

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



January 14, 2015

Mr. Alberto Gutierrez, President
GEOLEX Incorporated
500 Marquette Ave. NW, Suite 1350
Albuquerque, NM 87102

RE: Commission Order No. R-12546-K; Extension of Deadline

Linam AGI Well No. 2 (API 30-025-42139)
1600 FSL, 1750 FWL; Unit K, Sec 30, T18S, R37E, NMPM, Lea County, New Mexico
Order Date: February 14, 2013
Injection into lower Bone Spring formation; approved interval: 8710 feet to 9085 feet

Mr. Gutierrez:

Reference is made to your request on behalf of DCP Midstream, LP for an additional six (6) month extension of the February 14, 2015 deadline to commence injection into the above named well for reasons outlined in the attached correspondence. Application for the extension is being made administratively under the authority established in Ordering Paragraph (U) of Order No. R-12546-K.

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

The Division finds that granting this request to extend this Commission order is in the interest of conservation, will prevent waste, and will protect the environment.

All requirements of the above referenced Commission order and agreements in the application remain in full force and effect.

The deadline to commence injection is hereby extended until August 15, 2015.

Sincerely,

A handwritten signature in black ink, reading "David R. Catanach". The signature is fluid and cursive, with a horizontal line drawn underneath it.

DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Well File API 30-025-42139
Case File 13589

January 13, 2015

Alberto A. Gutiérrez, C.P.C.

Mr. David Catanach, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

VIA EMAIL AND FIRST CLASS MAIL

RE: REQUEST FOR EXTENSION OF DEADLINE TO BEGIN INJECTION
DCP MIDSTREAM LP LINAM AGI #2 NMOCC ORDER R-12546-K

Dear Mr. Catanach:

Following my conversations this morning with Mr. Wade and Mr. Goetze, I am requesting on behalf of my client DCP Midstream LP an extension of the deadline to begin injection which is incorporated in the above-referenced order for approximately six months to August 15, 2015.

The deadline for beginning injection operations falls on February 14, 2015; however, the order provides that "...the Division Director, upon written request from the operator, may extend this time for good cause shown." (Paragraph U on page 15 of R-12546-K). This language was inserted by the Commission in their order because they recognized that often there are circumstances which result in unavoidable delays in completing these projects. While DCP has been making good progress in obtaining materials, drilling services and drilling and completing the well, the difficult availability of service companies compounded by delays due to the extremely harsh winter weather experienced in the Hobbs area during the last 2 months have resulted in unavoidable construction delays for the well and associated surface facilities. The well has now been drilled and is being completed with the direct oversight of the District 1 office, which has been very pleased with the work conducted to date. However, while the well will be completed and tested by February, the associated surface facilities to allow commencement of safe operations will not be completed by the current deadline of February 14, 2015. DCP Midstream has committed substantial resources at this point to drill and complete this well, so there is no doubt that the Linam AGI #2 well will be in-place and available for the intended service of disposing acid gas, as reflected in the OCC Order approving the well. While DCP is proceeding full speed ahead as conditions allow to complete all these facilities, and the likelihood is that operations will begin prior to August 15, 2015, at the recommendation of Mr. Goetze, DCP is requesting an extension to this date to assure that all systems can be fully completed and tested prior to initiating operation.

You have our client's complete assurance that they will continue to work diligently to bring the well into operation as soon as possible, but in any case no later than August 15, 2015. We would appreciate your prompt consideration and approval of our request for good cause as described above and consistent with the requirements of the above-referenced order. Please contact me if you, or your staff, have any questions regarding this matter. We look forward to your response so we may plan accordingly.

Sincerely,
Geolex, Inc.



Alberto A. Gutierrez, RG
President and Consultant to DCP Midstream LP

cc: Mr. Gabriel Wade, NMOCD Santa Fe, via email
Mr. Phillip Goetze, NMOCD Santa Fe, via email
Mr. Maxey Brown NMOCD Hobbs, via email
Mr. Roberto Torrico, DCP Midstream Denver, via email
Mr. Paul Tourangeau, DCP Midstream Denver, via email
Mr. Adam Rankin, Holland and Hart Santa Fe, via email