry Submitted: 11:38

Date proposed operation will begin: 02/22/2022

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

CBU_64_PA_Procedure_20220222113556.pdf

CBU_64_Proposed_WBD_20220222113556.pdf

CBU_64_Current_WBD_20220222113556.pdf

CBU_64_Reclamation_Plan_20220222113557.pdf

Well Name: CENTRAL BISTI UNIT

Well Location: T25N / R12W / SEC 7 / SWNE / 36.417435 / -108.14975

County or Parish/State: SAN JUAN / NM

Well Number: 64

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMSF078056

Unit or CA Name: CENTRAL BISTI UNIT

Unit or CA Number: NMNM78386X

US Well Number: 3004505489

Well Status: Producing Oil Well

Operator: DJR OPERATING LLC

Conditions of Approval

Specialist Review

25N12W07_Central_Bisti_Unit_64_KGR_20220303143110.pdf

2658312_NOIA_64_3004505489_KR_03032022_20220303142848.pdf

General_Requirement_PxA_20220303142644.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: SHAW-MARIE FORD

Signed on: FEB 22, 2022 11:36 AM

Name: DJR OPERATING LLC

Title: Regulatory Specialist

Street Address: 1 Road 3263

City: Aztec

State: NM

Phone: (505) 632-3476

Email address: sford@djrlc.com

Field Representative

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: 03/03/2022

Signature: Kenneth Rennick

Plug and Abandonment Procedure
for
DJR Operating, LLC
Central Bisti Unit 64
API # 30-045-05489
SW/NE, Unit G, Sec. 7, T25N, R12W
San Juan County, NM

Note: This well was drilled and cased with 5.5” 15.5# casing. Inspection logs revealed casing corrosion. As a result, 4.5” (4.00” ID) flush joint casing was run from 3965-surface and cemented.

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. Plug 1: Gallup perforations and top: PU workstring. TIH to 4900'. Mix and spot a balanced plug from 4900-4682'. Pump water to ensure tubing is clear. TOOH and WOC.
13. TIH and tag TOC. Drop standing valve. Pressure test tubing to 1000 psi. Retrieve standing valve. Pressure test casing to 600 psi. Contact engineering if casing doesn't test. TOOH.
14. MIRU logging truck. Run CBL log from TOC to surface. Hold 600 psi on casing if possible. Electronic copy of CBL to be sent to Ken Rennick krennick@blm.gov, Monica Kueling monica.kueling@state.nm.us, Loren Diede ldiede@djrlc.com, and Scott Lindsay slindsay@djrlc.com. Plugs may be adjusted per log results.
15. Plug 2. Mancos: Perforate holes at 3888'. PU and TIH with 4-1/2" CR. Set CR at 3838'. Mix and pump sufficient volume to bring cement inside and outside to 3788'. Pump water to ensure tubing is clear. TOOH.
16. Plug 3. Mesa Verde: Perforate holes at 1987'. Set CR at 1937'. Mix and pump sufficient volume to bring cement inside and outside to 1887'. Pump water to ensure tubing is clear. TOOH.
17. Plug 4. Chacra: Perforate holes at 1579'. Set CR at 1529'. Mix and pump sufficient volume to bring cement inside and outside to 1479'. Pump water to ensure tubing is clear. TOOH.
18. Plug 5. Pictured Cliffs and Fruitland: Perforate holes at 1274'. Set CR at 1224'. Mix and pump sufficient volume to bring cement inside and outside to 844'. Pump water to ensure tubing is clear. TOOH.
19. Plug 6: Kirtland: Perforate holes at 617'. Set CR at 567'. Mix and pump sufficient volume to bring cement inside and outside to 517'. Pump water to ensure tubing is clear. TOOH.
20. Plug 7: Ojo Alamo, Nacimiento, surface casing shoe, and surface plug: Perforate holes at 402'. Tie onto casing and mix and pump sufficient volume to bring cement to surface inside and outside.

21. 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.
22. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
23. 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 64**

API # 30-045-05489
SW/NE, Unit G, Sec 7, T25N, R12W
San Juan County, NM

GL 6274'
KB 6283'
Spud Date 7/26/1956

SURF CSG

| | | | |
|----------------------------|--------|-----------------------|---------|
| Hole size | 12.25" | <u>FORMATION TOPS</u> | |
| Csg Size: | 8.625" | | |
| Wt: | 24# | Nacimiento | Surface |
| Grade: | N/A | Ojo Alamo | N/A |
| ID: | 8.097" | Kirtland | 567' |
| Depth | 352' | Fruitland | 894' |
| Csg cap ft ³ : | 0.3575 | Pictured Cliffs | 1224' |
| TOC: Circulated to surface | | Chacra | 1529' |
| | | Mesa Verde | 1937' |
| | | Mancos | 3838' |
| | | Gallup | 4732' |

8-1/8" 6V wellhead

Prod Tubing Detail:
2-3/8" NC, perfed MA, SN, 33 jts. TAC (3832), 120 jts. EOT at 4917'. SN at 4883'.

