

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: 6/29/2020

Well information: **30-045-05424 CENTRAL BISTI UNIT #069**

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:

Notify appropriate NMOCD district office 24 Hours prior to commencing activities.

In addition to the BLM approved plugs

- Add a plug 1510'-1410'. OCD Chacra pick @ 1460'..

NMOCD Approved by Signature

11/9/2020

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.
STATE

6. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

SUBMIT IN TRIPLICATE - Other instructions on page 2

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 69

2. Name of Operator
DJR OPERATING LLC

Contact: SHAW-MARIE FORD
E-Mail: sford@djrlc.com

9. API Well No.
30-045-05424-00-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 16 T25N R12W NWNE 0960FNL 2279FEL
36.405700 N Lat, 108.114900 W Lon

NMOCD REC'D
10/15/20

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			
<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 requests permission to Plug and Abandon the subject well per the attached Procedure, Original Wellbore Diagram, Post Workover Wellbore Diagram, and Proposed Wellbore Diagram. The subject well is fee surface, therefore a Reclamation Plan is not required for this request.

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

**Electronic Submission #520479 verified by the BLM Well Information System
For DJR OPERATING LLC, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 07/17/2020 (20JK0323SE)**

Name (Printed/Typed) SHAW-MARIE FORD

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 06/29/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title PETROLEUM ENGINEER

Date 10/14/2020

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 Post Fishing

for

DJR Operating, LLC

Central Bisti Unit 69

API # 30-045-05424

NW/NE, Unit B, Sec. 16, T25N, R12W

San Juan County, NM

This well is located on private surface. No reclamation plan required to be submitted.

I. Workover operations and Fishing Summary

1. While pulling rods and tubing during workover operations, all of the rods were recovered but the rod pump had parted and was still in the tubing.
2. While pulling tubing, the tubing parted at 3675'. Attempts were made to recover all tubing, but the tubing was badly corroded resulting in the top of tubing fish is at 4136'. The TAC is at 4559'. EOT is at 4842'.
3. A teleconference was held with Brandon Powell at NMOCD regarding the status of the wellbore. It was agreed upon to plug this well as per the following procedure.
4. See Post Prep WBD for more prep and fishing history.

II.

5. MIRU P&A rig and equipment.
6. PU workstring, TIH with bit and scraper, and ensure that the bit and scraper will go below 4125'. TOOH.
7. PU and RIH with a 5 ½" cement retainer. Set the CR at +/- 4125'. 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.
8. MIRU logging truck. Run CBL from 4125' 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@djrlc.com. RD logging truck.

9. Plug 1. RU cement equipment. Sting back into CR and attempt to pump 204 sx Class G cement through the CR to fill casing from CR to PBTD + 100% excess. If zone pressures up, sting out of CR and pull up to 4000' and reverse circulate cement to surface. TOOH remove stinger.

10. RIH with WL, tag Plug 1. Perforate 4 holes at 3772'.

11. Plug 2. Mancos: TIH with CR and set at 3722'. PT casing to 600 psi. Mix and pump a 100' plug of Class G cement from 3772-3672', inside and outside. Pump water to ensure tubing is clear of cement.

12. Plug 3. Mesa Verde and Chacra: RU wireline. Perforate 4 holes at 1895'. POOH. TIH with CR and set at 1460'. (PT casing to 600 psi, if needed). Mix and pump a 485' plug of Class G cement from 1895' to 1410', inside and outside. Pump water to ensure tubing is clear of cement. If casing did not PT in step 7, WOC and tag previous plug.

13. Plug 4. Pictured Cliffs: RU wireline. Perforate 4 holes at 1168'. POOH. TIH with CR and set at 1118'. (PT casing to 600 psi, if needed). Mix and pump a 100' plug of Class G cement from 1168'-1068', inside and outside. Pump water to ensure tubing is clear of cement.

14. Plug 5: Fruitland, Kirtland, Ojo Alamo to surface: RU wireline. Perforate 4 holes at 800'. Tie onto 5-1/2" casing and mix and pump sufficient Class G cement to bring cement to surface, inside and outside. Pump water to ensure tubing is clear of cement.

15. 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.

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

17. 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 ft and outside capacities + 100% excess.

