

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: 12/18/2018

Well information:

DJR OPERATING, LLC
30-045-13282 CENTRAL BISTI UNIT #004

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 24hrs prior to beginning operations.
- Extend plug #3 to 2249'-2036' to cover the Mesaverde top.
- Perform a CBL and submit it to the agencies for review prior to cementing.

A handwritten signature in black ink, appearing to read "Adrienne Sandoval", is written over a horizontal line.

NMOCD Approved by Signature

4/22/19

Date

RECEIVED

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DEC 19 2018

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.	SF 078056
6. If Indian, Allottee or Tribe Name	

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit of CA/Agreement, Name and/or No.	NMNM78386x
8. Well Name and No.	Central Bisti Unit #004
9. API Well No.	30-045-13282
10. Field and Pool or Exploratory Area	Bisti Lower Gallup
11. Country or Parish, State	San Juan, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> 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
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL X 1980' FWL Unit "C" - Sec 6-T25N-R12W	

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 checked="" 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 recompleat 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 recompleat 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 detennined that the site is ready for final inspection.)

DJR Operating, LLC requests permission to plug and abandon the subject well per the attached procedure, current and proposed wellbore diagram. The reclamation plan is also attached.

NMOCD

APR 16 2019

DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Amy Archuleta	Regulatory Title
Signature	Date 12/18/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i> Dave Mankiewicz	Title AFM	Date 4/12/19
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 FFO	

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)

FARMINGTON

NMOCD

PLUG AND ABANDONMENT PROCEDURE

December 12, 2018

CBU #4

Bisti Lower Gallup

660' FNL & 1980' FWL, Section 4, T25N, R12W, San Juan County, New Mexico

API 30-045-13282 / Long _____ / _____

Note: This procedure is revised based on the approved P&A sundry. All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes , No _____, Unknown _____.
Tubing: Yes , No _____, Unknown _____, Size 2-3/8", Length 4860'
Packer: Yes _____, No , Unknown _____, Type _____.
4. **Plug #1 (Gallup perforations and top, 4768' – 4668')**: R/T 4.5" gauge ring or mill to 4768'. RIH and set 4.5" CR at 4768'. Pressure test tubing to 1000#. Circulate hole clean. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as necessary. Mix and pump 12 sxs Class G cement inside casing to isolate the Gallup interval. PUH.
5. **Plug #2 (Mancos top, 3856' – 3756')**: Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to cover the Mancos top. TOH.
6. **Plug #3 (Mesaverde top, 2136' – 2036')**: Perforate squeeze holes at 2136'. Establish injection rate. Set CR at 2086'. Mix and pump 52 sxs Class G cement; squeeze 40 sxs outside and 12 sxs inside to cover the Mesaverde top. TOH.
7. **Plug #4 (Chaca top, 1800' – 1700')**: Perforate squeeze holes at 1800'. Establish injection rate. Set CR at 1750'. Mix and pump 52 sxs Class G cement; squeeze 40 sxs outside and 12 sxs inside to cover the Chacra top. TOH.
8. **Plug #5 (Pictured Cliffs top, 1462' – 1362')**: Perforate squeeze holes at 1462'. Establish injection rate. Set CR at 1412'. Mix and pump 52 sxs Class G cement; squeeze 40 sxs outside and 12 sxs inside to cover the Pictured Cliffs top. TOH.

9. **Plug #6 (Fruitland top, 1145' – 1045')**: Perforate squeeze holes at 1145'. Establish injection rate. Set CR at 1095'. Mix and pump 52 sxs Class G cement; squeeze 40 sxs outside and 12 sxs inside to cover the Fruitland top. TOH.

10. **Plug #7 (Kirtland 8-5/8" Surface casing shoe and Surface, 505' - Surface)**: Perforate 4 squeeze holes at 505'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix and pump 127 sxs down 4.5" casing and circulate good cement out annulus. Shut in well and WOC.

