State of New Mexico
Energy, Minerals and Natural Resources Department

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 3/25/2020
Well information:

30-045-25933 CARSON UNIT #024

DJR OPERATING, LLC

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Location Change

☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

☐ Other:

Conditions of Approval:

- Notify NMOCD 24 Hours prior to commencing activities
- In addition to the BLM approved plugs
- Include a plug 670'-500.' OCD Fruitland pick @ 620, BLM pick @ 550.'
- Include plug 2140-2040. OCD MesaVerde pick @ 2090.'
- Ensure Chacra is covered, 1482-1382.'

Brandon Powell

_____ __5/6/2020__
NMOCD Approved by Signature Date

Form 3160-5
(June 2015)

OCD Received
4/27/2020

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.
NMNM070322

6. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

7. If Unit or CA/Agreement, Name and/or No.
8910034850

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

8. Well Name and No.
CARSON UNIT ~~15~~ 24

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

9. API Well No.
30-045-25933-00-S1

3a. Address
1 ROAD 3263
AZTEC, NM 87410

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

10. Field and Pool or Exploratory Area
BISTI

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 15 T25N R12W SESW 1090FSL 1550FWL
36.396683 N Lat, 108.101974 W Lon

11. County or Parish, State
SAN JUAN 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	

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

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

Electronic Submission #508393 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 03/26/2020 (20AMW0126SE)

Name *(Printed/Typed)* SHAW-MARIE FORD — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 03/25/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (BLM Approver Not Specified) — Title — Date 04/24/2020

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 Farmington

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 **Group A**

for

DJR Operating, LLC

Carson Unit 15 24

API # 30-045-25933

SE/SW, Unit N, Sec. 15, T24N, 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 4650'. TOOH.
13. PU and RIH with a 5 ½" cement retainer. Set the CR at +/- 4650'. Pressure test tubing to 1000 psi, sting out of CR, test casing to 600 psi. If casing does not test, contact engineering.

14. Plug 1. Sting back into CR and attempt to mix and pump 25 sx class G cement through the CR into the Gallup perforations. If zone pressures up, sting out of CR and continue with plug 2.

15. Plug 2. Gallup, RU cement equipment, pump water to assure that tubing is clear. Mix and spot a 87'balanced plug of class G cement from 4650' to 4563'.

16. Plug 3. Mancos, mix and spot a 100' balanced plug of class G cement from 3742' to 3642'.

17. Plug 4. Mesa Verde and Chacra, mix and spot a 430'balanced plug of class G cement from 1812' to 1382'.

18. Plug 5. Pictured Cliffs, mix and spot a 100' balanced plug of class G cement from 1102' to 1002'.

19. Plug 6: Fruitland, Kirtland to surface. Spot balanced plug from 513' to surface with class G cement or until circulation is achieved.

20. 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.