Original Wellbore Diagram
DJR Operating, LLC
Central Bisti Unit 69

API # 30-045-05424
 NW/NE, Unit B, Sec 16, T25N, R12W
 San Juan County, NM

GL 6233'
 KB 6239'
 Spud Date 3/23/1956

Prod Tubing Detail:	
145 jts 2 3/8" tbg	
TAC	4559'
8 jts 2 3/8"	
SN	4806'
perf sub	
15' MA	EOT 4842'

Rod Detail:	
2"x1-1/2"x16' RWAC pump, 4x1-1/4" K bars, 11x3/4" rods with molded guides, 103x3/4" plain rods, 72x3/4" scraper rods, 4'x3/4" rod sub, 1-1/4"x22'.	

SURF CSG

Hole size 13.75"
 Csg Size: 9.625"
 Wt: 25.4#
 Grade: N/A
 ID: ???
 Depth 176'
 Csg cap ft³: ???
 TOC: Surf

FORMATION TOPS

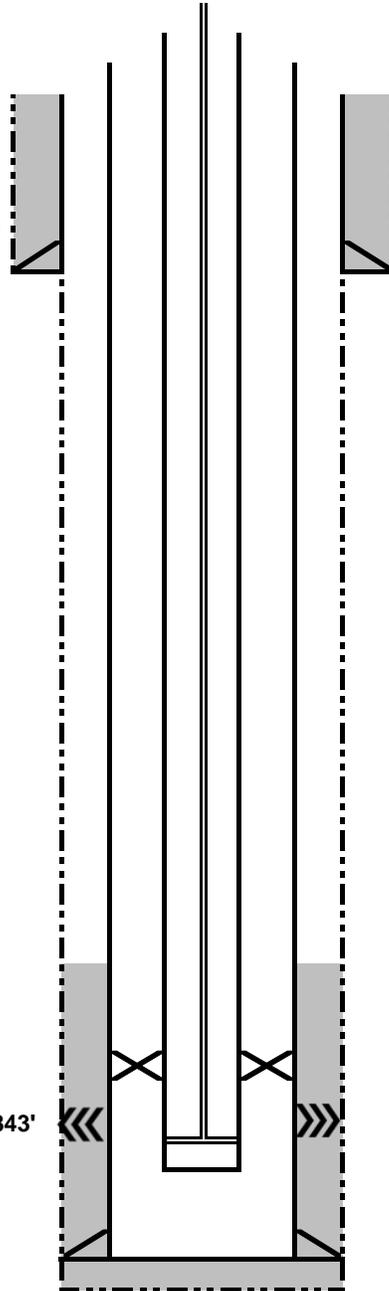
Nacimiento	Surface
Ojo Alamo	N/A
Kirtland	N/A
Fruitland	750'
Pictured Cliffs	1118'
Lewis	1284'
Chacra	1460'
Mesa Verde	1845'
Mancos	3722'
Gallup	4575'

PROD CSG

Hole size 8.75"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: N/A
 ID: 4.95"
 Depth 4885'
 Csg cap ft³: 0.1336
 Csg/Csg Ann ft³: ???
 Csg/OH cap ft³: 0.2526
 TOC: 3920'
 TS

Perfs 4740-4843'

PBTD 4885'
 TD 4885'



TOC 3920' or 3540'
 different reports found

TAC

Workover Wellbore Diagram 5-01-2020

DJR Operating, LLC

Central Bisti Unit 69

API # 30-045-05424

NW/NE, Unit B, Sec 16, T25N, R12W

San Juan County, NM

GL 6233'
 KB 6239'
 Spud Date 3/23/1956

SURF CSG

Hole size 13.75"
 Csg Size: 9.625"
 Wt: 25.4#
 Grade: N/A
 ID: ???
 Depth 176'
 Csg cap ft³: ???
 TOC: Surf

FORMATION TOPS

Nacimiento	Surface
Ojo Alamo	N/A
Kirtland	N/A
Fruitland	750'
Pictured Cliffs	1118'
Lewis	1284'
Chacra	1460'
Mesa Verde	1845'
Mancos	3722'
Gallup	4575'

