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: 5/20/2020
Well information:

30-045-25342 CENTRAL BISTI UNIT #079

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: Click or tap here to enter text.

Conditions of Approval:

X Notify appropriate NMOCD district office 24 Hours prior to commencing activities.
X CBL Required
☒ In addition to the BLM approved plugs, include the following:

- Include a plug 4680'-4580'. OCD and BLM Gallup pick @ 4630'.
- Include a plug 530'-0'. OCD and BLM Kirtland pick @ 480, Ojo Alamo pick @ 330'.

NMOCD Approved by Signature — 9/10/2020 Date

Form 3160-5
(June 2015)

OCD Received
8/27/2020

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.
NMSF078056

6. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

7. If Unit or CA/Agreement, Name and/or No.
8910060900

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

8. Well Name and No.
CENTRAL BISTI UNIT 79

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

9. API Well No.
30-045-25342-00-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 5 T25N R12W SENW 1980FNL 2100FWL
36.431915 N Lat, 108.135849 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.

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

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

Electronic Submission #516071 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 05/27/2020 (20JK0278SE)

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

Signature (Electronic Submission) — Date 05/20/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS — Title PETROLEUM ENGINEER — Date 08/26/2020

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

Revisions to Operator-Submitted EC Data for Sundry Notice #516071

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	ABD NOI	ABD NOI
Lease:	NMSF078056	NMSF078056
Agreement:	NMNM78386X	8910060900 (NMNM78386X)
Operator:	DJR OPERATING LLC 1 ROAD 3263 AZTEC, NM 87410 Ph: 505-632-3476	DJR OPERATING LLC 1 ROAD 3263 AZTEC, NM 87410 Ph: 505-632-3476
Admin Contact:	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrllc.com Ph: 505-632-3476	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrllc.com Ph: 505-632-3476
Tech Contact:	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrllc.com Ph: 505-632-3476	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrllc.com Ph: 505-632-3476
Location: State: County:	 NM SAN JUAN	 NM SAN JUAN
Field/Pool:	BISTI LOWER GALLUP	BISTI
Well/Facility:	CENTRAL BISTI UNIT 79 Sec 5 T25N R12W SENW 1980FNL 2100FWL 36.432010 N Lat, 108.136619 W Lon	CENTRAL BISTI UNIT 79 Sec 5 T25N R12W SENW 1980FNL 2100FWL 36.431915 N Lat, 108.135849 W Lon

Plug and Abandonment Procedure

for

DJR Operating, LLC

Central Bisti Unit 79

API # 30-045-25342

SE/NW, Unit F, Sec. 5, T25N, R12W

San Juan County, NM

Note: This well was drilled and cased with 4.5" 10.5# casing. The casing developed a hole and a squeeze operation was conducted. Additional holes were discovered, and as a result, 3.5" flush joint casing was run from surface to 4530' 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 1/16" 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 1-1/2" workstring, TIH with 3 ½" bit and scraper, make sure that the bit and scraper will go to 4500'. TOOH.

13. PU and RIH with a 3 ½" cement retainer. Set the CR at +/- 4500'. Pressure test tubing to 1000 psi, sting out of CR, load and roll the hole, test casing to 600 psi. If casing does not test, contact engineering. TOOH.

14. MIRU logging truck. Run CBL log from 4500' to surface. Hold 600 psi on casing if possible. Electronic copy of CBL to be sent to; Brandon Powell, NMOCD Brandon.Powell@state.nm.us, Joe Killins, BLM jkillins@blm.gov, John Hoffman, BLM jhoffman@blm.gov and Scott Lindsay, DJR slindsay@djrllc.com.

15. TIH with workstring to 4500'. Sting into retainer.

16. Plug 1. RU cement equipment. Pump water to assure that tubing is clear. Mix and attempt to squeeze 35 sx Class G cement through CR into Gallup perforations. If zone pressures up, sting out of CR, spot cement on top of retainer and continue to Plug 2.

