Appendix A: NMOCD Documents and Orders

- R-12546-A (June 5, 2006): Denial of a request for re-hearing by adjacent landowners
- R-12546-B (March 2, 2007): Extension of period to drill until May 5, 2008
- R-12546-C (October 31, 2008): Extension of period to drill until December 31, 2009
- R-12546-D (November 20, 2009): Stays the requirement for an approved Discharge Plan prior to injection (per original Order 12546) and allows DCP to inject, with a cap of 4.0 MMSCFD and pressure of 1,800 psi
- R-12546-E (January 28, 2010): Extends R-12546-D for 60 days
- R-12546-F (April 19, 2010): Extends R-12546-E for 90 days
- R-12546-G (July 19, 2010): Extends R-12546-F until new hearing
- R-12546-H (June 6, 2011): Denial of request for hearing extension by adjacent landowners, and acknowledgement of new NMOCD Discharge Plan Requirements (May 10, 2011) that Linam Gas Plant does not require a Discharge Plan
- R-12546-I (July 28, 2011): Formally removes the requirement for a Discharge Plan and lifts the caps of 4.0 MMSCFD and pressure of 1,800 psi and restores original allowed pressure to 2,644 psi with no cap on volume
- NMOCD Well Files for Linam AGI #1

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO

> CASE NO. 13589 ORDER NO. R-12546

ORDER OF THE OIL CONSERVATION COMMISSION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and the Commission, having carefully considered the evidence, the pleadings and other materials submitted by the parties hereto, now, on this 5th day of May, 2006,

FINDS:

1. Notice has been given of the application and the hearing of this matter, and the Commission has jurisdiction of the parties and the subject matter herein.

2. On September 13, 2005, Duke Energy Field Services, LP ("Applicant", "operator" or "Duke") filed an administrative application (OCD Form C-108 and attachments), seeking authority to inject acid gas (hydrogen sulfide and carbon dioxide) into the Lower Bone Springs (Wolfcamp) formation, at a depth interval of 8,700 to 9,000 feet below the surface, through a well it proposes to drill at a location 1,980 feet from the South line and 1,980 feet from the West line (Unit K) of Section 30, Township 18 South, Range 37 East, in Lea County, New Mexico. The purpose of injection is to dispose of natural gas processing wastes from Applicant's Linam Plant, located in the Northeast Quarter of Section 6, Township 19 South, Range 37 East, in Lea County.

3. The original application proposed an alternative injection zone in the Brushy Canyon formation at a depth interval of 5,000 to 5,300 feet below the surface. However, that alternative request was subsequently withdrawn and is not now before the Commission.

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4. At the direction of the Director of the Oil Conservation Division (the Division), pursuant to Division Rule 1218.B, this case was set for hearing before the Commission.

5. At the hearing, AC Ranch Partnership (AC Ranch), a surface lessee of land in proximity to the proposed injection site, and Randy Smith (Smith), a surface owner and resident in the vicinity of the proposed injection site, appeared as protestants, and offered evidence in opposition to the permit sought by Applicant. The Division appeared as an intervenor, and offered evidence relevant to conditions it urged the Commission to place upon the permit if granted.

Applicant's Evidence

6. The Applicant produced two witnesses, Chris Root, a chemical engineer employed by the applicant and the project manager for this project, and Alberto Gutierrez, a geologist, employed by Geolex, Inc., a consultant to Applicant.

7. Mr. Root described the proposed system for transporting acid gas extracted from the natural gas stream at the Linam plant to the injection well and injecting it into the well. He testified that implementation of the proposed system would allow deactivation of the sulfur recovery system currently in use at the plant. This would improve environmental protection by reducing the plant's emissions of sulfur dioxide and carbon dioxide and replacing an aging system with a newer and more modern system, which would also improve plant reliability. Mr. Root testified specifically that acid gas injection is the best available control technology for sulfur recovery from a natural gas stream.

8. The proposed system, as Mr. Root described it, will consist of a compressor system at the Linam Gas Plant that will compress the acid gas to a pressure of approximately 90 psig, an 8 inch diameter pipeline that will transport the gas approximately one and onehalfmiles to the injection well, and another compression system at the injection well that will further compress the acid gas for injection into the wellbore. Mr. Root testified that this configuration will minimize hydrogen sulfide exposure for plant personnel and for the public. Each element of the system will be equipped with emergency shut-down valves that will activate in case of a malfunction, and there will be flaring systems at the plant and at the well site to flare any hydrogen sulfide that must be released to the atmosphere. The pipeline will consist of a steel outer structure with a high density poly-ethylene (HDPE) plastic liner, which will be constructed to permit detection of leaks from the liner. The system will include additional safety features that Mr. Root described in detail.

9. Mr. Root further testified that the Applicant would prepare a hydrogen sulfide contingency plan that would comply with OCD Rule 118 prior to activating the system. The H2S contingency plan will provide, among other things, a means of alerting persons in the vicinity in event of an H2S release. Mr. Root further testified that he had reviewed the recommendations proposed by the Division, and that these proposals are acceptable to, and will be implemented by, the Applicant. Case No. 13589 Order No. R-12546 Page 3 of9

10. Mr. Gutierrez testified that Duke engaged his employer, Geolex Incorporated, to locate a suitable subsurface reservoir into which it could inject the acid gas stream from the Linam Gas Plant. He found that there was no suitable reservoir underlying the plant. However, the Bone Springs formation and the Brushy Creek formation at the proposed injection site, approximately one and one-half mile from the site met the requisite criteria. Based on his stratigraphic studies of these formations, Mr. Gutierrez concluded that these formations have the necessary porosity and permeability such that the acid gas can be successfully injected and are geologically sealed to prevent escape of the injected fluids. Duke obtained seismic information for the area, and Mr. Gutierrez confirmed his conclusions by reference to the seismic data. Furthermore, the results of previously drilled deep wells in this vicinity indicated no significant prospects for oil and gas production from or below the proposed injection zone.

11. Mr. Gutierrez further testified that fresh water wells in the vicinity produce water from the Ogalalla or shallower aquifers, and that fresh water is not deeper than 200 feet below the surface. The Duke injection well will have surface casing to a depth of 540 feet, and all three casing strings will have cement circulated to surface. Injection will be accomplished through sealed tubing, and the casing-tubing annulus will be filled with diesel.

12. Mr. Gutierrez further testified that Duke will maintain an injection pressure of 2,600 to 2,700 psi, and will perform the necessary step-rate tests, as required by the Division, to demonstrate that these pressures will not result in formation damage. Pressures will be continuously monitored.

13. Consideration was given to drilling a directional injection well from the plant site. Mr. Gutierrez testified that Duke rejected this alternative because it has never been done for acid gas injection, and Duke did not want to attempt to pioneer a new technique for this type of operation.

14. The surface and minerals at the proposed injection site are owned by the State. Duke obtained an easement from the State Land Office for its surface facilities. Duke also obtained an oil and gas lease, but they did this merely to protect their rights in case hydrocarbons are encountered. Duke relies on the easement as conferring rights to maintain the injection facility at the subject site.

15. Mr. Gutierrez further testified that Duke had furnished notice to all "affected persons" within a one-mile radius of the wellbore, and to the City of Hobbs, as advised by the Division. After consultation with the State Land Office, **Duke** did not notify the surface grazing lessee.

16. On cross-examination, Mr. Gutierrez testified that the direction and distance that the acid gas would travel within the Bone Spring formation would depend on the available porosity and permeability, but that it might travel outside the boundaries of the land leased by Duke.

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Protestants' Evidence and Statements

17. The protestants produced two witnesses: S.G. Cobb, a partner in AC Ranch, grazing lessee of the land at the proposed injections site, and Randy Smith, owner of the surface of the half-section immediately north of the proposed injection site, whose home lies approximately one and one-half miles north of the injection site. Mr. Cobb and Mr. Smith testified that they object to location of the injection well as proposed.

18. Gale Henslee and Bobby Gonzales, employees of Xcel Energy, owner of the Maddox power plant, located approximately one-half mile east of the proposed injection site made statements. They stated that approximately fourteen employees are present full-time at the Maddox plant, and contractors are present and working there from time to time. Mr. Henslee and Mr. Gonzales articulated concerns about the safety of these persons in the event of an emergency caused by a hydrogen sulfide release.

The Division's Evidence

19. The Division, as intervenor, presented two witnesses: William Jones, a petroleum engineer whose duties include reviewing applications for injection permits, and Wayne Price, Chief of the Division's Environment Bureau.

20. Mr. Jones testified that in his opinion Duke's proposed facility was generally well designed, and he approved of it; though he believed Duke should have given more consideration to drilling a directional well from the plant site. Mr. Jones proposed certain conditions concerning the operation and testing of the well that he would recommend be included in the permit.

21. Mr. Price testified that Duke's proposed surface installations to convey the acid gas from the plant to the injection site would require Division approval through a modification of its discharge permit for the facility, a plan the Division approved pursuant to the Water Quality Act, NMSA 1978 Section 74-6-5, as amended. He further testified that Duke would be required to prepare a hydrogen sulfide contingency plan pursuant to Division Rule 118, and that the Environment Bureau would require that the hydrogen sulfide contingency plan be submitted for Division approval in connection with Duke's discharge plan modification, although Rule 118 does not expressly require such approval. Mr. Price also recommended certain precautionary measures, including installation of hard-wired alarm systems to alert neighboring residents and facilities of a hydrogen sulfide release, erection of a warning device on the adjacent public highway and plans to close the highway in event of an emergency.

The Commission's Conclusions

22. The Commission concludes that the proposed injection operation can be conducted in a safe and responsible manner, as proposed, without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

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23. The proposed operation is an environmentally superior means of disposing of wastes generated at the Linam Gas Plant because it will allow reduction of emissions of certain pollutant, as compared to the continued operation of the plant's existing sulfur recovery system. Also the proposed facility will provide for sequestration of greenhouse gases, hydrogen sulfide and carbon dioxide.

