

Well Name: PONCA	Well Location: T23N / R4W / SEC 20 / SWSE /	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name: JICARILLA APACHE
Lease Number: JIC45	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004320508	Well Status: Producing Gas Well	Operator: DJR OPERATING LLC

Notice of Intent

Sundry ID: 2652414

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 01/13/2022

Time Sundry Submitted: 09:37

Date proposed operation will begin: 01/13/2022

Procedure Description: The subject well has a casing failure & is being submitted for engineering & geological review per Dave M. of the BLM prior to the onsite inspection. A Reclamation Plan will be submitted on a subsequent sundry at a later date. DJR Operating, LLC requests permission to Plug & Abandon the subject well according to the attached Procedure, Current & Proposed Wellbore Diagram.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Ponca_1_PA_Procedure_20220113093716.pdf
- Ponca_1_BIA_Rationale_Form_20220113093716.pdf
- Ponca_1_Current_WBD_20220113093715.pdf
- Ponca_1_Proposed_WBD_20220113093715.pdf

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Well Status: Producing Gas Well

Operator: DJR OPERATING LLC

Conditions of Approval

Additional Reviews

23N04W20OKpc_Ponca_1_20220121144452.pdf

Authorized Officer

2652414_NOIA_1_3004320508_KR_01252022_20220125085904.pdf

General_Requirement_PxA_20220125085739.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: SHAW-MARIE FORD

Signed on: JAN 13, 2022 09:37 AM

Name: DJR OPERATING LLC

Title: Regulatory Specialist

Street Address: 1 Road 3263

City: Aztec

State: NM

Phone: (505) 632-3476

Email address: sford@djrlc.com

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 01/25/2022

Signature: Kenneth Rennick

Plug and Abandonment Procedure
for
DJR Operating, LLC
Ponca 1
API # 30-043-20508
SW/SE, Unit O, Sec. 20, T23N-R4W
Sandoval County, NM

I.

1. Hold Pre job meeting, comply with all NMOCD, BLM and environmental regulations.
2. MIRU rig.
3. Check and record 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.

II.

6. PU gauge ring and RIH to 2300'. POOH.
7. PU and RIH with wireline set 2-7/8" CR and set at 2300'. POOH. PU 1-1/2" workstring, TIH, and sting into CR. Pressure test tubing to 1000 psi, sting out of CR and test casing to 600 psi.
8. Plug 1: Perfs: Squeeze below CR with 5sx. Sting out of CR, and pump water to ensure that tubing is clear. TOOH.
9. MIRU logging truck. Roll hole. Run CBL log from CR to surface. Hold 600 psi on casing if possible. Send CBL log to Ken Rennick krennick@blm.gov, Monica Kueling monica.kueling@state.nm.us, Loren Diede ldiede@djrlc.com, and slindsay@djrlc.com. Plugs may be adjusted per log results.

10. Plug 2: Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo, Nacimiento: TIH with workstring. Mix and pump cement inside 2-7/8" from top of CR to 1400', if annulus has sufficient cement as determined by CBL. TOOH.
11. Plug 3. Surface casing shoe, surface plug: RIH with wireline and perforate holes at 150'. Tie on to 2-7/8" casing and mix and pump cement inside and outside from 150' to surface.
12. 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.
13. RD and MO all rig and cement equipment. Assure that location is free of trash and contamination before moving off.
14. 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 it to be installed at surface, 12"x18", and exposed at the reclaimed GL surface.

Current Wellbore Diagram
DJR Operating, LLC
Ponca 1
 API # 30-043-20508
 SW/SE, Unit O, Sec 20, T23N, R4W
 Sandoval County, NM

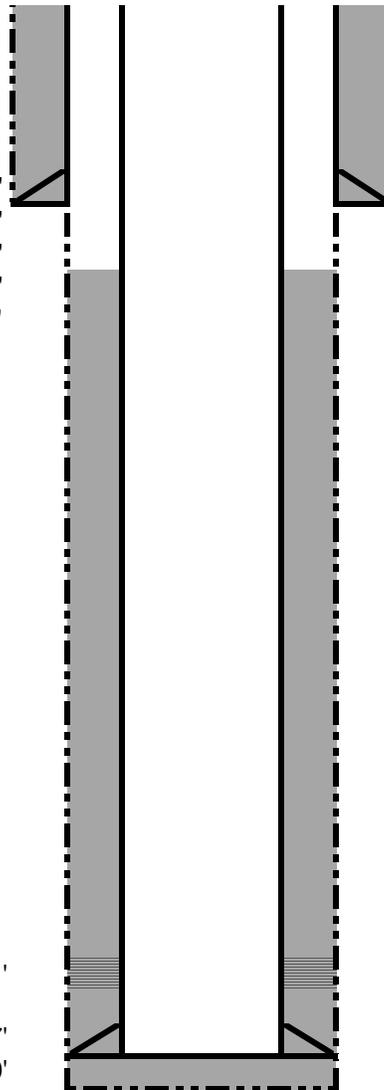
GL 6946'
 KB 6951'
 Spud Date 11/20/1980

SURF CSG

Hole size 9.75"
 Csg Size: 7"
 Wt: 23#
 Grade: J-55
 ID: 6.366"
 Depth 98'
 cap cf/ft: 0.2210
 TOC: N/A

FORMATION TOPS

San Jose	Surf
Nacimiento	1456'
Ojo Alamo	1900'
Kirtland	2050'
Fruitland	2173'
Pictured Cliffs	2340'



PROD TBG DETAIL:
None

PROD CSG

Hole size 5.25"
 Csg Size: 2.875"
 Wt: 6.5#
 Grade: J-55
 ID: 2.441"
 Depth 2494'
 cap cf/ft: 0.0325
 Csg/Csg Ann, cf/ft: 0.1760
 Csg/OH Ann, cf/ft: 0.1052
 TOC: 260' (est.)