17. Plug 2. Gallup: Pump water to assure that tubing is clear. Mix and spot a 100' balanced plug of Class G cement from 4500-4400'.

18. Plug 3. Mancos: Depending on the results of the new CBL, mix and spot a 100' balanced plug of Class G cement from 3797' to 3697'. (May be inside/outside, above existing TOC)

19. Plug 4. Mesa Verde: Depending on the results of the new CBL, mix and spot a 100' balanced plug of Class G cement from 1907' to 1807'. (May be inside/outside)

20. Plug 5. Chacra: Depending on the results of the new CBL, mix and spot a 100' balanced plug of Class G cement from 1524' to 1424'. (May be inside/outside)

21. Plug 6: Pictured Cliffs and Fruitland: Depending on the results of the new CBL, mix and spot a 322' balanced plug of Class G cement from 1244' to 922'. (May be inside/outside)

22. Plug 7: Kirtland: Depending on the results of the new CBL, mix and spot a 100' balanced plug of Class G cement as specified by BLM/NMOCD. (May be inside/outside)

23. Plug 8: Surface shoe to surface: Perforate 4 holes at 266'. Tie on to 3 ½" casing and mix and pump inside and outside from 266' to surface with Class G cement or until circulation is established.

24. 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.

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

26. 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. Outside plugs will be determined once new CBL has been run.

Current Wellbore Diagram

DJR Operating, LLC

Central Bisti Unit 79

API # 30-045-25342
SE/NW, Unit F, Sec 5, T25N, R12W
San Juan County, NM

GL	**6155'**
KB	**6168'**
Spud Date	**5/13/1982**

SURF CSG

Hole size	12.25"
Csg Size:	8.625"
Wt:	24#
Grade:	K-55
ID:	8.097"
Depth	216'
Csg cap ft^3:	0.3575
TOC:	Circ cmt to surface

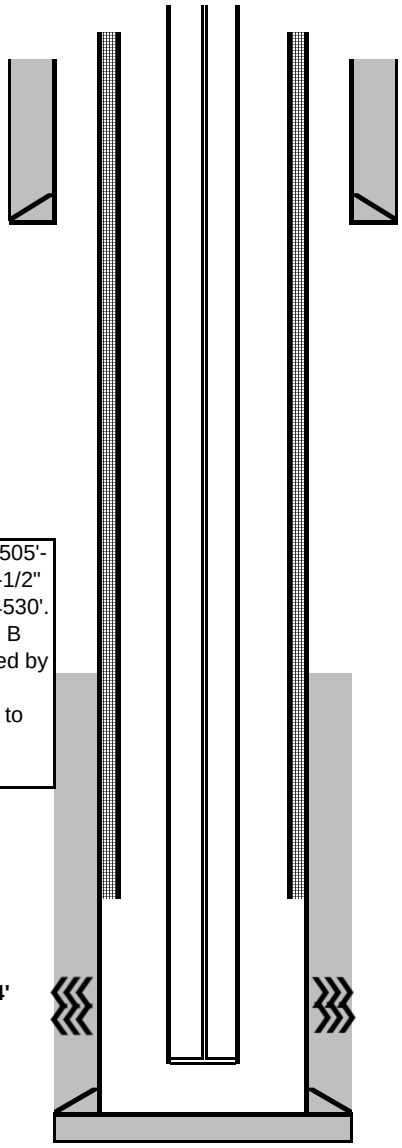
PROD CSG

Hole size	7.875"
Csg Size:	4.5"
Wt:	10.5#
Grade:	K-55
ID:	4.052"
Depth	5057'
Csg cap ft^3:	0.0895
Csg/Csg Ann ft^3:	0.2471
Csg/OH cap ft^3:	0.2278
TOC:	3220'
Primary cmt volume	838 ft3
3.5" FJ in 4.5" 10.5#	4530'
ID.	2.992"
Csg cap ft^3:	0.04883

