

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval, Division Director  
Oil Conservation Division



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: 6/8/2020

Well information:

**30-045-28483 SOUTH BISTI 32 E #001**

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:
- OCD approves the plugs originally proposed by the operator.

  
\_\_\_\_\_  
NMOCD Approved by Signature

8/4/2020  
Date

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.  
NMNM76867

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. SOUTH BISTI 32E 1
2. Name of Operator DJR OPERATING LLC		9. API Well No. 30-045-28483-00-S1
3a. Address 1600 BROADWAY SUITE 1960 DENVER, CO 80202		10. Field and Pool or Exploratory Area BISTI
3b. Phone No. (include area code) Ph: 505-632-3476		11. County or Parish, State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  Sec 32 T26N R13W SWNW 1650FNL 0990FWL 36.447357 N Lat, 108.247299 W Lon		

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, Current & Proposed Wellbore Diagram and Reclamation Plan.

14. I hereby certify that the foregoing is true and correct.	
<b>Electronic Submission #518102 verified by the BLM Well Information System For DJR OPERATING LLC, sent to the Farmington Committed to AFMSS for processing by JOE KILLINS on 06/09/2020 (20JK0535SE)</b>	
Name (Printed/Typed) SHAW-MARIE FORD	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 06/08/2020

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>JOE KILLINS</u>	Title <u>ENGINEER</u>	Date <u>07/27/2020</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>Farmington</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 \*\***

AV

**Plug and Abandonment Procedure**  
**for**  
**DJR Operating, LLC**  
**South Bisti 32 E 1**  
**API # 30-045-28483**  
**SW/NW, Unit E, Sec. 32, T26N, R13W**  
**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 5150'. TOOH.

13. PU and RIH with a 5 ½” cement retainer. Set the CR at +/- 5150’. 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 20 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 113’ plug of Class G cement from 5150-5037’.
16. Plug 3. Mancos; Mix and spot a 100’ balanced plug of Class G cement from 4188-4088’.
17. Plug 4. Mesaverde; Mix and spot a 100’ balanced plug of Class G cement from 2367-2267’.
18. Plug 5. Chacra; Mix and spot a 100’ balanced plug of Class G cement from 1897-1797’.
19. Plug 6; Pictured Cliffs and Fruitland; spot a 183’ balanced plug of Class G cement from 1598-1415’.
20. Plug 7: Spot balanced plug from 746’ to surface with Class G cement, to cover Kirtland and Ojo Alamo tops, as well as surface casing shoe.
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**  
**South Bisti 32 E 1**  
 API # 30-045-28483  
 SW/NW, Unit E, Sec 32, T26N, R13W  
 San Juan County, NM

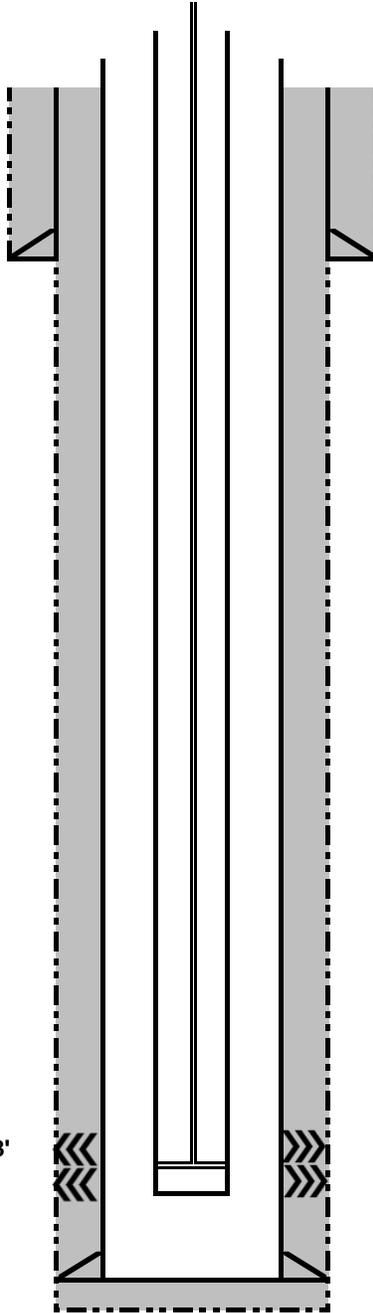
GL 6485'  
 KB N/A  
 Spud Date 1/23/1991

**SURF CSG**

Hole size 12.25"  
 Csg Size: 8.625"  
 Wt: 24#  
 Grade: K-55  
 ID: 8.097"  
 Depth 372'  
 Csg cap ft<sup>3</sup>: 0.3576  
 TOC: Circ  
 surf

**FORMATION TOPS**

Nacimiento	Surface
Ojo Alamo	N/A
Kirtland	696'
Fruitland Coal	1465'
Pictured Cliffs	1548'
Lewis	1665'
Chacra	1847'
Mesaverde	2317'
Mancos	4138'
Gallup	5087'



**PROD CSG**

Hole size 7.875"  
 Csg Size: 5.5"  
 Wt: 15.5#  
 Grade: J-55  
 ID: 4.95"  
 Depth 5372'  
 Csg cap ft<sup>3</sup>: 0.1336  
 Csg/Csg 0.1926  
 Ann ft<sup>3</sup>:  
 Csg/OH cap 0.1732  
 ft<sup>3</sup>:  
 TOC: Circ  
 surf

Perfs 5188-5198'

PBTD 5324'  
 TD 5376'

<b>Prod Tubing Detail:</b> MA, 4' PS, SN, 6 jts. 2-3/8" tbg., TAC, 159 jts. 2-3/8" tbg.
<b>Rod Detail:</b> Pump, 8x3/4" guided rods, 197x3/4" plain rods.