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

22. 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

Carson Unit 15 24

API # 30-045-25933
SE/SW, Unit N, Sec 15, T24N, R12W
San Juan County, NM

GL	**6259'**
KB	**6271'**
Spud Date	**7/20/1984**

SURF CSG

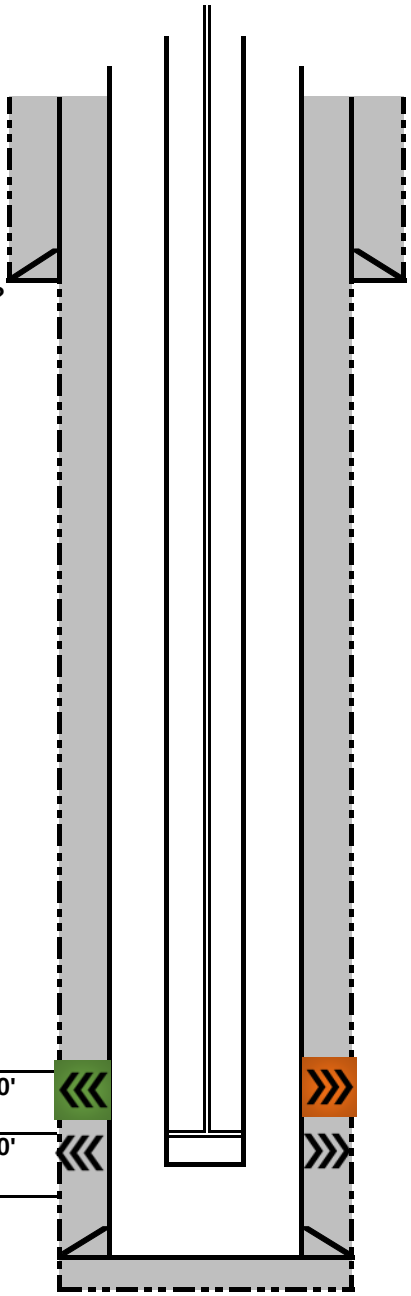
Hole size	12.25"
Csg Size:	8.625"
Wt:	24#
Grade:	J-55
ID:	8.097"
Depth	234'
Csg cap ft^3:	0.3576
Csg/OH ft^3:	0.4127
TOC:	Circ

PROD CSG

Hole size	7.875"
Csg Size:	5.5"
Wt:	15.5#
Grade:	J-55
ID:	4.95"
Depth	4936'
Csg cap ft^3:	0.1336
Csg/Csg ft^3:	0.1926
Csg/OH ft^3:	0.1733
TOC:	Circ surf

FORMATION TOPS

Nacimiento	**Surface**
Ojo Alamo	**Surf Csg**
Kirtland	**Surf Csg?**
Fruitland	**463'**
Pictured Cliffs	**1052'**
Lewis	**1253'**
Chacra	**1432'**
Cliffhouse	**1762'**
Mancos	**3692'**
Gallup	**4613'**



Perfs Squeezed 1994	**4710'-4820'**
Perfs Added 1994	**4710'-4820'**
PBTD	**4932'**
TD	**4936'**

PROD TBG DETAIL:

2 3/8		4887'
SN		4864'
TAC		4551'
1 1/4 x 22' polish rod		
3/4, 8', 6' Ponies		
3/4" plain	181	
3/4" molded guides	12	
RWAC	2x1 1/2x16	

Proposed Wellbore P&A Diagram

DJR Operating, LLC

Carson Unit 15 24

API # 30-045-25933
SE/SW, Unit N, Sec 15, T24N, R12W
San Juan County, NM

GL	**6259'**
KB	**6271'**
Spud Date	**7/20/1984**

SURF CSG

Hole size	12.25"
Csg Size:	8.625"
Wt:	24#
Grade:	J-55
ID:	8.097"
Depth	234'
Csg cap ft^3:	0.3576
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TOC:	Circ Surf

PROD CSG

Hole size	7.875"
Csg Size:	5.5"
Wt:	15.5#
Grade:	J-55
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FORMATION TOPS

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Cliffhouse	**1762'**
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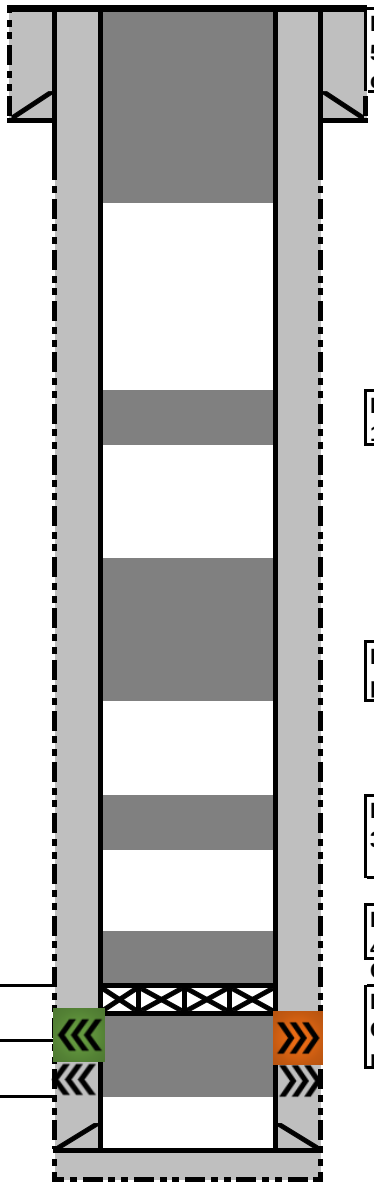
Gallup	**4613'**

