

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



August 14, 2015

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

RE: Commission Order No. R-12546-K; Second 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 60-day extension of the August 15, 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.

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GEOLEX Inc.
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The deadline to commence injection is hereby extended until October 14, 2015.

Sincerely,

A handwritten signature in cursive script, reading "David R. Catanach". The signature is written in dark ink and is positioned above a horizontal line.

DAVID R. CATANACH
Director

DRC/prg

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

Goetze, Phillip, EMNRD

From: Alberto A. Gutierrez, RG (Geolex) <aag@geolex.com>
Sent: Thursday, August 13, 2015 12:33 PM
To: Goetze, Phillip, EMNRD *AG*
Cc: Wade, Gabriel, EMNRD; 'ROBERTO TORRICO'; 'Tourangeau, Paul R'; Strickland, Jacob; 'RUSS ORTEGA'
Subject: Linam AGI Well No. 2 (API 30-025-42139)
Attachments: Linam #2 Extension.pdf
Importance: High

Phillip:

Pursuant to our telephone conversation earlier today, I am writing this email on behalf of our client, DCP Midstream LP to request the ability to monitor bottom hole pressure and temperature for a maximum of 30 days prior to beginning injection into AGI#2 as currently required by the August 15, 2015 extension we received from OCD in January (copy attached). *

The reason for the request is to provide Geolex, DCP and OCD to gather bottom hole pressure and temperature data from the new well in the reservoir and to observe the changes as they correlate to the fluctuations of injection pressure in AGI#1. To do this before ever injecting into the #2 well gives us an excellent and unique opportunity to gather this reservoir data prior to injecting into the well. DCP has essentially completed all the surface facilities necessary to initiate injection but would like to take the time to collect this data while we have the unique opportunity prior to ever injecting into this portion of the reservoir. These data will be collected and compared to the fluctuations in pressure and temperature at the surface in AGI#1 that we routinely submit monthly to OCD on AGI#1 and we will submit these data to OCD as soon as it is reviewed along with the September C103 for the #1 well.

We will also be taking this time to do additional testing and work on the surface facilities to improve the reliability of the equipment on the new well and to further train operators on the operation of the new well and additional bottom hole P/T measuring devices.

We truly appreciate the OCD and the Director working with us to allow us to gather these data which will be very helpful to OCD and DCP in analyzing the behavior of this reservoir. Please confirm that you are ok with this approach as we discussed or call me if you have any questions or concerns. I can be reached on my cell phone at 505-259-4283.

Kind Regards
Alberto

Alberto A. Gutiérrez, RG
Geolex, Incorporated®
500 Marquette Avenue, NW Suite 1350
Albuquerque, NM 87102
505-842-8000
505-842-7380 Fax

** Talked with Alberto about 30 days being sufficient time for testing & commencing injection; requested an increase to 60 days in case of equipment/logistic issues.
08/13/2015 *AG**

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