11. 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 cut off anchors. Restore location per BLM stipulations

CBU #4

Current

Bisti Lower Gallup

Today's Date: 12/12/18

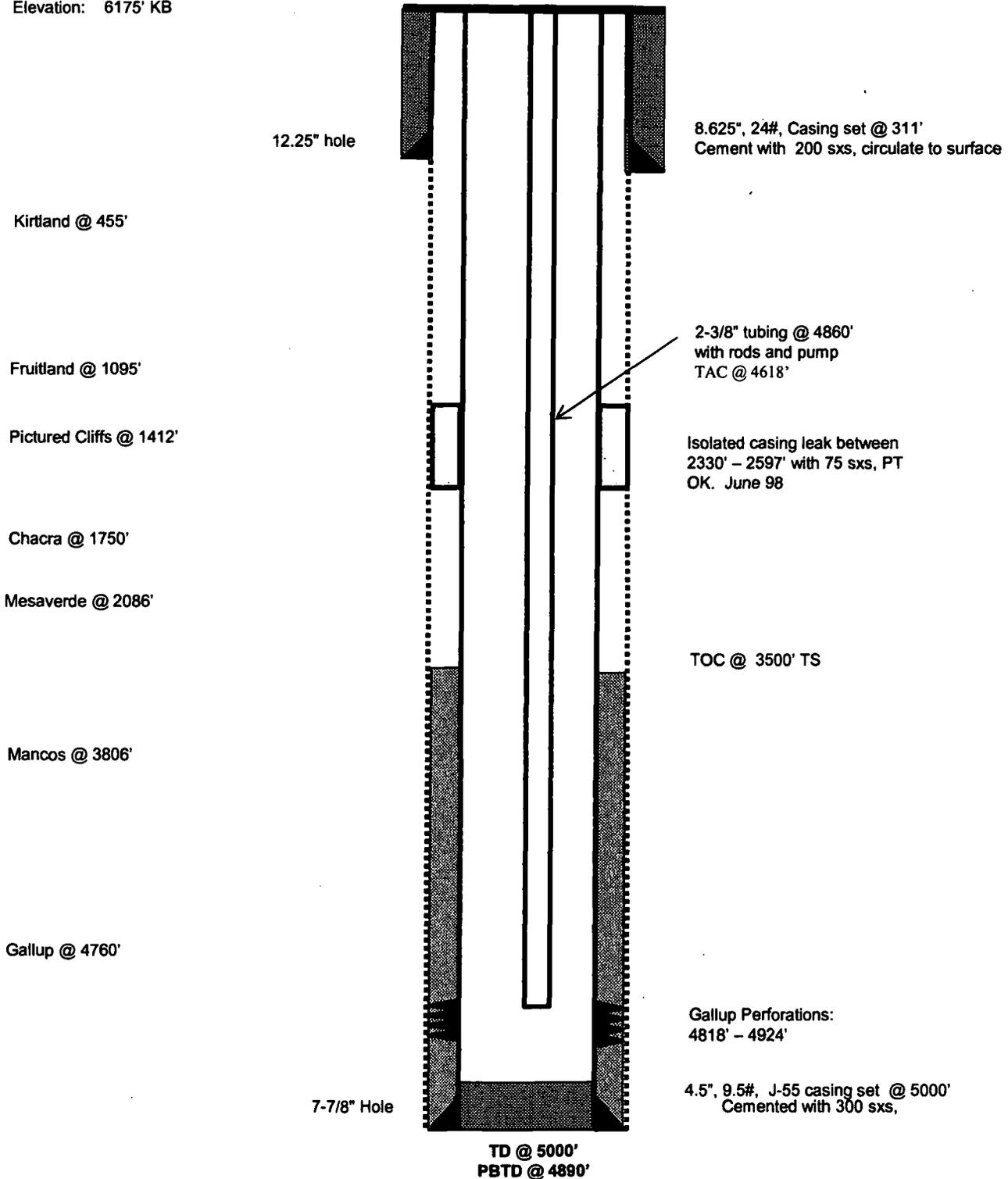
Spud: 7/28/59

Completion: 8/17/59

Elevation: 6175' KB

660' FNL, 1980' FWL, Section 4, T-25-N, R-12-W, San Juan County, NM

Lat: _____ N / Lat: _____ W, API #30-045-13282



CBU #4
Proposed P&A
Bisti Lower Gallup

Today's Date: 12/12/18

660' FNL, 1980' FWL, Section 4, T-25-N, R-12-W, San Juan County, NM

Spud: 7/28/59

Lat: _____ N / Lat: _____ W, API #30-045-13282

Completion: 8/17/59

Elevation: 6175' KB

Kirtland @ 455'

12.25" hole

Fruitland @ 1095'

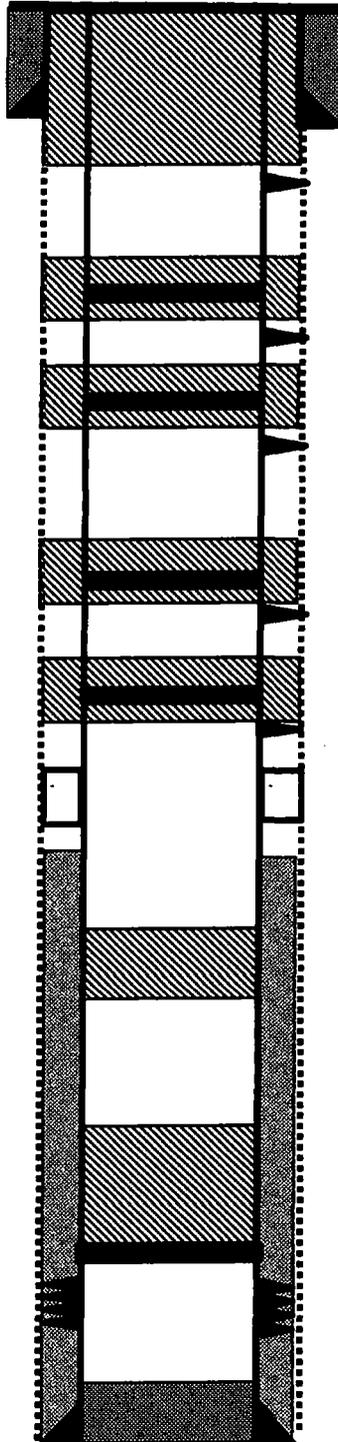
Pictured Cliffs @ 1412'

Chacra @ 1750'

Mesaverde @ 2086'

Mancos @ 3806'

Gallup @ 4760'



8.625", 24#, Casing set @ 311'