Perfs Squeezed 1994	**4710'-4820'**
Perfs Added 1994	**4828'-4926'**
PBTD	**4932'**
TD	**4936'**



Plug 6: Fruitland, Kirtland to surface. Spot 513' plug from 513' to surface or until circulation is established.

Plug 5: Pictured Cliffs. Set 100' plug from 1102' to 1002'.

Plug 4: Mesa Verde and Chacra. Spot a 430' plug from 1812' to 1382'.

Plug 3: Mancos. Spot a 100' plug from 3742' to 3642'.

Plug 2: Gallup, spot 87' cement plug from 4650' to 4563'

Cement Retainer 4650'

Plug 1: Mix and attempt to place 25 sx class G cement through retainer and into Gallup perfs.

BLM FLUID MINERALS
Geologic Report

Date Completed: 4/24/20

Well No.	Carson Unit 15 # 24		Location	1090′ FSL	&	1550′	FWL
Lease No.	NMNM 070322		Sec. 15	T25N			R12W
Operator	DJR Operating, LLC		County	San Juan	State	New Mexico	
Total Depth	5100′	PBTD 5044′	Formation	Bisti Lower Gallup			
Elevation (GL) 6259′			Elevation (KB) 6271′ (est.)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose					
Nacimiento	Surface	20′			Surface
Ojo Alamo Ss	20′	200′			Aquifer (fresh water)
Kirtland Shale	200′			550′	
Fruitland			550′	1052′	Coal/Gas/Possible water
Pictured Cliffs Ss			1052’	1253′	Gas
Lewis Shale stringer			1253′	1432′	
Chacra			1432′	1700′	Possible water or gas
Lewis Shale			1700′	1830′	
La Ventana Tongue			1830′	2160′	Possible water or gas
Cliff House Ss			2160′	2376′	Water/Possible gas
Menefee			2376′	3538′	Coal/Ss/Water/Possible O&G
Point Lookout Ss			3538′	3685′	Probable water/Possible O&G
Mancos Shale			3685′	4613′	
Gallup			4613′		O&G/Water
Graneros Shale					

Remarks:
P & A

Reference Well:
1) DJR Operating, LLC Fm. Tops Same

- 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 freshwater sands in this well bore.

- The tops of the Ojo Alamo and Kirtland formations are behind the surface casing and their depths are estimated. The proposed plugging plan will adequately protect the freshwater sands in these formations.

- All depths include a 12’ KB.

- Please note that the BLM geologist’s pick for the Cliff House formation varies significantly from the operator’s pick. In addition, the top of the Fruitland formation varies slightly from the operator’s pick. Lastly, the Lewis shale is encountered twice, above and below the Chacra.

Prepared by: *Walter Gage*

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#508393

Re: Permanent Abandonment
Well: Carson Unit 15 24

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. BLM tops are based on the attached geologic report. Ensure all plugs cover 50 feet above and below indicated formation tops with plugs meeting General requirements. Minimum inside plug to include 50' excess cement. Minimum inside plug 18 sacks class g cement. See attached BLM geologic report.

    a. BLM picks Cliffhouse formation top at 2160'. Spot an additional Plug to cover 2110 – 2210.
    b. BLM picks Fruitland formation top at 550'. Extend surface plug to 600' md.

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.