24. The proposed injection operation can be conducted without undue risk to residents and others in the vicinity of the plant and injection location. However, in view of the highly toxic nature of hydrogen sulfide in the concentrations that will be present in the proposed system, specific measures, as described in the ordering paragraphs below, should be implemented to provide warning of hydrogen sulfide releases.

25. The surface installations of the proposed system are also subject to Division approval as a modification of the discharge permit granted to the Linam Gas Plant by the Division pursuant to the Water Quality Act, NMSA 1978 Section 74-6-5, as amended.

26. Although there is some evidence that fluids injected pursuant to the license granted by this order might migrate beyond the lateral limits of the particular tract on which the injection facility will be located, the Commission concludes that it is unnecessary that the Commission make a finding with respect to that possibility. The New Mexico Supreme Court in *Snyder Ranches, Inc. v. Oil Conservation Commission*, 789 P.2d 587 (NM Sup 1990) indicated that the Commission's issuance of an injection permit constitutes only a license to engage in activities otherwise within the property rights of the Applicant. If, at some future time, activity conducted within the scope of the permit exceeds those property rights, this would be a matter for adjudication in the courts, and not within the jurisdiction or competence of the Commission.

27. The easement granted to the Applicant by the New Mexico Land Office for installation of the necessary surface facilities constitutes sufficient evidence that the Applicant has a good faith claim of a legal right to conduct the proposed activity.

IT IS THEREFORE ORDERED THAT:

A. Duke Energy Field Services, LP is hereby authorized to drill and complete its proposed Linam AGI Well No. 1, to be located 1980 feet from the south line and 1980 feet from the West line (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, in Lea County, New Mexico, in such manner as to permit the injection of acid gas, consisting principally of hydrogen sulfide and carbon dioxide, for disposal into the Lower Bone Spring formation at a depth of 8,700 feet to 9,000 feet below the surface, through 3 1/2 inch tubing set in a packer located approximately 8,600 feet below the surface.

B. The operator of the well (Applicant or any successor operator) shall take all steps necessary to insure that the injected gas enters only the proposed injection interval and does not escape to other formations or onto the surface.

Case No. 13589 Order No. R-12546 Page 6 of9

C. The well shall be constructed substantially in accordance with the description in the Injection Well Data Sheet attached to Form C-108 filed by the Applicant in this case, including setting surface casing at least 540 feet below the surface and setting a total of three casing strings, all with cement circulated to the surface.

D. During drilling operations, the operator shall monitor the well for hydrocarbon shows. Any hydrocarbon shows within the Lower Bone Spring shall be reported to the Division prior to commencement of injection.

E. Copies of the logs of the completed well, including a dipole sonic log or a formation microscanner log over the Lower Bone Spring, and a letter setting forth the estimated static bottom-hole pressure of the injection formation shall be delivered to the Division's Hobbs District Office prior to commencement of injection

F. After installation of the injection tubing but prior to commencing injection operations, and at least once every five years thereafter, the operator shall pressure test the casing from the surface to the packer-setting depth to assure casing integrity.

G. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or approved leak-detection device in order to detect any leakage in the casing, tubing or packer.

H. The operator shall insure that the injected gas is properly dehydrated prior to entering the injection zone.

I. The operator shall record injection rates and pressures on a continuous basis and report these readings annually, or more often if requested, to the Engineering Bureau in the Division's Santa Fe Office and to the Division's Hobbs District Office. Each such report shall include the well name, location, API Number and the number of this order.

J. The injection well or system shall be equipped with a pressure limiting device that will limit the wellhead pressure on the injection well to no more that 2644 psi while injecting acid gas with an approximate specific gravity of 0.8. The operator shall attempt to maintain the injected fluid in the non-corrosive phase with minimum pressure regulating devices as necessary.

K. The Director of the Division may authorize an increase in injection pressure upon a proper showing that such higher pressure will not result in migration of the injected gases from the permitted injection formation. Such showing shall consist at least of a valid step-rate test run in accordance with procedures acceptable to the Division. Any step-rate test shall be run with an inert fluid such as produced water, and not with acid gas.

L. The operator shall notify the Hobbs District Office of the Division of the time of the setting of the tubing and packer and of any mechanical integrity test so that such operations can be witnessed or inspected. Case No. 13589 Order No. R-12546 Page 7 of9

M. Without limitation of the duties of the operator as provided in Division Rules 19 and 116, the operator shall immediately notify the Hobbs District Office of the Division of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from or around any producing or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

N. Prior to commencing injection, the operator shall secure Division approval of an appropriate modification of the discharge permit for the Linam Gas Plant to specifically authorize the proposed operation.

O. Prior to commencing injection, the operator shall prepare and secure approval by the Division's Environment Bureau of, a hydrogen sulfide contingency plan that complies with Division Rule 118, and includes, without limitation: (i) installation of alarm systems with hard-wired connections from the H2S monitoring systems at the Linam Plant and at the injection facility to audio and visual alarms at the Excel Maddox station and at the Linam Plant, and to an audible alarm at the Randy Smith home; (ii) additional H2S monitoring stations located to the east of the facility, in addition to those proposed in the application, the number and placement of such stations to be approved by the Division's Environment Bureau; (iii) warning devices that can be activated in the event of a hydrogen sulfide release (with wind socks) along roads that the proposed acid gas pipeline will cross, at locations to be approved by the Division's Environment Bureau, and (iv) continuous pressure monitoring and sampling of the pipeline microanulus at all sampling points.

P. The proposed acid gas pipeline system shall be buried at least three feet below the surface. All road crossings shall be installed in conduits designed and constructed to prevent damage due to traffic or routine road maintenance. The pipelines shall be constructed and maintained as if they were subject to United States Department of Transportation rules. Pipeline markers shall alert the public to the presence of poisonous gas.

Q. Prior to commencing injection, the operator shall submit to the Engineering Bureau in the Division's Santa Fe Office written evidence of satisfaction of the conditions precedent to injection provided in this order and obtain an administrative order acknowledging compliance with those conditions and authorizing commencement of injection.

R. The operator shall submit monthly reports of injection volumes to the Division on Form C-115, in accordance with Division Rules 706 and 1115.

S. The injection authority herein granted shall terminate one year after the effective date of this order if the operator has not commenced injection operations pursuant hereto; provided however, the Division Director, upon written request of the operator, may extend this time for good cause shown.

T. Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

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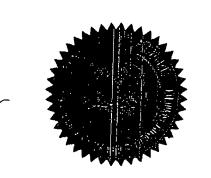
Case No. 13589 Order No. R-12546 Page 8 of9

U. The Division Director may amend this order by administrative order, after proper notice, and in the absence of protest.

V. Jurisdiction of this case is retained for entry of such further orders as the Commission may deem necessary.

Case No. 13589 Order No. R-12546 Page 9 of9

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION کے

MARK E. FESMIRE, P.E. CHAIRMAN

JAMI BAILEY, C.P.G., MEMBER

WILLIAM OLSON, MEMBER

SEAL

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO

CASE NO. 13589 ORDER NO. R-12546-A

ORDER_OF_THE_OIL_CONSERVATION_COMMISSION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for consideration of Respondents' and Intervenors' Application for Rehearing on June 5, 2006, and the Commission, having carefully considered the matter, now, on this .5 th day of June, 2006,

FINDS:

1. Although the Commission concludes that the Application for Rehearing in this case should be denied, it concludes that this supplemental order should be issued to obviate any possible misunderstanding of the Commission's findings in Order R-12546.

2. In Finding 26 of Order R-12546, the Commission observed that:

26. Although there is some evidence that fluids injected pursuant to the license granted by this order might migrate beyond the lateral limits of the particular tract on which the injection facility will be located, the Commission concludes that it is unnecessary that the Commission make a finding with respect to that possibility. The New Mexico Supreme Court in *Snyder Ranches, Inc. v. Oil Conservation Commission,* 789 P.2d 587 (NM Sup 1990) indicated that the Commission's issuance of an injection permit constitutes only a license to engage in activities otherwise within the property rights of the Applicant. If, at some future time, activity conducted within the scope of the permit exceeds those property rights, this would be a matter for adjudication in the courts, and not within the jurisdiction or competence of the Commission.

4. The Snyder Ranches decision indicates that migration of affected substances may implicate property rights of adjacent landowners in the pore-spaces underlying their land. Finding 26 acknowledges that this Commission does not have jurisdiction to determine any resulting issues concerning the extent of such property rights or whether injection may constitute a trespass.

5. The Commission does, of course, have the jurisdiction and duty to determine if correlative rights of adjacent owners to produce oil or gas will be affected by injection of substances into a common reservoir. The Commission determined Finding 22 of Order R-12546 that such rights would not be affected. That finding is in accord with the uncontroverted geologic testimony presented by Applicant to the effect that no realistic prospects exists for hydrocarbon production in this vicinity from the proposed injection formation or any lower formation, and that the injection reservoir is well sealed to prevent escape of injected fluids to shallower reservoirs or to the environment.

6. Having concluded in Finding 22 that correlative rights of adjacent owners would not be affected, it was unnecessary for the Commission, in the discharge of its limited statutory functions, to address the issue whether some of the injected substances might migrate underneath adjacent lands.

IT IS THEREFORE OR DERED THAT:

A. The Application for Rehearing in this case is denied.

B. Order No. R-12546, as supplemented and explained by this Order, is and shall remain in full force and effect.

C. Jurisdiction of this case is retained for entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

-7 MARK E. FESMIRE, P.E. CHAIRMAN

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JAMI BAILEY. C.P.G., MEMBER

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WILLIAM OLSON, MEMBER

SEAL

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO

CASE NO. 13589 Order No. R-12546-B

ORDER OF THE OIL CONSERVATION COMMISSION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP to inject acid gas into the Lower Bone Springs (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

NOW, on this 2nd day of March, 2007, the Chair of the Commission,

FINDS THAT:

(1) Order No. R-12546 provided, in part, (i) for the commencement of injection operations within one year of the order's effective date of May 5, 2006; (ii) for the termination of the injection authority if the well has not been commenced by May 5, 2007; and (iii) for the extension of the authority by the Division Director for good cause shown.