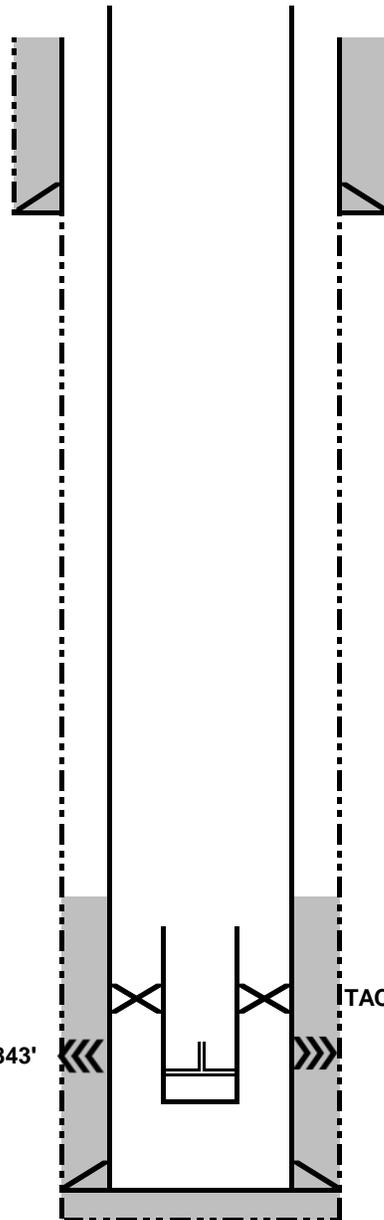
PROD CSG

Hole size 8.75"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: N/A
 ID: 4.95"
 Depth 4885'
 Csg cap ft³: 0.1336
 Csg/Csg Ann ft³: ???
 Csg/OH cap ft³: 0.2526
 TOC: TS

TOC 3920' or 3540'
 different reports found

Perfs 4740-4843'

PBTD 4885'
 TD 4885'



Prod Tubing Detail:

13 + jts 2 3/8" tbg	4136'
TAC	4559'
8 jts 2 3/8"	
SN	4806'
perf sub	
15' MA	EOT 4842'

Prep and Fishing History

4-28-20: Hot oil via csg and pull all rods, pump rod had parted, pump still in tbg.
4-29-20: Pull tbg, recover 117 jts tbg, collars corroded, some tbg corroded. Fish top at 3675'. Recover 2 jts tbg.
4-30-20: Pull tbg, tag fish at 3740', recover 11 jts corroded tbg. TIH, tag 4083', attempt to run WL and perf above rod pump, could not get past 4128'. Recover 35' of tbg.
5-01-20: Tag fish at 4114'. Recover 22' tbg badly corroded. TIH with mill shoe on overshot. Tagged fish at 4136', milled onto fish, pulled 12000 over string weight, parted, recovered no tbg. MU same overshot, order power swivel. TIH, tagged fish at 4136', milled onto fish with swivel, made about 4". No recovery. Well to be P&A'ed, per teleconference with NMOCD Aztec Office.

Top of Tbg 4136'

Proposed P&A Wellbore Diagram
DJR Operating, LLC
Central Bisti Unit 69
 API # 30-045-05424
 NW/NE, Unit B, Sec 16, T25N, R12W
 San Juan County, NM

GL 6233'
 KB 6239'
 Spud Date 3/23/1956

SURF CSG

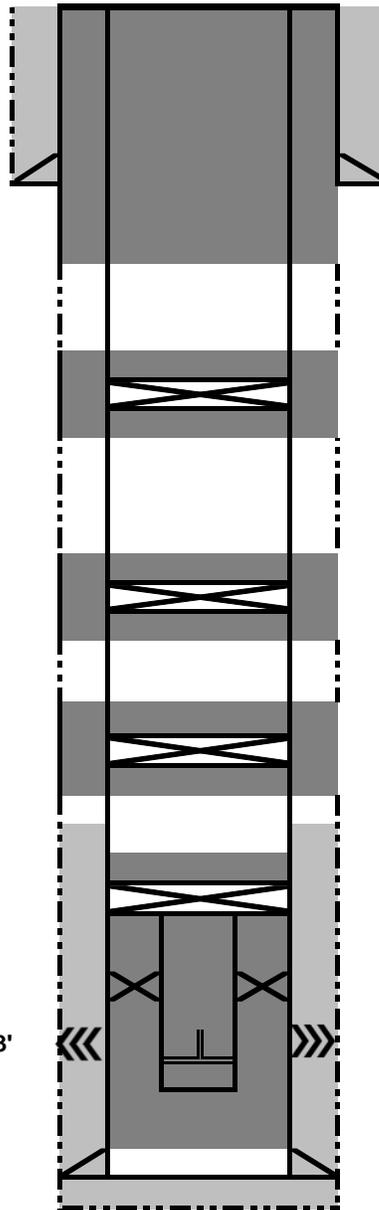
Hole size 13.75"
 Csg Size: 9.625"
 Wt: 25.4#
 Grade: N/A
 ID: ???
 Depth 176'
 Csg cap ft³: ???
 TOC: Surf

