

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: 7/17/2020

Well information: **30-039-06009 JICARILLA APACHE F #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 24 Hours prior to commencing activities
- CBL Required
- In addition to the BLM approved plugs, add the following: Plug from 2524'-2424' OCD and BLM Fruitland pick @ 2474'. Plug from 2235'-2135'. OCD and BLM Kirtland pick @ 2185'.



NMOCD Approved by Signature

12/7/2020
Date

Form 3160-5
(June 2015)

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.
JIC149

6. If Indian, Allottee or Tribe Name
JICARILLA APACHE

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. JICARILLA APACHE F 4
2. Name of Operator DJR OPERATING LLC		9. API Well No. 30-039-06009-00-C2
3a. Address 1600 BROADWAY SUITE 1600 DENVER, CO 80202		10. Field and Pool or Exploratory Area OTERO SOUTH BLANCO
3b. Phone No. (include area code) Ph: 505-632-3476		11. County or Parish, State RIO ARRIBA COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T25N R5W NWSE 1650FSL 1450FEL 36.397374 N Lat, 107.397205 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.	
Electronic Submission #522242 verified by the BLM Well Information System For DJR OPERATING LLC, sent to the Rio Puerco Committed to AFMS for processing by GARY SMITH on 07/17/2020 (20GS0001SE)	
Name (Printed/Typed) SHAW-MARIE FORD	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 07/17/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOE KILLINS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>11/30/2020</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>Rio Puerco</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 ****

Revisions to Operator-Submitted EC Data for Sundry Notice #522242

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	ABD NOI	ABD NOI
Lease:	JIC149	JIC149
Agreement:		
Operator:	DJR OPERATING LLC 1 ROAD 3263 AZTEC, NM 87410 Ph: 505-632-3476	DJR OPERATING LLC 1600 BROADWAY SUITE 1600 DENVER, CO 80202 Ph: 303.595.7433 Fx: 303.595.7431
Admin Contact:	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476
Tech Contact:	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476	SHAW-MARIE FORD REGULATORY SPECIALIST E-Mail: sford@djrlc.com Ph: 505-632-3476
Location:		
State:	NM	NM
County:	RIO ARRIBA	RIO ARRIBA
Field/Pool:	OTERO CHACRA	OTERO SOUTH BLANCO
Well/Facility:	JICARILLA APACHE F 4 Sec 18 T25N R5W Mer NMP NWSE 1650FSL 1450FEL 36.397370 N Lat, 107.397180 W Lon	JICARILLA APACHE F 4 Sec 18 T25N R5W NWSE 1650FSL 1450FEL 36.397374 N Lat, 107.397205 W Lon

Plug and Abandonment Procedure

for

DJR Operating, LLC

Jicarilla Apache F 4

API # 30-039-06009

NW/SE, Unit J, Sec. 18, T25N, R5W

Rio Arriba 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. ND WH, NU BOP, function test BOP. Well may have a plunger installed. RIH with sand line and set tubing stop.
6. Trip out of hole with 2 3/8" tubing. LD tubing to be sent in for storage/salvage.
7. PU workstring, TIH with bit and scraper, make sure that the bit and scraper will go below 3460'. TOOH.
8. PU and RIH with a 5 1/2" cement CR. Set the CR at +/- 3460'. Pressure test tubing to 1000 psi, sting out of CR, test casing to 600 psi. If casing does not test, contact engineering.
9. Roll hole and load hole with water for CBL log. TOOH.
10. RU wireline. RIH with GR/CCL/CBL from 3460' to surface. Hold 500 psi on casing if possible. Send CBL log to Joe Killins jkillins@blm.gov, John Hoffman jhoffman@blm.gov, Brandon Powell PowellBrandon.powell@state.nm.us, Loren Diede ldiede@djrlc.com, Scott Lindsay slindsay@djrlc.com. Tops may be adjusted per log run.
11. Plug 1. Sting back into CR. Mix and attempt to pump 10 sx Class G cement through the CR into the Chacra perforations. If zone pressures up, sting out of CR. Spot a 50' plug on top of CR to cover Chacra top. Pump water to ensure that tubing is clear. TOOH.