(2) Duke Energy Field Services, LP, through its counsel, has made written request to the Division Director to extend the time for the commencement of injection operations for one year past the original commencement date.

(3) Duke Energy Field Services, LP, has demonstrated in its application good cause for extending the date for the commencement of injection operations, and it should be extended to on or before May 5, 2008.

IT IS THEREFORE ORDERED THAT:

(1) For good cause shown, the commencement date of injection operations into the subject acid gas injection well is hereby extended from May 5, 2007 until on or before May 5, 2008.

Case No. 13589 Order No. R-12546-B Page 2

(2) Jurisdiction is hereby retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

^{-'} MARK E. FESMIRE, P.E., Chair

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO

CASE NO. 13589 Order No. R-12546-C

ORDER OF THE OIL CONSERVATION COMMISSION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP to inject acid gas into the Lower Bone Springs (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

NOW, on this 31st day of October, 2008, the Chair of the Commission,

FINDS THAT:

(1) Order No. R-12546 provided, in part, (i) for the commencement of injection operations within one year of the order's effective date of May 5, 2006; (ii) for the termination of the injection authority if the well has not been commenced by May 5, 2007; and (iii) for the extension of the authority by the Division Director for good cause shown.

(2) Upon request of Duke Energy Field Services, LP, the time for the commencement of injection operations has been extended to January 5, 2009.

(3) On August 27, 2008, Duke Energy Field Services, LP, through its counsel, made written request to the Division Director for an additional extension of time for the commencement of injection operations until December 31, 2009.

(4) Duke Energy Field Services, LP has demonstrated in its application good cause for extending the date for the commencement of injection operations, and it should be extended to on or before December 31, 2009.

Case No. 13589 Order No. R-12546-C Page 2

IT IS THEREFORE ORDERED THAT:

(1) For good cause shown, the commencement date of injection operations into the subject acid gas injection well is hereby extended from January 5, 2009 until on or before December 31, 2009.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

MARK E. FESMIRE, P.E., Chair

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 13589 ORDER NO. R-12546-D

ORDER STAYING CERTAIN CONDITIONS IN THE ORDER R-12546 AND ALLOWING TEMPORARY INJECTION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP, now known as DCP Midstream, LP (DCP) to inject acid gas into the Lower Bone Springs (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

NOW, on this 20th day of November, 2009, the Chair of the Commission,

FINDS THAT:

(1) DCP experienced dramatic deterioration in the performance of the Sulfur Recovery Unit (SRU) at the Linam Ranch Plant. DCP must take corrective action to avoid exceeding air quality permit limits.

(2) DCP requests temporary approval to inject acid gas into its Linam Ranch AGI well in order to prevent waste, to avoid excess emissions at the Linam Ranch Plant, or harm to human health and the environment. Case No. 13589 Order No. R-12546- D Page 2

(3) In support of this request, DCP has submitted the affidavit of Ronnie D. Trammell, Vice President of Operations-West Region who lists in further detail the damage that would result if temporary approval to inject is not granted:

(a) Use of the AGI well would allow DCP to avoid shutting down the SRU and generating approximately 50,000 pounds of sulfur dioxide emissions associated with shut down and start up emissions on the SRU.

(b) Use of the AGI well will avoid having to shut-in approximately 137 producers and approximately 1,200 wells that produce approximately 130 MMcfd of natural gas.

(c) Use of the AGI well will mean that DCP will not need to incur the significant expense of replacing the catalyst on a SRU that will be decommissioned once the AGI well is fully operational.

(4) Paragraph N of Order No. R-12546 provided that prior to commencing injection in the well, the operator shall secure Division approval of an appropriate modification of the discharge permit for the Linam Gas Plant.

(5) Paragraph Q of Order No. R-12546 provided that the operator submit to the Engineering Bureau in the Division's Santa Fe Office written evidence of satisfaction of the conditions precedent to injection provided in the order and obtain an administrative order acknowledging compliance with those conditions and authorizing commencement of injection.

(6) DCP Midstream, LP has complied with all other conditions in the order except for Paragraphs N and \dot{Q} .

(7) DCP has demonstrated good cause to be allowed to inject acid gas into the AGI well and it should be allowed to operate the AGI well on a temporary basis.

(8) DCP requests it be allowed to inject acid gas at a maximum injection rate of 4.0 MMcfd and an average wellhead pressure of no more than 1.800 psig.

CASE NO. 13589 Order No. R-12546-D Page 3

IT IS THEREFORE ORDERED:

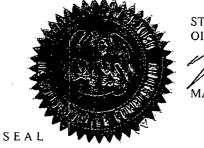
(1) For good cause shown, the conditions in Paragraphs N and Q will be stayed for a period of ninety (90) days commencing from the date of this Order.

(2) DCP is hereby authorized to inject acid gas into the Linam AGI well during the stay.

(3) The injection rate during this period will not exceed 4 MMcfd, the well head pressure will not exceed 1,800 psig and DCP will perform the necessary step-rate tests, as required by the Division, to demonstrate that these rates and pressures will not result in formation damage.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E., Chair

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 13589 ORDER NO. R-12546-E

PROPOSED ORDER OF DCP MIDSTREAM, LP TO EXTEND THE STAY OF CERTAIN CONDITIONS IN ORDER NO. R-12546 AND ALLOWING TEMPORARY INJECTION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP, now known as DCP Midstream, LP (DCP) to inject acid gas into the Lower Bone Spring (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

NOW, on this 28th day of January, 2010, the Chair of the Commission,

FINDS THAT:

(1) In Order No. R-12546-D, the Commission authorized DCP to temporarily inject acid gas into its Linam Ranch AGI well and stayed Paragraphs N and Q in Order No. R-12546 for a period of 90 days from the date of the Order.

(2) The draft discharge permit is currently under review with the Oil Conservation Division's Environmental Bureau staff.

(3) DCP has requested an extension of time to be allowed to temporarily continue to inject acid gas into the AGI well and for a stay of Pargraphs N and Q.

(4) An additional 60 days will give the Division staff sufficient time to complete its review and issue a discharge permit to DCP.

Case No. 13589 Order No. R-12546-E Page 2

IT IS THEREFORE ORDERED THAT:

(1) For good cause shown, the conditions in Paragraphs N and Q will be stayed for an additional period of sixty (60) days until April 19, 2010.

(2) DCP is hereby authorized to inject acid gas into the Linam AGI well during the extended stay in accordance with the conditions in Order No. R-12546-D.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

MARK E. FESMIRE, P.E., Chair

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 13589 ORDER NO. R-12546-F

ORDER TO EXTEND THE STAY OF CERTAIN CONDITIONS IN ORDER R-12546 AND ALLOWING TEMPORARY INJECTION

BY THE COMMISSION:

٤,

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP, now known as DCP Midstream, LP (DCP) to inject acid gas into the Lower Bone Spring (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

NOW, on this $19^{t_{a}}$ day of A_{p} , 2010, the Chair of the Commission,

FINDS THAT:

(1) In Order No. R-12546-D, the Commission Chair authorized DCP to temporarily inject acid gas into its Linam Ranch AGI well and stayed Paragraphs N and Q in Order R-12546 for a period of 90 days from the date of the Order.

(2) In Order No. R-12546-E, the Commission Chair extended the stay of Pargraphs N and Q and authority to inject for an additional 60 days until April 19, 2010.

(3) The draft discharge permit is currently under review with the Oil Conservation Division's Environmental Bureau staff.

(4) DCP has requested another extension of time to be allowed to temporarily continue to inject acid gas into the AGI well and for a stay of Pargraphs N and Q.

(4) An additional <u>4</u> days will give the Division staff sufficient time to complete its review and issue a discharge permit to DCP.

IT IS THEREFORE ORDERED:

CASE NO. 13589 Order No. R-12546-F Page 2

(1) For good cause shown, the conditions in Paragraphs N and Q will be stayed for an additional period of $\underline{90}$ days until $\underline{July} / \underline{944}$, 2010.

(2) DCP is hereby authorized to inject acid gas into the Linam AGI well during the extended stay in accordance with the conditions in Order No. R-12546-D.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION MARK E. FESMIRE, P.E., Chair

SEAL

2010 JUL 19 P 4:35

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 13589 ORDER NO. R-12546-G

ORDER TO EXTEND THE STAY OF CERTAIN CONDITIONS IN ORDER R-12546 AND ALLOWING TEMPORARY INJECTION

BY THE COMMISSION:

THIS MATTER came before the Oil Conservation Commission (the Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP, now known as DCP Midstream, LP (DCP) to inject acid gas into the Lower Bone Spring (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

NOW, on this 19th day of July, 2010, the Chair of the Commission,

FINDS THAT:

(1) In Order No. R-12546-D, the Commission Chair authorized DCP to temporarily inject acid gas into its Linam Ranch AGI well and stayed Paragraphs N and Q in Order R-12546 for a period of 90 days from the date of the Order.

(2) In Order No. R-12546-E, the Commission Chair extended the stay of Paragraphs N and Q and authority to inject for an additional 60 days until April 19, 2010.

(3) In Order No. R-12546-F, the Commission Chair extended the stay an additional 90 days until July 19, 2010.

(4) The draft discharge permit is currently under review with the Oil Conservation Division's Environmental Bureau staff.

(4) DCP has requested another stay of Paragraph N and Q of Order No. R-12546 in order to continue to inject acid gas into the AGI well.

IT IS THEREFORE ORDERED:

CASE NO. 13589 AEF Order No. R-12546-FB Page 2

For good cause shown, the conditions in Paragraphs N and Q will be stayed pursuant to 19.15.4.23.B NMAC until a hearing is held before the Commission and the Commission issues a written order regarding the stay.