FORMATION TOPS

Nacimiento	**Surface**
Ojo Alamo	**N/A**
Kirtland	**N/A**
Fruitland	**972'**
Pictured Cliffs	**1135'**
Chacra	**1474'**
Mesa Verde	**1857'**
Mancos	**3747'**
Gallup	**4682'**

Holes in casing found from 2505'-3491'. Ran 148 jts. (4518') 3-1/2" 8.81# J-55 scab liner set at 4530'. Cemented with 774 ft3 Class B 50:50 poz + 3% SMS, followed by 118 ft3 Class B + 2% CaCl. Circulated 60 bbls of cement to surface. (8/1993)



Perfs **4868-4784'**

PBTD **5010'**
TD **5060'**

Prod Tubing Detail:
2-1/16" 131 jts. 4832'
with tbg pump, fishable SV

Rod Detail:
1-1/2"x4' plunger, 20x5/8" guided rods, 171x3/4" plain rods, 1-1/4"x22' polished rod. 10' liner.
170 - 3/4" + 20 - 5/8"

The 4.5" csg developed a casing leak. Hole was isolated between 1605-1618' and squeezed with 206.5 ft3 of Class B cement. (6/1990)

TOC 3220' (calc. 50% efficiency)

3-1/2" J-55 FJ liner set at 4530'

Proposed PXA Wellbore Diagram

DJR Operating, LLC

Central Bisti Unit 79

API # 30-045-25342
SE/NW, Unit F, Sec 5, T25N, R12W
San Juan County, NM

GL	**6155'**
KB	**6168'**
Spud Date	**5/13/1982**

SURF CSG

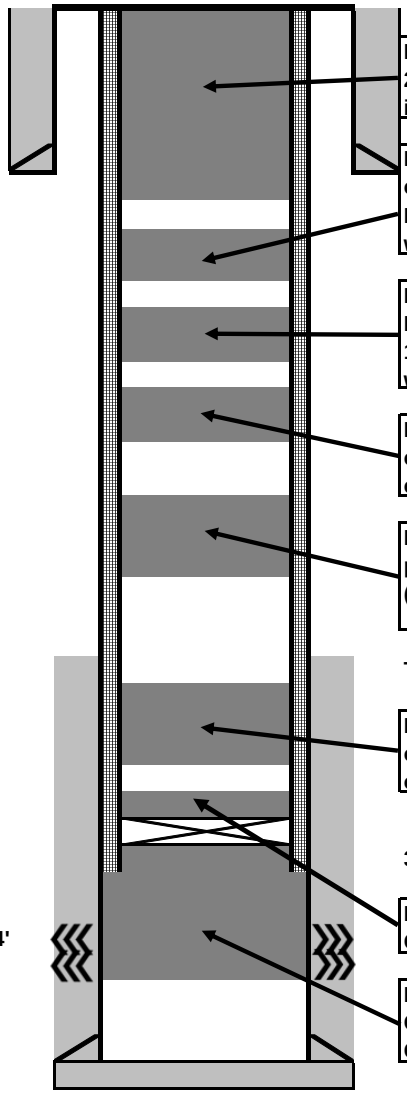
Hole size	12.25"
Csg Size:	8.625"
Wt:	24#
Grade:	K-55
ID:	8.097"
Depth	216'
Csg cap ft3:	0.3575
TOC:	Circ cmt to surface

PROD CSG

Hole size	7.875"
Csg Size:	4.5"
Wt:	10.5#
Grade:	K-55
ID:	4.052"
Depth	5057'
Csg cap ft3:	0.0895
Csg/Csg Ann ft3:	0.2471
Csg/OH cap ft3:	0.2278
TOC:	3220'
Primary cmt volume	838 ft3
3.5" FJ in 4.5" 10.5#	4530'
ID.	2.992"
Csg cap ft3:	0.04883

FORMATION TOPS

Nacimiento	**Surface**
Ojo Alamo	**N/A**
Kirtland	**N/A**
Fruitland	**972'**
Pictured Cliffs	**1135'**
Chacra	**1474'**
Mesa Verde	**1857'**
Mancos	**3747'**
Gallup	**4682'**



CR 4500'

Perfs 4868-4784'

PBTD 5010'
TD 5060'

Plug 8: Surface shoe to surface: Pump 266' plug of Class G from 266' to surface, inside and outside.