Perfs 2346-61'

PBTD 2427'
 TD 2500'

**Current Wellbore Diagram
DJR Operating, LLC
Ponca 1**

API # 30-043-20508
SW/SE, Unit O, Sec 20, T23N, R4W
Sandoval County, NM

GL 6946'
KB 6951'
Spud Date 11/20/1980

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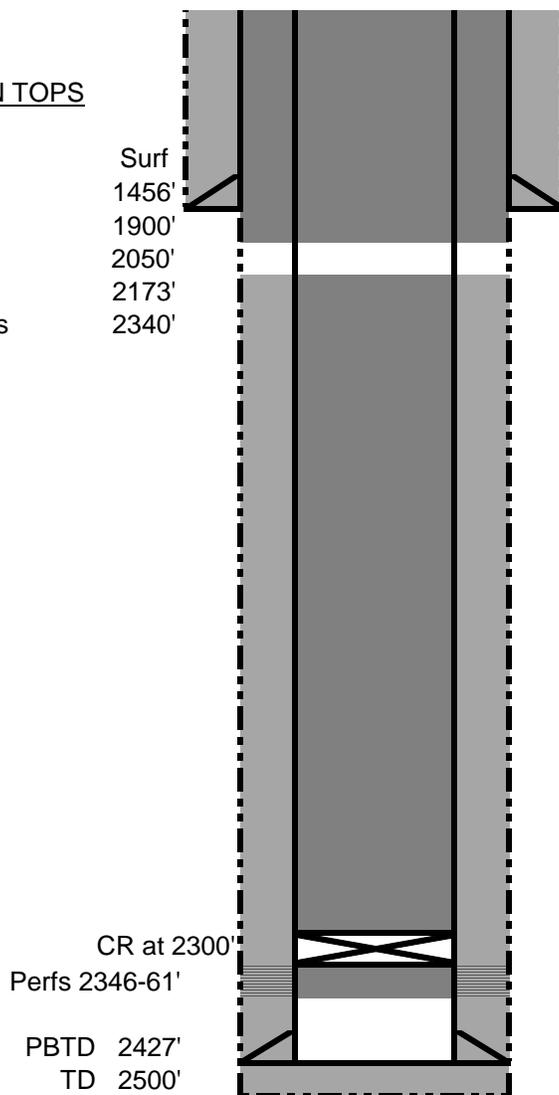
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Plug 3: Surface shoe and surface plug: Perf holes at 150'. Tie onto 2-7/8" casing and mix and pump sufficient cement to bring TOC to surface, inside and outside.

Plug 2: Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo, Nacimiento tops: Mix and pump sufficient cement to bring TOC to 1400' inside casing. Plug will be adjusted pending results of CBL. Outside plug may be required.

Plug 1: Perfs and PC top: Set CR at 2300'. Sqz below CR with 5 sx. Sting out of CR and TOOH to run CBL.

**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.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2652414

Attachment to notice of Intention to Abandon

Well: Ponca 1

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 at (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a. Plug 3 (Nacimiento): Adjust, or add a plug, to cover BLM formation top pick for the Nacimiento at 532 feet.

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.

K. Rennick 1/25/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 01/21/2022

Well No. Ponca #1 (API# 30-043-20508)	Location	790	FSL	&	1850	FEL
Lease No. JIC45	Sec. 20	T23N			R04W	
Operator DJR Operating, LLC	County	Sandoval		State	New Mexico	
Total Depth 2500'	PBTD 2427'	Formation Pictured Cliffs				
Elevation (GL) 6946'		Elevation (KB) 6951'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm			Surface	532	Surface/freshwater sands
Nacimiento Fm			532	1900	Possible freshwater sands
Ojo Alamo Ss			1900	2050	Aquifer (possible freshwater)
Kirtland Shale			2050	2150	
Fruitland Fm			2150	2340	Coal/Gas/Possible water
Pictured Cliffs Ss			2340	PBTD	Gas
Lewis Shale					
Chacara					Gas
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
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

- BLM picks for the Fruitland and Nacimiento formation tops vary from Operator submission.

- Add a plug or adjust Plug #3 to cover BLM pick for Nacimiento formation top at 532'.

- The plugs proposed in the P&A procedure, with changes recommended above, will adequately protect any freshwater sands in this well bore.
- Pictured Cliffs perms 2346' – 2361'.

Reference Well:

1) **Formation Tops**
Same

Prepared by: Chris Wenman

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 74993

CONDITIONS

Operator: DJR OPERATING, LLC 1 Road 3263 Aztec, NM 87410	OGRID: 371838
	Action Number: 74993
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	1/28/2022
kpickford	CBL required	1/28/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report.	1/28/2022