(2) Pursuant to Paragraph A of Order No. R-12546, DCP is hereby authorized to inject acid gas into the Linam AGI well during the extended stay in accordance with the conditions in Order No. R-12546-D.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

51

MÁRK E. FESMIRE, P.E., Chair

SEAL

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO

CASE NO. 13589 ORDER NO. 12546-H

ORDER DENYING REQUEST TO CONTINUE HEARING

THIS MATTER came before the Oil Conservation Commission (Commission) for hearing on March 13, 2006, and on May 5, 2006, the Commission entered Order No. R-12546, which granted the application of Duke Energy Field Services, LP, now known as DCP Midstream, LP, to inject acid gas into the Lower Bone Spring (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. Pursuant to Order No. R-12546, Paragraph N provided that prior to commencing injection into the Linam Ranch AGI well, DCP Midstream, LP shall secure Oil Conservation Division approval of an appropriate modification of the discharge permit for the Linam Gas Plant. Paragraph Q provided that prior to commencing injection, DCP Midstream, LP submit to the Oil Conservation Division's Engineering Bureau written evidence of satisfaction of the conditions precedent to injection provided in Order No. R-12546.

NOW, on this 5th day of July 2011, the Chair of the Commission,

FINDS THAT:

1. In Order No. R-12546-D, the Commission Chair authorized DCP Midstream, LP to temporarily inject acid gas into its Linam Ranch AGI well and stayed Paragraphs N and Q in Order No. R-12546 for a period of 90 days from the date of the Order.

2. As a condition of the authorization to temporarily inject acid gas into the Linam Ranch AGI well, the Commission Chair placed a temporary cap of 4 MMcfd on the injection rate and reduced the injection pressure. No volume limitation had been set in the original Commission order.

3. In Order No. R-12546-E, the Commission Chair stayed Paragraphs N and Q in Order No. R-12546 for an additional 60 days and authorized DCP Midstream, LP to continue to temporarily inject acid gas into the Linam Ranch AGI well during the extended stay.

Case No. 13589 Order No. R-12546-H Page 2

4. In Order No. R-12546-F, the Commission Chair stayed Paragraphs N and Q in Order No. R-12546 for an additional 90 days and authorized DCP Midstream, LP to continue to temporarily inject acid gas into the Linam Ranch AGI well during the extended stay.

5. In Order No. R-12546-G, the Commission Chair stayed Paragraphs N and Q in Order No. R-12546 until a hearing was held before the Commission and authorized DCP Midstream, LP to continue to temporarily inject acid gas into the Linam Ranch AGI well during the extended stay.

6. On June 8, 2011, DCP Midstream, LP filed a motion asking the Commission for an order amending Order No. R-12546-D to allow for an increase in the maximum injection rate or waiving Paragraph N in Order No. R-12546, which requires an approved modification of a discharged permit.

7. On May 10, 2011, the Oil Conservation Division issued a "Revised OCD Discharge Plan Permit Requirements". It provides that the Oil Conservation Division will issue discharge permits for "processes that intentionally discharge" and other activities described in the Water Quality Act. Activities such as pits or surface waste management facilities that are covered by the Oil and Gas Act will not require a discharge plan.

8. On June 22, 2011, the Oil Conservation Division's Environmental Bureau notified DCP Midstream, LP that a discharge permit for the Linam Plant is no longer required.

9. A hearing on DCP Midstream, LP's Motion to Amend Order No. R-12546 is scheduled for July 14, 2011.

10. On June 24, 2011 Randy Smith, Naomi Smith, and the Smith Farm and Ranch (Smiths) filed a request with the Commission to continue the hearing set for July 14, 2011 until no earlier than September 14, 2011.

11. As the basis for the request the Smiths state that they need to conduct discovery in order to respond to the Motion to Amend Order No. R-12546. In particular, the Smiths state in their request that they need to conduct discovery because DCP Midstream, LP seeks to have the temporary cap of 4 MMcfd that was placed on the injection rate by the former Commission Chair in Order No. R-12546-D as a condition of granting DCP Midstream, LP's request to temporarily inject acid gas into the Linam Ranch AGI well removed.

12. As DCP Midstream, LP states in its response to the Smiths' request for continuance of the July 14, 2011 hearing this cap was not included in the Commission's Order No. R-12546. Order No. R-12546 did not include a volume limit for injecting acid gas into the Linam Ranch AGI well.

2

Case No. 13589 Order No. R-12546-H Page 3

13. Randy Smith appeared through counsel and testified at the original hearing before the Commission in 2006. Mr. Smith had an opportunity to raise any concerns about the volume of acid gas to be injected at the hearing on March 13, 2006. Mr. Smith did not appeal Order No. R-12546.

14. DCP Midstream, LP states in its response to the request for continuance that it believes that if a discharge permit is no longer required for the Linam Plant that it has met all of the conditions of the original order, Order No. R-12546.

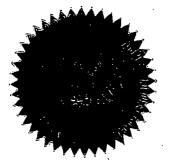
The Chair having reviewed and considered the Smiths' request for continuance, DCP Midstream, LP's response, Order No. R-12546 and subsequent orders in this matter, and being otherwise advised, denies the Smiths' request for continuance of Case No. 13589.

IT IS THEREFORE ORDERED THAT:

1. The Smiths' request for a continuance of the July 14, 2011 hearing is denied.

2. The July 14, 2011 hearing will proceed as scheduled.

DONE at Santa Fe, New Mexico on the 5th day of July, 2011.



SEAL

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JAMI BAILEY, Chair

3

APPLICATION OF DUKE ENERGY FIELD SERVICES, LP FOR AN ACID GAS INJECTION WELL, LEA COUNTY, NEW MEXICO

CASE NO. 13589 ORDER NO. 12546-I

ORDER GRANTING DCP MIDSTREAM, LP'S MOTION TO AMEND ORDER NO. R-12546

THIS MATTER came before the Oil Conservation Commission (Commission) on the motion of DCP Midstream, LP, previously known as Duke Energy Field Services, LP, to amend Order No. R-12546 issued on May 5, 2006 to remove the condition that requires an approved modification of a discharge permit. The Commission having reviewed and considered the motion and the testimony and evidence presented at the Commission's July 14, 2011 hearing;

FINDS THAT:

1. On May 5, 2006, the Commission entered Order No. R-12546, which granted Duke Energy Field Services, LP's application to inject acid gas into the Lower Bone Spring (Wolfcamp) formation through a well to be drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico subject to Duke Energy Field Services, LP, now DCP Midstream, LP, meeting certain conditions prior to commencing injection.

2. Paragraph N of Order No. R-12546 provided that prior to commencing injection into the Linam Ranch AGI well, DCP Midstream, LP had to secure Oil Conservation Division approval of an appropriate modification of the discharge permit for the Linam Gas Plant.

3. Paragraph Q provided that prior to commencing injection, DCP Midstream, LP had to submit to the Oil Conservation Division's Engineering Bureau written evidence of satisfaction of the conditions precedent to injection provided in Order No. R-12546.

4. The Commission Chair extended Order No. R-12546 on March 2, 2007 and October 31, 2008 to allow DCP Midstream, LP additional time to drill and complete the Linam Ranch AGI well and to construct surface facilities associated with the well. See Order No. R-12546-B and Order No. R-12546-C. Case No. 13589 Order No. R-12546-I Page 2

5. In Order No. R-12546-D, the Commission Chair authorized DCP Midstream, LP to temporarily inject acid gas into its Linam Ranch AGI well and stayed Paragraphs N and Q in Order No. R-12546 for a period of 90 days from the date of the Order No. R-12546-D.

6. As a condition of the authorization to temporarily inject acid gas into the Linam Ranch AGI well, the Commission Chair placed a temporary cap of 4 MMcfd on the injection rate and reduced the injection pressure.

7. In Order No. R-12546-E, the Commission Chair stayed Paragraphs N and Q in Order No. R-12546 for an additional 60 days and authorized DCP Midstream, LP to continue to temporarily inject acid gas into the Linam Ranch AGI well during the extended stay.

8. In Order No. R-12546-F, the Commission Chair stayed Paragraphs N and Q in Order No. R-12546 for an additional 90 days and authorized DCP Midstream, LP to continue to temporarily inject acid gas into the Linam Ranch AGI well during the extended stay.

9. In Order No. R-12546-G, the Commission Chair stayed Paragraphs N and Q in Order No. R-12546 until a hearing was held before the Commission and authorized DCP Midstream, LP to continue to temporarily inject acid gas into the Linam Ranch AGI well.

10. On June 8, 2011, DCP Midstream, LP filed a motion to amend Order No. R-12546 to remove the requirement of Paragraph N, which requires an approved modification of the discharge permit for the Linam Gas Plant or to amend Order No. R-12546-D to increase the temporary cap on the injection rate.

11. On May 10, 2011, the Oil Conservation Division issued "Revised OCD Discharge Plan Permit Requirements". It provides that the Oil Conservation Division will issue discharge permits for "processes that intentionally discharge" and other activities described in the Water Quality Act. Activities such as pits or surface waste management facilities that are covered by the Oil and Gas Act will not require a discharge plan.

12. On June 22, 2011, the Oil Conservation Division's Environmental Bureau notified DCP Midstream, LP that a discharge permit for the Linam Gas Plant is no longer required. See DCP Midstream, LP Exhibit 2.

13. At the Commission's July 14, 2011 hearing, Alberto Gutierrez testified on behalf of DCP Midstream, LP that DCP Midstream, LP had met the conditions contained in Order No. R-12546 except for installation of an audible alarm connected to the H_2S monitoring system at Randy Smith's home and modification of the discharge permit for the Linam Gas Plant, which is no longer required pursuant to the Oil Conservation Division's letter of June 22, 2011.

