

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office
Bureau of Land Management

RECEIVED

JAN 29 2019

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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. _____
6. If Indian, Allottee, or Tribe Name
Contract 360
Jicarilla

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DJR Operating, LLC

3a. Address
1 Road 3263 Aztec, NM 87410

3b. Phone No. (include area code)
505-632-3476 ext 201

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL K, Section 2, T-22N, R-03W 1850' FSL 1850' FWL

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

8. Well Name and No.
Bonanza No. 008

9. API Well No.
30-043-20653

10. Field and Pool, or Exploratory Area
West Lindrith Gallup Dakota

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"/> Fracture Treat	<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 if the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports must be filed within 30 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 (testing has been completed. Final Abandonment Notice 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 approval to plug and abandon this well per the attached procedure and wellbore diagram. Approved Reclamation Plan is attached.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

NMOCD

FEB 18 2019

DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **Amy Archuleta** Title **Regulatory**

Signature _____ Date **December 26, 2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title **BE** Date **2/11/19**

Office **#10**

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 any department or agency of the United States or any officer or employee thereof to issue, publish, disseminate, or otherwise make available any fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

Notify NMOCD _____ prior to beginning operations

DJR Operating LLC

Plug And Abandonment Procedure

Bonanza #008

1850' FSL & 1850' FWL, Section 2, T22N, R3W

San Juan County, NM / API 30-043-20653

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.
2. Check casing, tubing, and Bradenhead pressures.
3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP.
5. P/U 4-1/2" bit or casing scraper on 2-3/8" workstring and round trip as deep as possible above top perforation at 6768'.
6. P/U 4-1/2" CR, TIH and set CR at +/- 6718'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.
7. RU wireline and run CBL with 500 psi on casing from CR at 6718' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to Jack Savage (BLM) at jwsavage@blm.gov and Brandon Powell at Brandon.powell@state.nm.us upon completions of logging operations.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

9. Plug 1 (**Dakota Perforations and Formation Top, 6718'-6668', 6 Sacks Class G Cement**)

Mix 6 sx Class G cement and spot a balanced plug inside casing to cover Dakota perforations and formation top.

10. Plug 2 (**Gallup Formation Top, 5705'-5555', 12 Sacks Class G Cement**)

Mix 12 sx Class G cement and spot a balanced plug inside casing to cover Gallup formation top.

11. Plug 3 (**Mancos Formation Top 4840'-4690', 12 Sacks Class G Cement**)

Mix 12 sx Class G cement and spot a balanced plug inside casing to cover Mancos formation top.

12. Plug 4 (**Mesa Verde (Cliffhouse, Menefee, Point Lookout) Formation Top 4700'-3950', 60 Sacks Class G Cement**)

Mix 60 sx Class G cement and spot a balanced plug inside casing to cover Mesa Verde (Cliffhouse, Menefee, Point Lookout) formation top.

13. Plug 5 (**Chacra Formation Top 3000'-2850', 12 Sacks Class G Cement**)

Mix 12 sx Class G cement and spot a balanced plug inside casing to cover Chacra formation top.

14. Plug 6 (**Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo Formation Tops 2508'-2115', 90 Sacks Class G Cement**)

RIH and perforate squeeze holes at 2508'. Establish injection rate into squeeze holes. RIH with 4-1/2" CR and set at 2458'. Mix 90 sx Class G cement. Squeeze 60 sx outside casing leaving 30 sx inside casing to cover the Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo formation tops.

15. Plug 7 (Nacimiento formation top and Surface Shoe 600'-surface, 190 Sacks Class G Cement)

Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 190 sx cement and spot a balanced plug from 600' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 600' and the annulus from the squeeze holes to surface.

16. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.

Wellbore Diagram

Bonanza #8
API #: 3004320653
San Juan, New Mexico

Plug 7

600 feet - Surface
600 feet plug
190 sacks of Class G Cement

Plug 6

2508 feet - 2115 feet
393 feet plug
60 sacks outside of casing
30 sacks inside of casing

Plug 5

3000 feet - 2850 feet
150 feet plug
12 sacks of Class G Cement

Plug 4

4700 feet - 3950 feet
750 feet plug
60 sacks of Class G Cement

Plug 3

4840 feet - 4690 feet
150 feet plug
12 sacks of Class G Cement

Plug 2

5705 feet - 5555 feet
150 feet plug
12 sacks of Class G Cement

Plug 1

6718 feet - 6668 feet
50 feet plug
6 sacks of Class G Cement

Surface Casing

8.625" 23# @ 201 ft

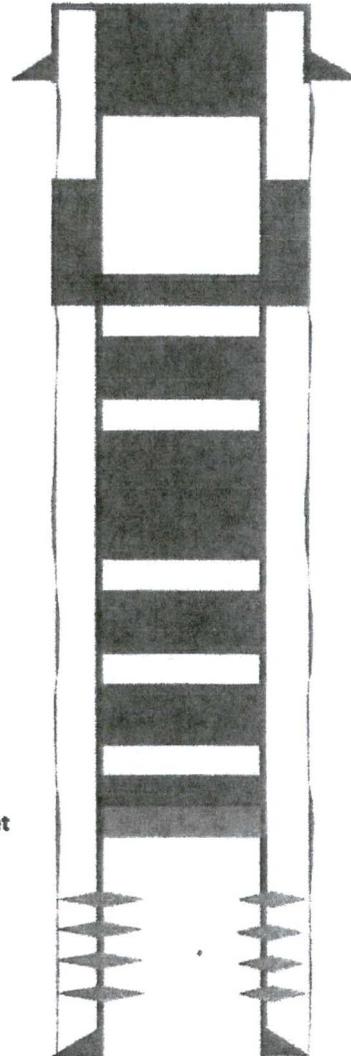
Formation

Ojo Alamo - 2215 ft
Kirtland - 2320 ft
Fruitland - 2445 ft
Pictured Cliffs - 2508 ft
Lewis - 2645 ft
Cliff House - 4050 ft
Menefee - 4105 ft
Point Lookout - 4650 ft
Mancos - 4790 ft
Gallup - 5655 ft
Greenhorn - 6670 ft
Graneros Shale - 6765 ft
Dakota - 6865 ft

Retainer @ 6718 feet

Production Casing

4.5" 11.6# @ 7049 ft



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: Bonanza 8

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. The following modifications to your plugging program are to be made:

- a) Set Plug #5 (3408 – 3308) ft. to cover Chacra top. BLM picks top of Chacra at 3358 ft.
- b) Set Plug #6 (2649 – 2226) ft. to cover PC, Fruitland, Kirtland, and Ojo Alamo tops. BLM picks top of Pictured Cliffs at 2599 ft. BLM picks top of Ojo Alamo at 2276 ft.
- c) Add a cement plug (1035 – 935) ft. to cover Nacimiento top. BLM picks top of Nacimiento at 985 ft.
- d) Set Plug #7 (251 – 0) ft. to cover surface casing shoe. Top of surface shoe at 201 ft.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: jwsavage@blm.gov Brandon.Powell@state.nm.us

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.

See Revised COAs

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3. The following modifications to your plugging program are to be made:

- a) Set Plug #1 (6718 – 6618) ft. to cover Dakota perforations top. Top of perforations at 6768 ft.
- b) Set Plug #5 (3408 – 3308) ft. to cover Chacra top. BLM picks top of Chacra at 3358 ft.
- c) Set Plug #6 (2649 – 2226) ft. to cover PC, Fruitland, Kirtland, and Ojo Alamo tops. BLM picks top of Pictured Cliffs at 2599 ft. BLM picks top of Ojo Alamo at 2276 ft.
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