Rod Detail:
2"x1-1/4"x9x13' RHAC pump, 3' stabilizer bar, 4 K bars, 16x3/4" guided rods, 120x3/4" plain rods, 56x3/4" guided rods, 8', 2' rod subs, 16' polished rod.

TOC (4.5" FJ x5.5") 538' (CBL)

PROD CSG

| | | |
|---------------------------|--------|---|
| Hole size | 7.875" | <div style="border: 1px solid black; padding: 5px;"> The 5.5" csg developed a casing leak and had numerous zones of corrosion from 1446-3568'. A 4-1/2" 10.23# FL scab liner was run from 3965' to surface'. Cemented with 200 sx. </div> |
| Csg Size: | 5.5" | |
| Wt: | 14# | |
| Grade: | J-55 | |
| ID: | 4.950" | |
| Depth | 4989' | |
| Csg cap ft ³ : | 0.1370 | |
| Annular TOC: | N/A | |

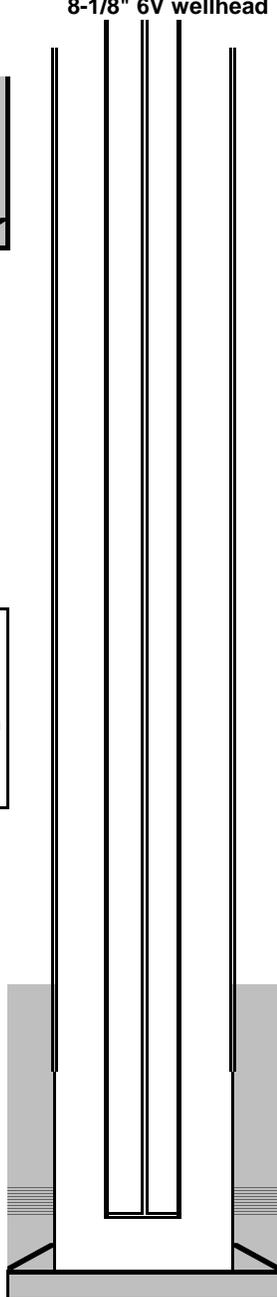
Perfs: 3692-3808' (Pt. Lookout test) sqzd and abandoned, when scab liner was run.

4.5" FL4S in 5.5" 15# 3965'
ID. 10.23# K-55 4.000"
Csg cap ft³: 0.0872

TOC 3605' (TS)

4.5" FL4S in 5.5" 15.5# set at 3965'

Perfs 4842-4930'
COTD 4930'
PBSD 4950'
TD 4990'



Proposed PXA Wellbore Diagram
DJR Operating, LLC
Central Bisti Unit 64
 API # 30-045-05489
 SW/NE, Unit G, Sec 7, T25N, R12W
 San Juan County, NM

GL 6274'
 KB 6283'
 Spud Date 7/26/1956

8-1/8" 6V wellhead

SURF CSG

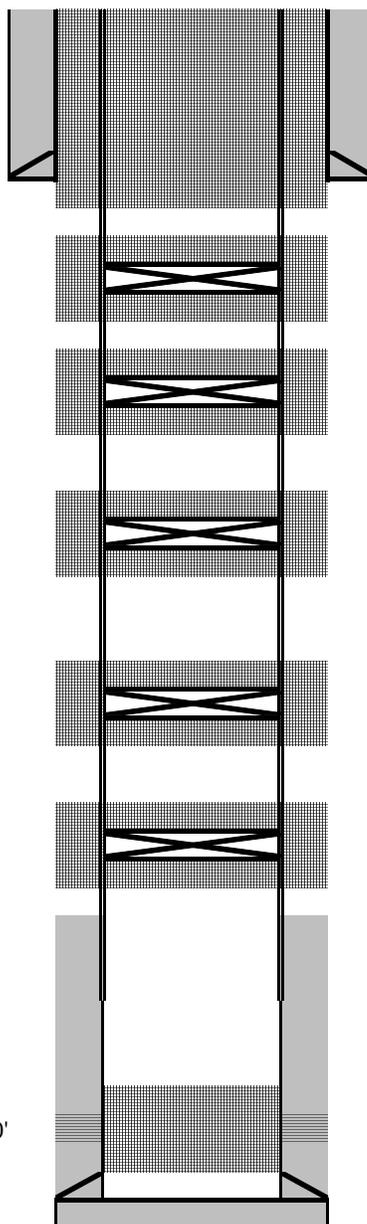
| | | | |
|----------------------------|--------|-----------------------|---------|
| Hole size | 12.25" | <u>FORMATION TOPS</u> | |
| Csg Size: | 8.625" | | |
| Wt: | 24# | Nacimiento | Surface |
| Grade: | N/A | Ojo Alamo | N/A |
| ID: | 8.097" | Kirtland | 567' |
| Depth | 352' | Fruitland | 894' |
| Csg cap ft3: | 0.3575 | Pictured Cliffs | 1224' |
| TOC: Circulated to surface | | Chacra | 1529' |
| | | Mesa Verde | 1937' |
| | | Mancos | 3838' |
| | | Gallup | 4732' |