14. Randy Smith testified at the July 14, 2011 hearing that he did not want an audible alarm at his home.

15. At the July 14, 2011 hearing, after questioning by the Commission Chair, DCP Midstream, LP advised that it would be willing to pressure test the casing in the Linam Ranch AGI well from the surface to the packer-setting depth every two years as now required by the Oil Conservation Division rather than every five years as required by Paragraph F of Order No. R-12546.

16. Given that DCP Midstream, LP has met the requirements in Order No. R-12546 except for the modification of the discharge plant for the Linam Gas Plant, which is no longer required, and the installation of an audible alarm at Randy Smith's home, which he has testified that he does not want installed, DCP Midstream, LP's motion should be granted.

IT IS THEREFORE ORDERED THAT:

1. DCP Midstream, LP is no longer required to obtain a modification of its discharge for the Linam Gas Plant and Paragraph N of Order No. R-12546 no longer applies.

2. As of the date of this order, DCP Midstream, LP is authorized to inject acid gas into the Lower Bone Spring (Wolfcamp) formation through the Linam Ranch AGI well drilled 1980 feet from the South and West lines (Unit K) of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. DCP Midstream, LP is not required to obtain an administrative order from the Oil Conservation Division as previously ordered in Paragraph Q of Order No. R-12546.

3. The conditions in Order No. R-12546-D, including the temporary cap of 4 MMcfd on the injection rate and the temporary requirement that well head pressure not exceed 1,800 psig, are no longer in effect as of the date of this Order. DCP Midstream, LP is now authorized to inject acid gas into the Linam Ranch AGI well pursuant to the conditions in Order No. R-12546 as modified by this order, including the pressure requirements specified in Paragraph J of Order No. R-12546.

4. Based upon Randy Smith's testimony that he does not want an audible alarm located at his home, the requirement in Paragraph O of Order No. R-12546 that required an audible alarm be placed at Randy Smith's home is removed and is replaced with the requirement that DCP Midstream, LP provide an audible alarm at the residence or business of any person located within the radius of exposure if the person requests that DCP Midstream, LP install an audible alarm.

5. Paragraph F of Order No. R-12546 is amended to require that DCP Midstream, LP pressure test the casing in the Linam Ranch AGI well from the surface to the packer-setting depth every two years instead of every five years.

Case No. 13589 Order No. R-12546-I Page 4

DONE at Santa Fe, New Mexico on the 28th day of July 2011.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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SCOTT DAWSON, Member

ROBERT BALCH, Member

JAMI BAILEY, Chair

SEAL

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1000 Rio Brazos Rd., Aztec, NM 67410 DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

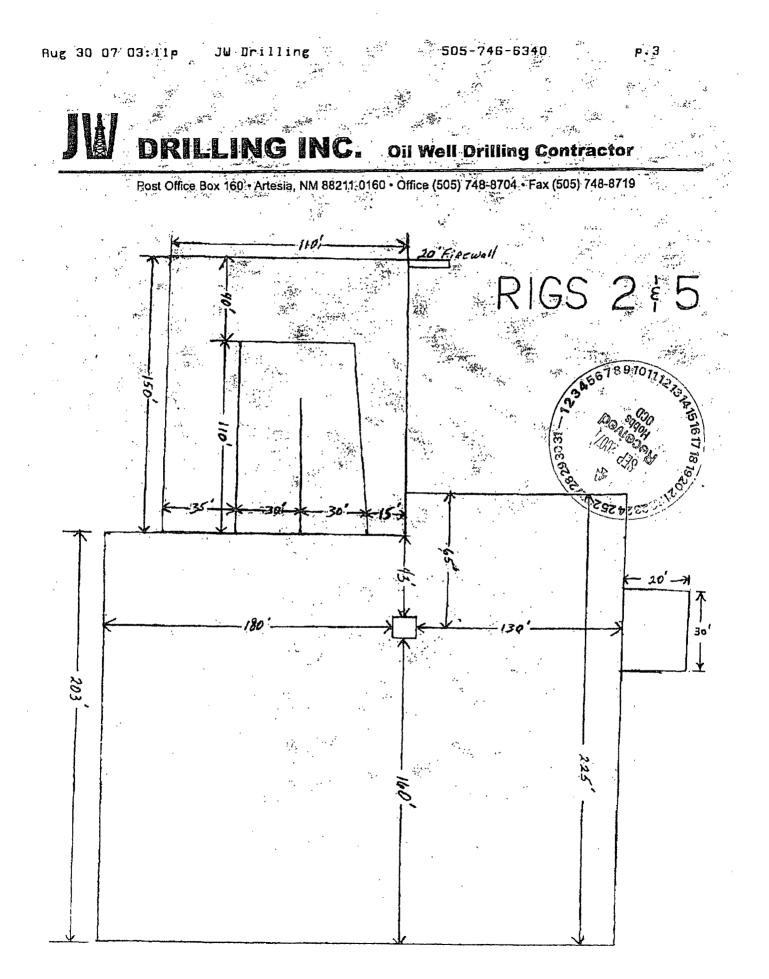
OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505 State Lease - 4 Copies Fee Lease - 3 Copies

Submit to Appropriate District Office

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30 - 025-36576			Pool Code			Pool Name LOWER BONE SPRINGS (WOLFCAMP)						
20 - 025- 205 10 Property Code		Property Name					Well Number					
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<u>District IV</u> 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462				6. State Oil & Gas	Lease No.	
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13. Describe proposed or completed operations. (Clearly state all pertinent datais, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/21/2007 Spudded well.

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For State Use Only:			
APPROVED BY	': Paul Kautz	TITLE Geologist	DATE 11/2/2007

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Submit 3 Copies To Appropriate District Office District 1	State of New Energy, Minerals and N		Form C-103 May 27, 2004			
1625 N French Dr , Hobbs, NM 88240 District II	OIL CONSERVATION		WELL API NO. 30-025-38576			
1301 W Grand Ave , Artesia, NM 88210 District III 1000 Rio Brazos Rd , Aztec, NM 87410	1220 South St. F	Francis Dr.	5. Indicate Type of Lease STATE STATE FEE			
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NM	18/303	6. State Oil & Gas V07530-0001	Lease No.		
SUNDRY NOTI (DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPLIC		R PLUG BACK TO A	7. Lease Name or U Linam AGI	Unit Agreement Name		
PROPOSALS)	Gas Well 🛛 Other Class II I	njection	8. Well Number 00)1		
2. Name of Operator DCP Midstream, LP			9. OGRID Number 36785	-		
 Address of Operator 370 17th Street, Suite 2500, Denver 	, CO 80202	,	10. Pool name or W Wildcat	Vildcat		
4. Well Location		10- <u></u>				
	:_1980feet from theS			the <u>West</u> line		
Section 30	Township 18S 11. Elevation (Show whether	Range 37E	NMPM	County Lea		
Pit or Below-grade Tank Application 🛛 o	3736 GR	<i>DR</i> , <i>RRB</i> , <i>R1</i> , <i>GR</i> , <i>elc.</i> ,				
	<pre>rClosure[] :50 ftDistance from nearest fres</pre>	h water well >1000 ft - Die	stance from nearest surfa	ce water >1000ft		
Pit Liner Thickness: 20 mil			construction Material			
	Appropriate Box to Indicate)ata		
NOTICE OF IN PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING	TENTION TO: PLUG AND ABANDON CHANGE PLANS MULTIPLE COMPL	SUB REMEDIAL WOR COMMENCE DRI CASING/CEMEN	LLING OPNS.	ORT OF: ALTERING CASING AND A		
OTHER:		OTHER:				
 Describe proposed or comp of starting any proposed we or recompletion. 	leted operations. (Clearly state ork). SEE RULE 1103. För Mu					
On 10/22/07 the 13 3/8" 48 ppf H-40						

275 Sx lead (35:65 Poz, Class C + 6% Bentonite + 2% /CaCl), and 200 Sx tail (Class C + 2% CaCl) was used. Full returns throughout job. Approximately 34 bbl of cement slurry was returned to the surface. Plug bumped but did not hold. Held 300 psi on casing while WOC 7 ½ hrs. Pressure test casing to 600 psi for 30 minutes. OK.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE rigar CKardon	TITLE Environmental Mana	10 DATE 1/1/07
Type or print name	E-mail address:	J Telephone No.
Type or print name For State Use Only Davy W. Wink	OC PIELD REPRESENTATIVE INSTAFF	Manager NOV 0 5 2007