12. PU and TIH with bit and scraper. Make sure that scraper will go below 2590'. TOO. TIH with 5-1/2" CR and set at 2590'.
13. Plug 2: Mix and attempt to pump 10 sx Class G cement through CR into the Pictured Cliffs perforations. If zone pressures up, sting out of CR. Spot a 166' plug of Class G cement on top of CR to cover top of Pictured Cliffs and Fruitland. Pump water to ensure that tubing is clear.
14. Plug 3: Mix and spot a 100' balanced plug of Class G cement from 1843-1743' to cover top of Ojo Alamo inside pipe. (Plug may be adjusted based on CBL results.) Pump water top ensure that tubing is clear. TOO.
15. PU and TIH with bit and scraper. Make sure that scraper will go below 564'. TOO.
16. RIH with perforating gun and shoot 4 holes at 564'. POO.
17. TIH with 5-1/2" CR and set at +/- 514'.
18. Plug 4: Establish rate. Squeeze below CR with sufficient Class G cement to bring top of cement to 464' outside 5-1/2" casing, to cover Nacimiento top. Sting out of CR and spot 514' of Class G cement on top of CR to cover across Nacimiento, surface casing shoe, and inside 5-1/2" casing to surface. Top off 8-5/8x5-1/2" annulus through 1" tubing, if necessary.
19. RD cementing equipment. Cut off wellhead, fill any exposed annulus with cement as necessary. **Install SURFACE P&A marker as per BIA requirements.** Record GPS coordinates for P&A marker and the Final P&A Report. Photograph the P&A marker and attach to the report.
20. RD and MO all rig and cement equipment. Ensure that location is free of trash and contamination before moving off.
21. 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.

Surface PxA marker is to be installed at surface, 12"x18", and exposed at the reclaimed GL surface.

DJR Operating, LLC
Current Wellbore Diagram

Jicarilla Apache F 4

API # 30-039-06009
 NW/SE, Unit J, Sec 18 T25N, R5W
 San Juan County, NM

GL 6532'
 KB N/A
 Spud Date 7/7/1957

SURF CSG

Hole size 12.25"
 Csg Size: 8.625"
 Wt: 24#
 Grade: N/A
 ID: 6.336"
 Depth 224'
 casing cap ft³/ft: 0.3575
 TOC: Circ cmt to surface

FORMATION TOPS

San Jose	Surface
Nacimiento	514'
Ojo Alamo	1793'
Kirtland	2185'
Fruitland	2474'
Pictured Cliffs	2606'
Lewis	2660'
Chacra	3461'

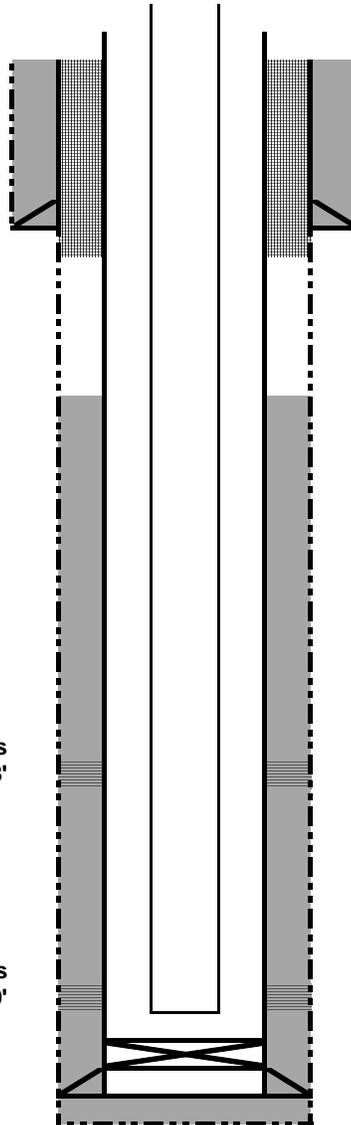
PROD CSG

Hole size 7.875"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: N/A
 ID: 4.95"
 Depth 3649'
 casing cap ft³/ft: 0.1336
 8.625x5.5 cap ft³/ft 0.1926
 7.875x5.5 annular cap. 0.1773
 TOC: 1380' (TS)

Pictured Cliffs Perfs
 2608-58'

Chacra perfs
 3477-3610'

PBTD 3624'
 TD 3650'



Production Tubing
 2-3/8" tubing set at 3478'. SN @ 3448'.
 2001 invoice indicates plunger
 installation. Field says no. Set tbg stop.

8/1/1983: Repaired bradenhead leak.
 Perfed at 275'. Squeezed with 100 sx.
 Circulated 7 bbls cement out of surface
 casing.

TOC: 1380' (TS)

8/1983: Baker Model D packer pushed to
 3558'. Well downhole commingled.

DJR Operating, LLC
Proposed Wellbore Diagram

Jicarilla Apache F 4

API # 30-039-06009
 NW/SE, Unit J, Sec 18 T25N, R5W
 San Juan County, NM

GL 6532'
 KB N/A
 Spud Date 7/7/1957

SURF CSG

Hole size 12.25"
 Csg Size: 8.625"
 Wt: 24#
 Grade: N/A
 ID: 6.336"
 Depth 224'
 casing cap ft3/ft: 0.3575
 TOC: Circ cmt to surface

PROD CSG

Hole size 7.875"
 Csg Size: 5.5"
 Wt: 15.5#
 Grade: N/A
 ID: 4.95"
 Depth 3649'
 casing cap ft3/ft: 0.1336
 8.625x5.5 cap ft3/ft 0.1926
 7.875x5.5 annular cap. 0.1773
 TOC: 1380' (TS)