Plug 7: Kirtland: Pump 100' balanced plug of Class G at depth specified by BLM/NMOCD (and outside, if CBL warrants)

Plug 6: Pictured Cliffs and Fruitland: Pump 322' balanced plug of Class G from 1244' to 922' (and outside, if CBL warrants)

Plug 5: Chacra: Pump 100' balanced plug of Class G from 1524' to 1424' (and outside, if CBL warrants)

Plug 4: Mesa Verde: Pump 100' balanced plug of Class G cement from 1907' to 1807' (and outside, if CBL warrants)

TOC 3220' (calc. 50% efficiency)

Plug 3: Mancos: Pump 100' balanced plug of Class G cement from 3797' to 3697' (and outside, if CBL warrants)

3-1/2" J-55 FJ liner set at 4530'

Plug 2: Pump 100' balanced plug of Class G cement from 4500' to 4400'.

Plug 1: Mix and attempt to squeeze 35 sx Class G cement through CR and into Gallup perfs.

BLM FLUID MINERALS
Geologic Report

Date Completed: 8/3/20

Well No.	Central Bisti Unit # 79		Location	1980′ FNL	&	2100′ FWL	
Lease No.	NMSF078056		Sec. 5	T25N		R12W	
Operator	DJR Operating LLC		County	San Juan	State	New Mexico	
Total Depth	5100′	PBTD 5010′	Formation	Bisti Lower Gallup			
Elevation (GL) 6155′			Elevation (KB) 6167′ (est.)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Fresh water sands
Nacimiento Fm	Surface				Fresh water sands
Ojo Alamo Ss	Behind Surface Casing			480′	Surface/Aquifer (fresh water)
Kirtland Shale			480′	865′	
Fruitland Fm			865′	1070′	Coal/Gas/Possible water
Pictured Cliffs Ss			1070′	1295′	Gas
Lewis Shale			1295′	1425′	
Chacra			1425′	1750′	Probable water or dry
Lewis Shale Stringer			1750′	1850′	
La Ventana Ss Tongue/ Cliff House Ss			1850′	2550′	Water/Possible gas
Menefee Fm			2550′	3600′	Coal/Ss/Water/Possible Gas
Point Lookout Ss			3600′	3750′	Probable water/Possible O&G
Mancos Shale			3750′	4520′	Source rock
Tocito Ss Lentil			4520′	4630′	O&G/Water
Gallup			4630′		O&G/Water

Remarks:
P & A

Formation Tops Reference Well:
DJR Operating LLC Same

-Please note that while the depths for most formations differ only slightly between the Operator's picks and the BLM Geologist's picks, the BLM Geologist interprets the La Ventana Ss Tongue/Cliff House Ss as a continuous sandy interval containing both these units.

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#516071

Re: Permanent Abandonment
Well: Central Bisti Unit 79

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. Submit a copy of the updated procedure reflecting geologic report and all COAs to the following email addresses before operations commence: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us

4. Submit electronic copy of the CBLs 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. Required plug coverage is based on attached BLM geologic report.

5. BLM picks top of Cliffhouse SS at 1850'. Ensure coverage 1800' – 1900'.

6. BLM picks top of Pictured Cliffs SS at 1070'. Ensure coverage 1020'-1120'.

7. BLM picks top of Fruitland formation at 865'. Ensure coverage 815' – 915'.

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.