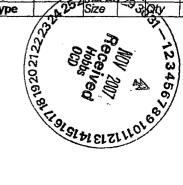
Submit 3 Copies To Appropriate District Office		of New Mex			Form C-1
District 1 1625 N French Dr., Hobbs, NM 88240	Energy, Miner	als and Natur	al Resources	WELL API NO	May 27, 20
District II	OIL CONSE	RVATION	DIVISION	30-025-38576	
1301 W. Grand Ave , Artesia, NM 88210 District III 1000 Rio Brazos Rd , Aztec, NM 87410	1220 So	outh St. France	is Dr.	5. Indicate Typ STATE	🛛 FEE 🗌
<u>District IV</u> 1220 S St. Francis Dr., Santa Fe, NM 87505	Santa	a Fe, NM 87:	505	6. State Oil & V07530-0001	Gas Lease No.
SUNDRY NOT (DO NOT USE THIS FORM FOR PROPC DIFFERENT RESERVOIR. USE "APPLI	ICES AND REPORTS DSALS TO DRILL OR TO I ICATION FOR PERMIT" (I	DEEPEN OR PLU	G BACK TO A	7. Lease Name Linam AGI	or Unit Agreement Name
PROPOSALS.) 1. Type of Well: Oil Well	Gas Well 🛛 Other	Class II Injecti	on	8. Well Numbe	
2. Name of Operator DCP Midstream, LP				9. OGRID Nun 36785	
3. Address of Operator 370 17 th Street, Suite 2500, Denve	r, CO 80202			10. Pool name Wildcat	or Wildcat
4. Well Location	1000 6 4 6		<u> </u>	1000 0.45	
Unit Letter K Section 30	_:_1980feet from Township		inge 37E	1980feet f NMPM	rom the <u>West</u> lin County Lea
	11. Elevation (Show 3736 GR				
Pit or Below-grade Tank Application	or Closure	·····	<u></u>		
					surface water_>1000ft
· · · · · · · · · · · · · · · · · · ·	il Below-Grade Tanl			Construction Materia	
12. Check	Appropriate Box to	o Indicate Na	ture of Notice,	, Report or Othe	er Data
NOTICE OF IN	NTENTION TO:		SUE	SEQUENT R	EPORT OF:
PERFORM REMEDIAL WORK			REMEDIAL WOR		ALTERING CASING
TEMPORARILY ABANDON	CHANGE PLANS		COMMENCE DR		P AND A
PULL OR ALTER CASING	MULTIPLE COMPL	. 🗆	CASING/CEMEN	IT JOB 🛛	
		_	071155		
OTHER:	alatad anomatican (0)		OTHER:	d aive new!+ -	ntan including activat-
 Describe proposed or com of starting any proposed w 	pieted operations. (Cle	ariy state all po	Completions: A	iu give pertinent d	arean of proposed comple
or recompletion.	orky. OLD RODD I IV.	. i or muniph	Sompletions, A		eran or proposed compte
On 11/2/07 the 9 5/8" 40 ppf J-55,					
1325 Sx Interfill C lead and 375 Sx					
slurry was returned to the surface.					
recommendation (see attached log).		cement from lo	g is 110 ft. (Bott	om of 13 3/8" casi	ng is 580 ft.) Pressure te
casing to 1500 psi for 30 minutes. (J				10EDO
					232425262720
				1.2	V" "B
				12	S. S.
				72	C. S. Maria
				315	st 10° M
				11	og int in the
				15	
				27	, S
					282 JUN 681
					Paning Pa
I hereby certify that the information	above is true and com	plete to the bes	t of my knowledg	e and belief. I fur	ther certify that any pit or be
grade tank has been/will be constructed o	r closed according to NMC	OCD guidelines 🗌	, a general permit] or an (attached) alte	rnative OCD-approved plan
SIGNATURE Jony C	Lu	TITLE	Issef Ma	Haffer	
		: ا_ الاست ا	-	7	Talanhana Na
Type or print name For State Use Only	1	E-mail add	ress:		Telephone No.
FOI STATE USE UNIY	-				
A 14	0			1	
	1 X, De	OF FLEIN PE	BOCCENTATUT	11 /CTAEL	
91 1	J.Wink	oc field re , title	PRESENTATIVE	/ II/STAFF /AAN-2	DATE NOV 1 9

proval (if any): Cc

ond	ition	s of	Арр

Cementing Job Summary

					The	e Road to	Exc	ellence S		ith Safe	xty						
Sold To #:					To #	: 260805	51		uote #:					ales (rder	#: 5449	762
Customer:	OPS (GROU	IP LIMI	TED					istomer	Rep: E	Boon						
Well Name:	: Linar	n AGI				We	ell #:	1				API/	UWI	#:			
Field:	·····		Cit	y (SAF): H	OBBS	1	County/P	arish: L	.ea		÷	S	tate:	New I	Viexico	
Contractor	: JW	Drilling	g	<u> </u>		Rig/Platt	om	Name/Nu	ım: JW	Drilling	2						
Job Purpos	se: Ce	ement	Interm	ediate	Cas	ing											
Well Type:						Job Typ	e: Ce	ment Inte	mediat	e Casin	a				· ·		
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	·		<u>-</u>		K			Job Ho						0.1			
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Formation D		MD) T	on			Botto	m		Calle	d Out		02 - N		007	02:		MST
Form Type	- puil			le le	HST			J		ocation		02 - N	_		04:		MST
Job depth M	D	4	200. ft			epth TVD		4200. f		Started		02 - N			08:		MST
'ater Depth						t Above F		5. ft		Comple	ed	02 - N			12:		MST
erforation		(MD)F	rom			То		I		irted Lo		02 - N			12:		MST
		· · · · · ·				P		Well Da	ita					A			
Description		New /	Ma	x s	ize	ID	Weig	ht	Thread		Gr	ade	Тор	MD I	Botto	m Top	Botton
		Used			in	in	lbm/	Rt				1	ft		MD	TVD	1
Curfere Care		11	psi		075	40 745	40		OTO						ft	ft	ft
Surface Cas 12-1/4" Hole		Used		13	.3/5	12.715	48.		STC		<u></u>	40	530		530. 4200		
Intermediate		Used			625	8.835	40.		LTC			55	530	<u>, </u>	4200		
Casing		03Cu	1	3.	020	0.000	40.		210		0-	55	•		4200	•	
			- 1.		÷	Sa	es/R	ental/3 rd	Party /	IES)					• :		
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loat Shoe				<u> </u>		idge Plug			<u> </u>	<u> </u>		tom Plu	ю		<u>,,,,</u>	·	hwe
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Stage Tool										1		tralizer		<u> </u>		.	-+
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Cementing Job Summary

Fluid #	Stage Type	Fluid	Name	Qty	Qty uom	Mixing Density Ibm/gal			Rate bl/min	Total Mix Fluid Gal/sk
1	Lead Interfill Cement	C INTERFILL C - SBN	1 (14210)	1325.0	sacks	11.7	2.61	15.39		15.39
	15.391 Gal	FRESH WATER								
2	Tail Premium Plus Cement	CMT - PREMIUM P (100012205)	LUS CEMEN	T 375.0	sacks	14.8	1.33	6,34		6.34
	94 lbm	CMT - PREMIUM PI	US - CLASS	C REG OR TYPE	III, BUL	K (100012	205)			
	6.336 Gal	FRESH WATER							· · · · · · · · · · · · · · · · · · ·	
Ca	alculated Valu	ies Pressi	ires			V	olumes		·	e state to see the
Displac	cement	Shut In: Instant	1	Lost Returns		Cement SI	urry	1	Pad	
Гор О	f Cement	5 Min		Cement Returns	s	Actual Di	splacement	t i	Treatm	ent
Frac G	Bradient	15 Min		Spacers			Breakdown		Total Jo	
Rates							tere i tere	· .		
Circula		Mixing		Displacer				Avg. Job		
Cemer	nt Left In Pipe	Amount 40 ft R	eason Sho	e Joint						
Croo D	ing # 1 @	ID Frac ring # 2	200 11	D Frac Ring	7#3@	UD	Frac	: Ring # 4	0	ID



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Submit 3 Copies To Appropriate District Office District I	State of Nev Energy, Minerals and		Form C-103 May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District II			WELL API NO. 30-025-38576
1301 W. Grand Ave., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410	OIL CONSERVAT 1220 South St	. Francis Dr.	5. Indicate Type of Lease STATE STATE FEE
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, N	M 87505	6. State Oil & Gas Lease No. V07530-0001
SUNDRY NOTIC (DO NOT USE THIS FORM FOR PROPOS. DIFFERENT RESERVOIR. USE "APPLIC/ PROPOSALS.)		OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name Linam AGI
	Gas Well 🛛 Other Class I	I Injection	8. Well Number 001 🖌
2. Name of Operator DCP Midstream, LP		ر	9. OGRID Number 36785
3. Address of Operator			10. Pool name or Wildcat
370 17 th Street, Suite 2500, Denver,	CO 80202		Wildcat
4. Well Location	•	····	
Unit Letter K:	_1980feet from the	South line and	1980 feet from the <u>West</u> line
Section 30	Township 18S	Range 37E	NMPM County Lea
	11. Elevation (Show whether 3736 GR	er DR, RKB, RT, GR, etc.,	
Pit or Below-grade Tank Application X or			
Pit typeDepth to Groundwater<5	0 ftDistance from nearest f	resh water well_>1000 ft Dis	stance from nearest surface water_>1000ft
Pit Liner Thickness: 20 mil	Below-Grade Tank: Volum	ebbls; C	Construction Material
12. Check A	ppropriate Box to Indic	ate Nature of Notice,	Report or Other Data
NOTICE OF INT	ENTION TO:	SUB	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON		
TEMPORARILY ABANDON	CHANGE PLANS		
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMEN	Т ЈОВ 🛛
OTHER:] OTHER:	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 11/20/07 the 7" 26 ppf L-80, FJ casing was cemented in place at 9120 ft RKB by Halliburton. (See attached Cement Job Report) Stage 1 Lead consisted of 625 Sx of Halliburton Light Premium with 0.5% LAP-1, 5 lbm Gilsonite, 0.3% CFR-3, 0.2% HR-7, and 0.25 lbm D-Air 3000. Stage 1 Tail consisted of 485 Sx of POZ Premium 50/50, with 1 lbm LAP-1, 0.5% CFR-3, and 0.25 lbm D-Air 3000. Bumped plug, bled pressure, held ok. Partial returns towards end of job. WO cement 6 hours before Stage 2.

An external casing packer (ECP) was inflated at 5698 ft and a DV tool opened at 5686 ft. Stage 2 Lead consisted of 360 Sx of Interfill H with 1 lbm Pheno Seal blend. Stage 2 Tail consisted of POZ Premium 50/50, with 1 lbm LAP-1, 0.5% CFR-3, and 0.25.lbm D-Air 3000. Dropped bomb to close DV tool, bled pressure, held ok. Full returns throughout Stage 2. Circulated approximately 87 bbls of cement to reserve pit. (Pressure test of casing and Cement Bond Log will be conducted at a later date.)