PROD CSG

| | |
|------------------|--------|
| Hole size | 7.875" |
| Csg Size: | 5.5" |
| Wt: | 14# |
| Grade: | J-55 |
| ID: | 4.950" |
| Depth | 4989' |
| Csg cap ft3: | 0.137 |
| Csg/Csg Ann ft3: | 0.1926 |
| Csg/OH cap ft3: | 0.1733 |
| Annular TOC: | N/A |

| | |
|-----------------------|--------|
| 4.5" FL4S in 5.5" 15# | 3965' |
| ID. 10.23# K-55 | 4.000" |
| Csg cap ft3: | 0.0872 |

| | |
|-------|------------|
| Perfs | 4842-4930' |
| COTD | 4930' |
| PBTD | 4950' |
| TD | 4990' |



Plug 7: Ojo Alamo, Nacimiento, surface casing shoe, surface plug: Perf holes at 402'. Tie onto casing. Mix and pump sufficient volume to bring cement to surface inside and outside.

Plug 6: Kirtland top: Perf holes at 617'. Set CR at 567'. Mix and pump sufficient volume to bring TOC to 517' inside and outside.

Plug 5: Pictured Cliffs and Fruitland: Perf holes at 1274'. Set CR at 1224'. Mix and pump sufficient volume to bring TOC to 844' inside and outside.

Plug 4: Chacra: Perf holes at 1579'. Set CR at 1529'. Mix and pump sufficient volume to bring TOC to 1479' inside and outside.

Plug 3: Mesa Verde: Perf holes at 1987'. Set CR at 1937'. Mix and pump sufficient volume to bring TOC to 1887' inside and outside.

Plug 2: Mancos: Perf holes at 3888'. Set CR at 3838'. Mix and pump sufficient volume to bring TOC to 3788' inside and outside.

4.5" FL4S in 5.5" 15.5# set at 3965'

Plug 1: Gallup perfs and top: Spot balanced plug from 4900-4682'.

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

AFMSS 2 Sundry ID 2658312

Attachment to notice of Intention to Abandon

Well: Central Bisti Unit 64

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 at (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 3/3/2022

**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 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.

(October 2012 Revision)

**BLM FLUID MINERALS
P&A Geologic Report**

Date Completed: 03/03/2022

| | | | | | | |
|---|------------|------------------------------|-----|-------|------------|-----|
| Well No. Central Bisti Unit #64 (API# 30-045-05489) | Location | 1980 | FNL | & | 1980 | FEL |
| Lease No. NMSF078056 | Sec. 7 | T25N | | | R12W | |
| Operator DJR Operating, LLC | County | San Juan | | State | New Mexico | |
| Total Depth 4990' | PBTD 4950' | Formation Gallup (Producing) | | | | |
| Elevation (GL) 6274' | | Elevation (KB) 6285' | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm | | | | | Surface/freshwater sands |
| Nacimiento Fm | | | | | Possible freshwater sands |
| Ojo Alamo Ss | | | | | Aquifer (possible freshwater) |
| Kirtland Shale | 567 | | | | |
| Fruitland Fm | 894 | | | | Coal/Gas/Possible water |
| Pictured Cliffs Ss | | | 1224 | | Gas |
| Lewis Shale | | | | | |
| Chacra | | | 1529 | | Gas |
| Cliff House Ss | | | 1937 | | Water/Possible gas |
| Menefee Fm | | | | | Coal/Ss/Water/Possible O&G |
| Point Lookout Ss | | | | | Probable water/Possible O&G |
| Mancos Shale | | | 3838 | | |
| Gallup | | | 4732 | | O&G/Water |
| Greenhorn | | | | | |
| Graneros Shale | | | | | |
| Dakota Ss | | | | | O&G/Water |

Remarks:
P & A

Reference Well:

- Gallup perms 4842' – 4930'.

Prepared by: Kenneth Rennick

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 87144

CONDITIONS

| | |
|---|---|
| Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410 | OGRID: 371838 |
| | Action Number: 87144 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| kpickford | CBL required | 3/8/2022 |
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 3/8/2022 |
| kpickford | Adhere to BLM approved plugs and COAs. See GEO Report | 3/8/2022 |