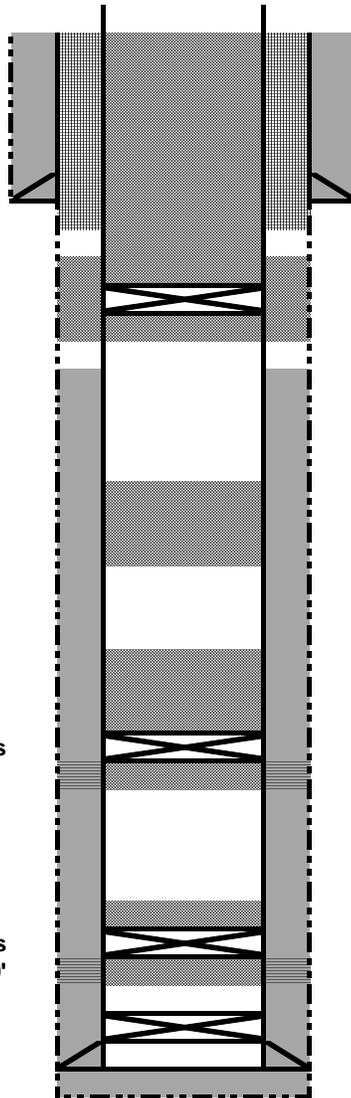
FORMATION TOPS

San Jose	Surface
Nacimiento	514'
Ojo Alamo	1793'
Kirtland	2185'
Fruitland	2474'
Pictured Cliffs	2606'
Lewis	2660'
Chacra	3461'

Pictured Cliffs Perfs
 2608-58'

Chacra perfs
 3477-3610'

PBTD 3624'
 TD 3650'



Plug 4: Perf 4 holes at 564'. Set CR at 514'. Squeeze below retainer with sufficient cement to bring cement to 464' outside 5-1/2" casing. Spot 514' plug on top of CR to cover top of Nacimiento, surface casing shoe, and inside 5-1/2" casing to surface.

Plug 3: Spot 100' balanced plug from 1843-1743' cover top of Ojo Alamo.

Plug 2: Set CR at 2590'. Attempt to pump 10 sx cement through CR into PC perfs. Spot 166' plug on top of CR to cover PC and Fruitland top.

Plug 1: Set CR at 3460'. Attempt to pump 10 sx cement through CR into Chacra perfs. Spot 50' plug on top of CR to cover Chacra top.

8/1983: Baker Model D packer pushed to 3558'. Well downhole commingled.

**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#522242

Re: Permanent Abandonment
Well: Jicarilla F 4 API: 30-039-06009

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 electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov and Brandon.Powell@state.nm.us . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.
4. Add a plug or modify plug 4 to place a inside/outside of production casing a cement plug to extend at least 50 feet below bottom of and 50 feet above the surface casing shoe at 224.

**BLM FLUID MINERALS
Geologic Report**

Date Completed: 11/18/2020

Well No. Jicarilla Apache F #4 (API# 30-039-06009)	Location	1650	FSL	&	1450	FEL
Lease No. JIC-149	Sec. 18	T25N			R05W	
Operator DJR Operating, LLC	County	Rio Arriba		State	New Mexico	
Total Depth 3650	PBTD 3624	Formation Lewis (Chacra) and Pictured Cliffs (commingled)				
Elevation (GL) 6532		Elevation (KB)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm	Surface	514			Surface/Fresh water sands
Nacimiento Fm	514	1793			Fresh water sands
Ojo Alamo Ss	1793	2185			Aquifer (fresh water)
Kirtland Shale	2185	2474			
Fruitland Fm	2474	2606			Coal/Gas/Possible water
Pictured Cliffs Ss	2606	2660			Gas
Lewis Shale	2660	3461			
Chacra	3461	PBTD			
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

- Log analysis of reference well #2 indicates the Nacimiento and Ojo Alamo sands investigated likely contain fresh water ($\leq 5,000$ ppm TDS). The proposed P&A plan has adequate plugs to ensure fresh water sands are protected in this well bore.
- Chacra perforations @ 3477'-3610'.
- Pictured Cliffs perforations @ 2608'-2658'.

Reference Well:

1) Same

Fm. Tops

2) Enerdyne, LLC
Federal 17 #2
2310' FSL, 2300' FEL
Sec. 17, T24N, R03W
GL 6825' KB 6836'

Water
Analysis

Prepared by: Chris Wenman

**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.

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 12719

CONDITIONS OF APPROVAL

Operator:	DJR OPERATING, LLC	1 Road 3263	Aztec, NM87410	OGRID:	371838	Action Number:	12719	Action Type:	C-103F
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OCD Reviewer	Condition
ahvermersch	Notify NMOCD 24 Hours prior to commencing activities • CBL Required • In addition to the BLM approved plugs, add the following: Plug from 2524'-2424' OCD and BLM Fruitland pick @ 2474'. Plug from 2235'-2135'. OCD and BLM Kirtland pick @ 2185