	242	NOV 2007.	50
I hereby certify that the information above is true and complete to the best of my knowledge and belief.		ther certify that any	
grade tank has been/will be constructed or closed according to NMOCD guidelines 🗌, a general permit 🗋 or an (attache	ed) alte		ved plan .
SIGNATURE Tony & le TITLE FS PA MANAGEN	lation	DATE //-	
Type or print name TODY RLEE E-mail address: TLEE OD CLOMIDS	SICU" M	Telephone No.	3-746-1492
APPROVED BY Hauffill Wink TITLE_OC ALL REFRESENTATIVE 1/5	TAFF	DATE DE	EC 0 7 2007
Conditions of Approval (11 adyr.			

HALLIBURTON

Cementing Job Summary

-					Mis	cellane	ous Mat	terials					•	
Gellin				Conc	Surfactar	nt		Conc		Туре		Qty		nc %
Treatn	nent Fld			Conc	Inhibitor			Conc	San	d Type		Size	Qty	/
				·		Fiu	id Data	_ ·				•		
S	tage/Plug #	¥: 1			· ·			`·						•
Fluid	Stage Ty	/pe		Fluid N	lame		Qty	Qty	Mixing	Yield	Mix Fluid	Rate		al Mix
#								uom	Density	ft3/sk	Gal/sk	bbl/min	Fluid	Gal/sk
			0.10		CD14 (4220)	<u></u>	1,000.00	Gal	lbm/gal 9.4		.0	4		
1	SUPER FL 102	.058	50P	PER FLUSH 102 -	3DINI (12200		1,000.00	Gai	9.4	.0	.0	4		
2	1st Stage	ead	ΗΔΙ	LIBURTON LIGH		I - SBM	625.0	sacks	12.7	1.9	9.87	7	9	.87
	Halliburton							••••						
	Premium													
	0.5 %		LAP	-1 (100012766)										
	5 lbm		GIL	SONITE, BULK (1	00003700)				· · · · · · · · · · · · · · · · · · ·					
	0.3 %		CFF	-3, W/O DEFOAM	1ER, 50 LB \$	SK (100	003653)							
	0.2 %		HR-	7 (100005055)										
	0.25 lbm		D-Al	IR 3000 (1010074	46)									
	9.868 Gal		FRE	SH WATER										
3	1st stage t	tail	POZ	PREMIUM 50/50	- SBM (123	02)	485.0	sacks	14.8	1.16	5.06	6	5	.06
1	Cement										1			
	Premium 50/50													
	Poz 5.061 Gal		FDF						1	l		:		
	1 lbm			SH WATER		· · ·								
	0.5 %			-1 (100012766)		CIX (400)	002652)							
	0.5 % 0.25 lbm			R-3, W/O DEFOAM		SK (100	003053)							
			D-A	IR 3000 (1010074	40)									
Fluid	tage/Plug #			Fluid N			Qty	Ohi	Bliving	Yield	Mix Fluid	Rate	Tat	al Mix
#	Stage Ty	/pe		Fluid N	lame			Qty uom	Mixing Density	uom	uom	uom		d uom
									uom			uoin		
1	Second St	age	INT	ERFILL H - SBM (14238)		360.0	sacks	11.5	2.8	16.75	7	1€	6.75
	Lead Interfi												l	
	16.749 Gal			SH WATER										
	1 lbm			NO SEAL - BLEN										
2	Second St	age	POZ	PREMIUM 50/50	- SBM (123	02)	510.0	sacks	14.8	1.16	5.06	6.5	5	.06
	Tail Premiu 50/50 Poz	m												
	5.061 Gal		EDE	SH WATER			I		L	1		L	I	
	1 lbm			-1 (100012766)			· · · ·		· · · · · · · · · · ·					
	0.5 %			R-3, W/O DEFOAN	IFR 5018	SK (100	003653)							
	0.25 lbm			IR 3000 (1010074		51(100		·····						
C	alculated V	/alues		Pressu		Γ				/olumes	· · ·			· · · · · · · · · · · · · · · · · · ·
	cement	347.		Shut In: Instant		Lost R	eturns	1	Cement S		312	Pad		
		SURF/					t Returns	NO	Actual D				nent	
Frac G	radient			15 Min		Spacer	5	44	Load and			Total .	lob	693.5
Rates		÷									• • •		·	· · ·
Circulating Mixing 7							Displace	ment	7		Avg. J	ob	7	7
	nt Left In Pip	· ·		ount 83.56 ft Rea		Joint				· · ·			····	
Frac R	ing # 1 @	/	D	Frac ring # 2	@ L	_	Frac Rin		10		Frac Ring #	4@	ID	2
The	nformatio.	04-4		la na in la Cama	. 4	Cust	omer R	eprese	entative :	Signatu	ire			
l'ne l	mornatior	ା ଅଶେ	за н	lerein Is Correc	л	1								
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WELL LOGS

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κz										
API	number:	30-025-385	76		······································					
C	GRID:	1	Operator:	DCP MIDS	TREAM					
			Property:	LINAM AG				# 1		
		I	, openy.							
surface 10	ILSTR:	К	30	т	18S	P	37E			
	2011(.	[AN	1980			FWL	516			
		·	1900	ITSL	1900	FWL	l			
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BH Loc U	ILSTR [.]	К	30		185		37E			
			1980	IFSL	1980	FWL				
		0.000		2000			r 			
Grour	nd Level:	4	DF:	3753	KB:	3754				
Ĺ	Datum:	KB	L		TD:	9214				
1					-					
			1			on Date: (1)				
	Land:	STATE				s Received:	1/4/2008			
					Date Logs	Due in: (2)				
Confid	ential:	NO				Date out:				
С	onfidential	period: 90 Da	ys for State &	Fee, 1 Year	for federal					
		; (1) is equal	-							
	ogs	. (.)	Depth in							
DEN/N	ogo		580		Three Dete	ctor Litho-De	nsity			
HRLA			580			ution Laterol				
		<u>-</u>	200							
BHC						ompensated				
			4391			Dip Meter Log				
			3150			aluation Log				
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Tansill		2701	Atoka							
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Queen		3783	Miss Lime							
Penrose		1	1		1	1				
Grayburg		4112	1		1			l		
Getaway Ba	ank	4500				1		· · · · · · · · · · · · · · · · · · ·		
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Delaware S	d	5023	l		<u>}</u>	l				
Bone Spring		5546			<u> </u> · · · · · · · · · · · · · · · · · · ·	<u> </u>	<u>.</u>			
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Wolfcamp		9145	ł ·					1		

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Submit 3 Copies To Appropriate District Office	State of New Mexi		*	Form C-103
District I	Energy, Minerals and Natura	l Resources	WELL API NO.	May 27, 2004
l625 N. French Dr., Hobbs, NM 88240 <u>District II</u>	OIL CONSERVATION D		30-025-38576	
1301 W. Grand Ave., Artesia, NM 88210 District III	1220 South St. Franci		5. Indicate Type of Lea	
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 875	•	6. State Oil & Gas Leas	FEE
220 S. St. Francis Dr., Santa Fe, NM			V07530-0001	
87505 SUNDRY NOTI	CES AND REPORTS ON WELLS		7. Lease Name or Unit	Agreement Name
•	SALS TO DRILL OR TO DEEPEN OR PLUG CATION FOR PERMIT" (FORM C-101) FOR		Linam AGI	,
	Gas Well 🛛 Other Class II Injectio	n	8. Well Number 001	
2. Name of Operator			9. OGRID Number	
DCP Midstream, LP 3. Address of Operator			36785 10. Pool name or Wildo	at
370 17 th Street, Suite 2500, Denver	, CO 80202		Wildcat	at
4. Well Location		<u>_</u>		•.
Unit Letter K	:_1980feet from theSouth	line and	1980 feet from the	<u>West</u> line
Section 30		ige 37E	NMPM	County Lea
Pit or Below-grade Tank Application 🛛 o	11. Elevation (Show whether DR, R 3736 GR	KB, RT, GR, etc.)		
	50 ftDistance from nearest fresh water	well >1000 ft Dist	ance from nearest surface wa	ter >1000ft
'it Liner Thickness: 20 mil	_		nstruction Material	
	appropriate Box to Indicate National	ure of Notice R	enort or Other Data	
NOTICE OF IN PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING	PLUG AND ABANDON	REMEDIAL WORK COMMENCE DRIL CASING/CEMENT		
OTHER:		OTHER: Logging	Program	\boxtimes
	leted operations. (Clearly state all per rk). SEE RULE 1103. For Multiple (
	as completed with the running of Schlussity, Neutron, Gamma Ray, Sonic, Fo			
he lower part of the 9 5/8" x 7" casi	d zonal isolation across the Lower Bon ng lap. Bond was intermittent through V) portion of the cement job, and 87 b	out the remainder	of the lap, however full	returns were
	e filed after the final completion of th the geological formation tops encount			g late 2008 or 2009.
			RECEIVE	D
hereby certify that the information rade tank has been/will be constructed or	above is true and complete to the best closed according to NMOCD guidelines [],	of my knowledge a general permit [] o	and belief. I further certif r an (attacheri)-alterira (BO	y that any pit or below- CD-approved plan [].
IGNATHRE JOZY K	fil TITLE !	Asset M	More PAT	E-12-20-07
Sype or print name (/) For State Use Only	E-mail addr	ess:	Telephon	e No.
	A			JAN 0 7 2

Mr. Chris Williams Oil and Gas Inspector District Supervisor District 1 New Mexico Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240

December 28, 2007

Re: Electric Logging Program for DCP Midstream, Linam AGI #1 (30-T18S-R37E, Lea County, New Mexico)

Dear Chris,

I hope you have been enjoying the Holidays. We finished logging the Linam AGI #1 on December 13, 2007, and I've enclosed the C-103 and original copies of the final prints from Schlumberger.