FORMATION TOPS

Nacimiento	Surface
Ojo Alamo	N/A
Kirtland	N/A
Fruitland	750'
Pictured Cliffs	1118'
Lewis	1284'
Chacra	1460'
Mesa Verde	1845'
Mancos	3722'
Gallup	4575'

PROD CSG

Hole size 8.75"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: N/A
 ID: 4.95"
 Depth 4885'
 Csg cap ft³: 0.1336
 Csg/Csg Ann ft³: ???
 Csg/OH cap ft³: 0.2526
 TOC: 3920' TS



Plug 5: Fruitland, Kirtland, Ojo to surface: Perf 4 holes at 800'. Tie onto 5-1/2" casing. Mix and pump sufficient Class G cement to bring cement to surface, inside and outside 5-1/2" casing.

Plug 4: Pictured Cliffs: Perf 4 holes at 1168'. Set CR at 1118'. Squeeze 100' plug of Class G cement from 1168'-1068' below CR. Spot 50' of Class G cement on top of CR.

Plug 3: Mesa Verde and Chacra: Perf 4 holes at 1895'. Set CR at 1460'. Squeeze 485' plug of Class G cement from 1895' to 1410' below CR. Spot 50' of Class G cement on top of CR.

Plug 2: Mancos: Perf 4 holes at 3722'. Set CR at 3722'. Squeeze 100' plug of Class G cement from 3722'-3672' below CR. Spot 50' of Class G cement on top of CR.

CR 4700'
 Plug 1: Mix and attempt to place 204 sx Class G cement through CR to PBTD and into Gallup perms. Around and in tubing fish.

Perfs 4740-4843'

PBTD 4885'
 TD 4885'

**BLM FLUID MINERALS
Geologic Report**

Date Completed: 9/18/2020

Well No.	Central Bisti Unit # 69	Location	960'	FNL	&	2279'	FEL
Lease No.	NMNM 25449/Agreement No. 78386X	Sec.	16	T25N		R12W	
Operator	DJR Operating, LLC	County	San Juan	State	New Mexico		
Total Depth	4885'	PBTD	4849'	Formation Bisti Lower Gallup			
Elevation (GL) 6233'		Elevation (KB) 6239' (est.)					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose					
Nacimiento	Surface	Behind Surface Casing			Surface (Fresh water)
Ojo Alamo Ss	Behind Surface Casing			500'	Aquifer (fresh water)
Kirtland Shale			500'	750'	
Fruitland			750'	1118'	Coal/Gas/Possible water
Pictured Cliffs Ss			1118'	1284'	Gas
Lewis Shale (Main)			1284'	1460'	
Chacra			1460'	1848'	Possible water or gas
Lower Chacra			1848'	1970'	Possible water or gas
La Ventana Tongue			1970'	2190'	
Cliff House Ss			2190'	2450'	Water/Possible gas
Menefee			2450'	3535'	Coal/Ss/Water/Possible O&G
Point Lookout Ss			3535'	3722'	Probable water/Possible O&G
Mancos Shale			3722'	4235'	Source rock
Tocito Ss Lentil			4235'	4560'	O&G/Water
Gallup Ss (Main)			4537'		O&G/Water

Remarks:

P & A

- 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 top of the Ojo Alamo formations is behind the surface casing and its depth is estimated. The proposed plugging plan will adequately protect the freshwater sands in these formations.

- All depths include a 6' KB.

- Please note that the BLM geologist's pick for the Cliff House formation varies from the operator's pick.

Reference Well:

1) DJR Operating, LLC Fm. Tops Same

2) DJR Operating, LLC Fm. Tops
Central Bisti Unit # 38
Sec 16/T25N/R12W
GL = 6233', KB = 6239'

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# 520479

Re: Permanent Abandonment
Well: Central Bisti Unit 69

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 Geologist picks top of Cliffhouse at 2190' MD. Extend plug 4 or add a plug to cover 2140 – 2240 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 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.