 Cement with 200 sxs, circulate to surface

Perforate @ 505'

Plug 7: 505' - 0'
 Class G cement, 127 sxs

Set CR @ 1095'

Perforate @ 1145'

Plug 6: 1145' - 1045'
 Class G cement, 52 sxs
 12 inside and 40 inside

Set CR @ 1412'

Perforate @ 1462'

Plug 5: 1462' - 1362'
 Class G cement, 52 sxs
 12 inside and 40 inside

Set CR @ 1750'

Perforate @ 1800'

Plug 4: 1800' - 1700'
 Class G cement, 52 sxs
 12 inside and 40 inside

Set CR @ 2086'

Perforate @ 2136'

Plug 3: 2136' - 2036'
 Class G cement, 52 sxs
 12 inside and 40 inside

Isolated casing leak between
 2330' - 2597' with 75 sxs, PT
 OK. June 98

TOC @ 3500' TS

Plug #2: 3856' - 3756'
 Class G cement, 12 sxs

Set CR @ 4768'

Plug #1: 4768' - 4668'
 Class G cement, 12 sxs

Gallup Perforations:
 4818' - 4924'

4.5", 9.5#, J-55 casing set @ 5000'
 Cemented with 300 sxs,

7-7/8" Hole

TD @ 5000'
 PBTD @ 4890'