**Proposed Wellbore P&A Diagram**  
**DJR Operating, LLC**  
**South Bisti 32 E 1**  
 API # 30-045-28483  
 SW/NW, Unit E, Sec 32, T26N, R13W  
 San Juan County, NM

GL 6485'  
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 Wt: 15.5#  
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 Depth 5372'  
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 Csg/Csg Ann ft3: 0.1926  
 Csg/OH cap ft3: 0.1732  
 TOC: Circ surf

Plug 7: Kirtland, Ojo Alamo, and inside 5-1/2" casing to surface, 746' to surface. Class G cement.

Plug 6: Pictured Cliffs and Fruitland, 1598'-1415', 183' plug. Class G cement.

Plug 5: Chacra, 1897' to 1797', 100' plug. Class G cement.

Plug 4: Mesaverde, 2367' to 2267', 100' plug. Class G cement.

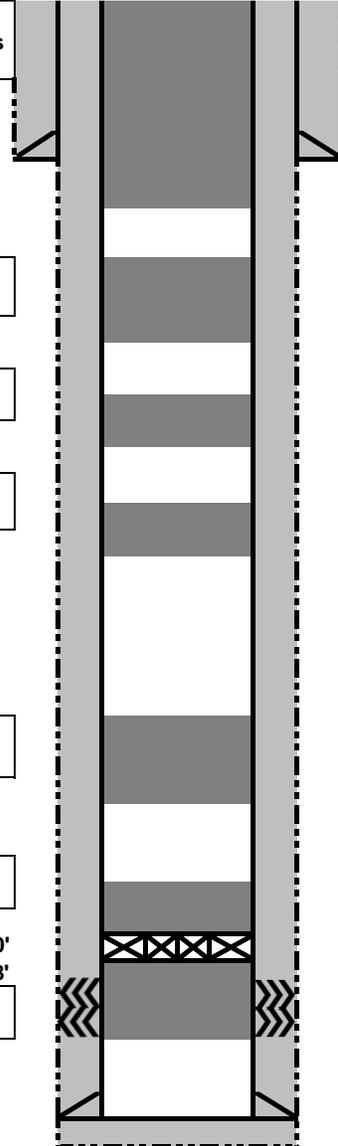
Plug 3: Mancos, 4188' to 4088', 100' plug, Class G cement.

Plug 2: Gallup, 5150' to 5037', 113' plug above CR. Class G cement.

CR 5150'  
 Perfs 5188-5198'

Plug 1: Attempt to pump 20 sx class G cement through CR and into perfs.

PBTD 5324'  
 TD 5376'



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: South Bisti 32 E 1

**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. If casing does not test in procedure step 13 contact BLM.
4. BLM picks Cliffhouse SS top at 2656 ft. Add a plug from 2606 – 2706 ft.
5. BLM pics Fruitland top at 930 ft. Extend or add a plug to ensure coverage 880 – 980 ft.

**BLM FLUID MINERALS  
Geologic Report**

**Date Completed:** 7/21/20

Well No.	South Bisti 32E # 1	Location	1650'	FNL	&	990'	FWL
Lease No.	NMNM76867	Sec. 32	T26N			R13W	
Operator	DJR Operating LLC	County	San Juan	State	New Mexico		
Total Depth	5376'	PBTD	5324'	Formation	Bisti Lower Gallup		
Elevation (GL)	6485'	Elevation (KB) 6497' (est.)					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm		Behind Surface Casing	Surface		Fresh water sands
Ojo Alamo Ss	Behind Surface Casing			495'	Aquifer (fresh water)
Kirtland Shale			495'	930'	
Fruitland Fm			930'	1540'	Coal/Gas/Possible water
Pictured Cliffs Ss			1540'	1620'	Gas
Lewis Shale			1620'	1850'	
Chacra			1850'	2450'	Probable water or dry
Menefee Fm Stringer			2450'	2656'	Coal/Ss/Water/Possible Gas
Cliff House Ss (main)			2656'	2870'	Water/Possible gas
Menefee Fm			2870'	3994'	Coal/Ss/Water/Possible Gas
Point Lookout Ss			3994'	4150'	Probable water/Possible O&G
Mancos Shale			4150'	5065'	Source rock
Tocito Ss Lentil			5065'	5190'	O&G/Water
Gallup			5190'		O&G/Water

**Remarks:**

P & A

-Please note that the depths for the Kirtland and Fruitland differ significantly, while the Cliff House and the Gallup formation depths differ slightly from the Operator's picks.

-The Ojo Alamo formation top is behind the surface casing and is protected adequately by the proposed plugging procedure.

-The Gallup identified is the actual Gallup formation, not a sand body within the Mancos.

-Note that the Menefee is encountered twice, on either side of the Cliff House.

**Reference Wells:**

1)DJR

Same

Fm. Tops

**Prepared by:** Walter Gage