P & A RECLAMATION PLAN

Date: November 29, 2018

FIMO Specialist: Cassandra Gould (taking place of Bertha Spencer)

BLM Specialist: Randy McKee

Operator: DJR Operating, LLC

Well Name & Number: Central Bisti Unit #4

API No. 30-045-13282

Section 6 Township 25 North Range 12 West

Lease No: NMSF-078056

Footage 660 FNL 1980 FWL

County San Juan State New Mexico

Surface Navajo Nation

Twinned Location No

Latitude/Longitude:

Lat 36.4356419128 Long -108.154843549

WELL PAD

Topography Rolling Sage Hills

Stockpile Topsoil No

Soil Type Sandy

Vegetation Community Badlands Enhanced

Vegetation Specifics

Common Name	Scientific Name	Variety	Season	Form	PLS lbs/Acre
FourWing Saltbush	Atriplex canescens	VNS	Cool	Shrub	4.0
Indian Ricegrass	Achnatherum hymenoides	Paloma or Rimrock	Cool	Bunch	5.0
Sand Dropseed	Sporobolus cryptandrus	VNS	Warm	Bunch	.5
Shadscale Saltbush	Atriplex confertifolia	VNS		Shrub	2.0
Rabbitbrush	Ericameria nauseosa		Warm	Shrub	2.0
Sagebrush	Artemisia tridentata		Warm	Shrub	2.0
Mormon Tea	Ephedra		Warm	Shrub	1.0

Vegetation Cages No

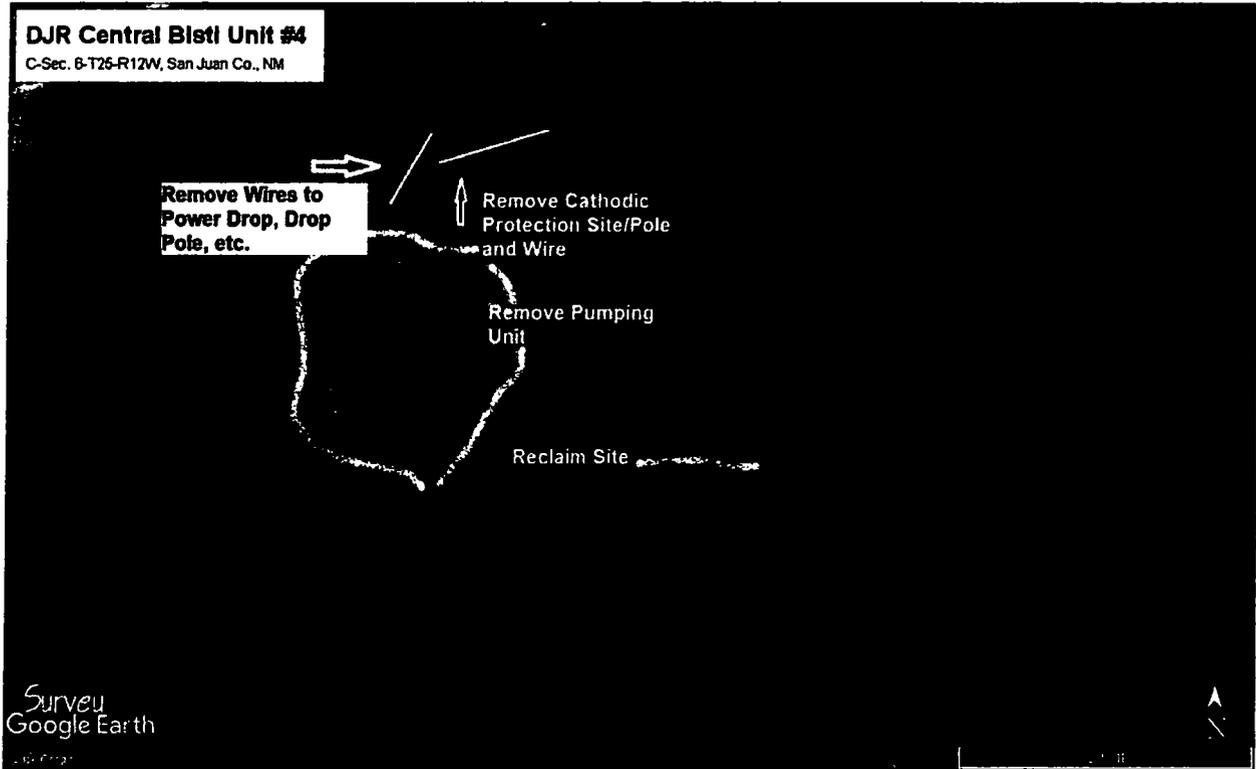
Noxious Weeds No

Facilities on Location

- Pumping Unit

- Pipeline (To be Removed within pad area)
- Cathodic Protection Station (Remove Site and one pole/wires/box)
- Power Drop (Remove Pole/Wires/Box)

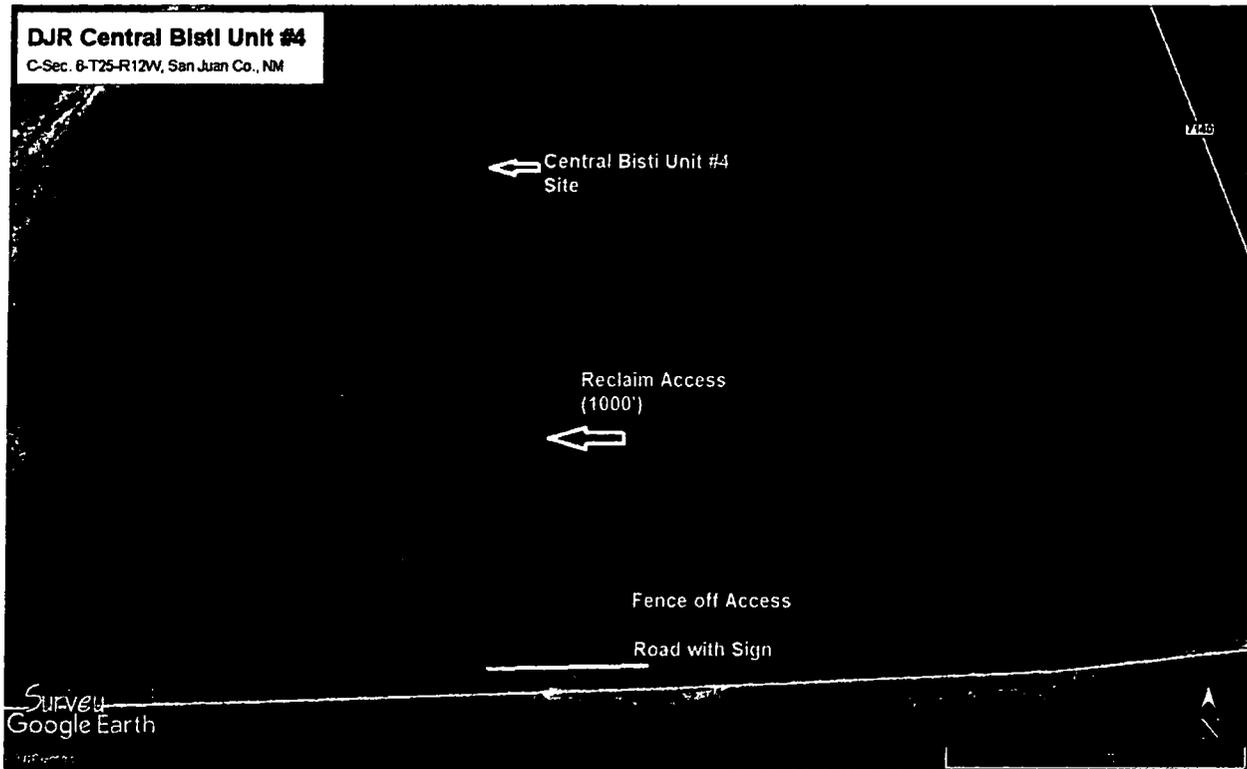
Gravel Present	Very Minimal
Steel Pits	No
Cathodic Ground bed	Yes
Trash on Location	Minor, all trash and debris will be removed
Power Poles	Yes (1 with drop)
Construct Diversion Ditch	No
Contaminated Soil	Very Minimal around Pumping Unit (will be removed)
Construct Silt Trap	No, recontour site, site is basically flat
Recontour Disturbed Areas to Natural Terrain	Yes (Very minimal)
Location and Access Barricade	Yes (See Plat) and (See Plan Discussion)



Site Reclamation Plat

ACCESS ROAD

Access Length	1000'
Remediation Method	Rip/Seed Entire Length of Road
Culverts	No
Cattle Guard	No
Other	Fence off Access Road at Main Road with Signage



Plat for Access Road Reclamation

PIPELINE

Pipeline Company	DJR Operating, LLC
Relocate Riser	No
Other	N/A

GRAZING

N/A

GENERAL RECLAMATION PLAN NARRATIVE

On November 27, 2018, an on-site to discuss Surface Reclamation was conducted with attendees, Cassandra Gould of FIMO (sitting in for Bertha Spencer, Randy McKee of the BLM FFO, and DJR Operating, LLC Representative, Paul Lehrman. The following was discussed:

Re-contour the well site using materials from the existing site (shown on plat) as much as possible (Very minimal). Site is basically flat. Spread soil from all areas on reclaimed pad before reseeding. Feather areas taken to pad level.

Reclamation work will begin in 2019 (to be determined) (to allow for better seed germination), and after the submitted approved plugging Sundry. No new disturbance will be allowed outside current disturbed areas except as noted herein. Notification will be provided via e-mail, or phone to Randy McKee. This will be done 48 hours prior to starting dirt work. Randy McKee email: rmckee@blm.gov and cell 505-793-1834. Cassandra Gould email: cassandra.gould@bia.gov and phone (cell) 505-252-0835. Bertha Spencer, bertha.spencer@bia.gov. Bertha Spencer's phone 505-863-8336.

All fences (if any), production equipment, concrete slabs, anchors, flowlines (within pad area), risers if any, (**cut at pipeline depth**), tanks, debris, and trash will be removed from location and disposed of at the proper facilities.

The reclaimed areas of the pad and all of the access road from main road to well site to be ripped to depths of a minimum of 12", leaving the surface as rough as needed, to provide sufficient root establishment, growth, and stabilization of disturbed areas.

A barrier fence with signage will be installed at the access road entrance to detour traffic to the reclaimed access road/pad.

All Seed will be distributed via drill seeding.

**BLM FLUID MINERALS
Geologic Report**

Date Completed: 4/10/19

Well No.	Central Bisti Unit #004	Location	660'	FNL &	1980'	FWL
Lease No.	SF078056	Sec. 6	T25N			R12W
Operator	DJR Operating, LLC	County	San Juan	State	New Mexico	
Total Depth	5000'	PBTD	4890'		Formation	Gallup
Elevation (GL)		Elevation (KB)	6175'			

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm					Fresh water sands
Ojo Alamo Ss					Aquifer (fresh water)
Kirtland Shale	455	1095			
Fruitland Fm	1095	1412			Coal/Gas/Possible water
Pictured Cliffs Ss	1412	1527			Gas
Lewis Shale	1527 est.	1750			
Chacra (Lower)	1750	2199			Probable water or dry
Cliff House Ss	2199 est.	2947			Water/Possible gas
Menefee Fm	2947 est.				Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale	3806	4760			
Gallup	4760	TD			O&G/Water
Greenhorn (base)					
Dakota Ss					O&G/Water

Prepared by: Dave Mankiewicz