Enclosed are:

- 1 1" and 2" Composite Laterolog Resistivity
- 1-5" Composite Laterolog Resistivity
- 1 1" and 2" Composite Density/Neutron/Gamma Ray Porosity
- 1 5" Composite Density/Neutron/Gamma Ray Porosity
- 1 1" and 2" Composite Borehole Compensated Sonic
- 1-5" Composite Borehole Compensated Sonic
- 2 6" Geology Composite Formation Micro Imager (FMI) (Interpreted Levels 5490-6110 and 7190-9188)
- 1 5" Structural Dipmeter Log

3

1 - 5" Isolation Scanner (Cement Evaluation Log)

The well is continuing to be tested for injectivity and other reservoir parameters, and the results look encouraging so far. I don't anticipate filing a final C-105 Completion Report prior to late 2008 or early 2009, however, we may continue to file sundry C-103 reports from time to time.

I have included an attachment of our estimates of formation tops that you may find useful based upon some of our preliminary findings. In addition, as soon as we can remove the pit liner, we will be looking into remediation of the site.

Please feel free to call if you have any questions.

Best Regards,

Senley un

Russell Bentley 11221 Richmond Avenue, Suite 107C Houston, TX 77082 281-496-2922

xc: Chris Root, Alberto Gutierrez

r

DCP Midstream, LP Linam AGI #1

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Formation Tops:

I

m + 1 1 1	1.5.40
T. Anhydrite	1542
T. Salt	1653
B. Salt	2683
T. Yates	2841
T. 7 Rivers	3150
T. Queen	3783
T. Grayburg	4167
T. San Andres	4655
T. Brushy Canyon	5023
T. Glorieta	5536
T. Victorio Peak	5939
T. Upper BSPG	6125
T. Abo	7641
T. Lower BSPG (3 rd BSPG Carb)	8104
T. Wolfcamp	9045

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District I State of New Mexico Form C- 144 1625 N French Dr, Hobbs, NM 88240 **Energy Minerals and Natural Resources** June 1, 2004 District II 1301 W. Grand Avenue, Artesia, NM 88210 For drilling and production facilities, submit to District III **Oil Conservation Division** appropriate NMOCD District Office. 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. For downstream facilities, submit to Santa Fe strict IV 20 S St Francis Dr , Santa Fe, NM 87505 office Santa Fe, NM 87505 Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes 🛛 No 🗌 Type of action Registration of a pit or below-grade tank 🛛 Closure of a pit or below-grade tank 🔲 Telephone: (505) 706-1442 e-mail address. Tlee@dcpmidstream com Operator DCP Midstream, LP Address: 370 17th Street, Suite 2500, Denver, CO 80202 Facility or well name Linam AGI #1 #. <u>30-025-38576</u> U/L or Qtr/Qtr <u>K</u> Sec <u>30</u> T <u>18S</u> R <u>37E</u> Longitude <u>W 103 deg 17 650'</u> NAD 1927 🛛 1983 🗌 Lea Latitude N 32 deg 43 158' County. Surface Owner: Federal 🗍 State 🛛 Private 🗋 Indian 🗍 Below-grade tank Pit Volume _____bbl Type of fluid: ______ Type, Drilling Disposal Disposal Workover 🗋 Emergency 🗍 Construction material Double-walled, with leak detection? Yes 🔲 If not, explain why not. Lined 🖾 Unlined 📋 Liner type Synthetic 🛛 Thickness 20 mil Clay 🗌 Pit Volume 11.000 bbl (20 points) 46 feet Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area (Less than 200 feet from a private domestic No (0 points) water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) istance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) rigation canals, ditches, and perennial and ephemeral watercourses) 1000 feet or more (0 points) 20 **Ranking Score (Total Points)** If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location (check the onsite box if your are burying in place) onsite 🗌 offsite 🛛 If offsite, name of facility <u>CRI</u> (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered. No 🖾 Yes 🔲 If yes, show depth below ground surface____ ft. and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations Additional Comments. All fluids will be removed from the pit. The pit liner and all impacted material will be hauled to an NMOCD approved disposal facility. Samples will be collected below the liner and results will be submitted with the final C144 form The excavation will be backfilled with clean soil, graded to surface and re-seeded. Work is scheduled to begin during February, 2008. IAN 3 0 2008 I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the howe described pit or below grade tank has been/will be constructed or closed according to NMOCD guidelines 🛛, a general permit 🔲, or an (attached) alternative OCD-approved plan 📋. Date January 25, 2008 Printed Name/Title Tony R Lee, Asset Manager Signature Your certification and NMOCD approval of this application/closure does not relieve the operator of hability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for complyance with any other federal, state, or local laws and/or regulations. \pproval. Chis Welliame Date 1/30/08 rinted Name/Title CHEIS WILLIAMS/DIST. SUID, Signature

District I State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 Form C- 144 **Energy Minerals and Natural Resources** District II June 1, 2004 1301 W. Grand Avenue, Artesia, NM 88210 For drilling and production facilities, submit to appropriate NMOCD District Office. District III Oil Conservation Division 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. For downstream facilities, submit to Santa Fe strict IV) S. St. Francis Dr., Santa Fe, NM 87505 office Santa Fe, NM 87505 Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes 🛛 No 🗌 Type of action: Registration of a pit or below-grade tank 🖾 Closure of a pit or below-grade tank 🗌 Operator: DCP Midstream, LP Telephone: (432) 620-4050 e-mail address: __gckardos@dcpmidstream.com Address: 370 17th Street, Suite 2500, Denver, CO 80202 Facility or well name: Linam AGI #1 #: <u>30-025-38576</u> U/L or Qtr/Qtr <u>K</u> Sec <u>30</u> T <u>18S</u> R <u>37E</u> Latitude <u>N 32 deg 43.158'</u> Longitude <u>W 103 deg 17.650'</u> NAD: 1927 🛛 1983 🗖 County: Lea Surface Owner: Federal [] State 🛛 Private 🗌 Indian 🗍 <u>Pit</u> Below-grade tank Volume: ____bbl Type of fluid: _____ Type: Drilling Z Production Disposal Workover 🗌 Emergency 🗋 Construction material: Lined 🛛 Unlined 🗌 Double-walled, with leak detection? Yes 🗌 If not, explain why not. Liner type: Synthetic 🛛 Thickness 20 mil Clay 🗌 Pit Volume 11,000 bbl (20 points) 46 feet Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No (0 points) water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water. (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) tion canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) 20 **Ranking Score (Total Points)** If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location (check the onsite box if ind end date. (4) Groundwater encountered: No 🛛 Yes 🗖 If yes, show depth below ground surface_____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations. Additional Comments: All fluids were removed from the pit. The pit liner and all impacted material (to a depth of 11' bgs) was hauled to an NMOCD approved disposal facility. Samples were collected below the liner to a depth of 12' bgs in the NE and SE corners, to 14' bgs in the center, and to 16' bgs in the SW and NW corners. Soil borings were installed n the NW corner of the excavation (BH-1) and 15 feet NW of the NW corner of the pit (BH-2). Soil samples were collected at five foot intervals from a depth of 17' to 32' bgs in boring BH-1, and from a depth of 7' bgs to 31' bgs in boring BH-2. A summary of laboratory results (Table 1) is attached, as well as all analytical documentation. As verbally approved by Chris Williams on 3/5/08, a geotextile mat was installed at a depth of 11' bgs, and overlain with a 40 mil plastic liner. Three (3) feet of sand was placed above the liner (to a depth of 8' bgs), and caliche from the original pit construction was placed above the sand (from 8 to 3' bgs). The remainder of the excavation (from 3' bgs to surface) was backfilled with topsoil and graded to surface conditions. The area will be ro-seeded in the near future. I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines 🛛, a general permit 🗋, or an (attached) alternative OCD-approved plan []. Date: March 17, 2008 Printed Name/Title ____ Greg Kardos / Environmental Manager Signature Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations ival wal ...nted Name/Title CHRIS WILLIAMS / DIST. SUPU, Signature China William Date 3/15/08

Office Define Minante	New Mexi		Form C-103 May 27, 2004
1625 N. French Dr., Hobbs, NM 882			WELL API NO. 30-025-38576
1301 W. Grand Ave., Artesia, NM 88210 OIL CONSERV District III FEB 1 1 2000200 South	ATION D St. Franci	DIVISION is Dr.	5. Indicate Type of Lease STATE STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	, NM 8750		6. State Oil & Gas Lease No. V07530-0001
SUNDRY NOTICES AND REPORTS ON (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEP DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM PROPOSALS.)	EN OR PLUG		7. Lease Name or Unit Agreement Name Linam AGI
1. Type of Well: Oil Well 🔲 🔤 Gas Well 🛛 Other Clas	s II Injectio	n	8. Well Number 001
2. Name of Operator / DCP Midstream, LP			9. OGRID Number 36785
 Address of Operator 370 17th Street, Suite 2500, Denver, CO 80202 			10. Pool name or Wildcat Wildcat
4. Well Location			
			_1980feet from theWestline
Section 30 Township 18		nge 37E KB_RT_GR_etc.)	NMPM County Lea
3736 GR		<i>no</i> ; <i>n</i> , on, <i>c</i> , <i>y</i>	
Pit or Below-grade Tank Application 🛛 or Closure 🗌			
Pit typeDepth to Groundwater<50 ftDistance from neare	est fresh water		
Pit Liner Thickness: 20 mil Below-Grade Tank: Vo	lume	bbls; Co	onstruction Material
12. Check Appropriate Box to Inc	licate Nat	ure of Notice, l	Report or Other Data
NOTICE OF INTENTION TO:		SUBS	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK D PLUG AND ABANDON		REMEDIAL WORK	K 🛛 🛛 ALTERING CASING 🗌
TEMPORARILY ABANDON 🔲 CHANGE PLANS PULL OR ALTER CASING 🔲 MULTIPLE COMPL		COMMENCE DRII	
OTHER:		OTHER:	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 1/19/2008 a mechanical integrity test was performed on the 7", 26ppf casing in preparation for a temporary abandonment. The casing was pressure tested to 600 psi. for 45 minutes and held OK. (See attached chart). Black Warrior Wireline set a drillable bridge plug at 8,650 ft and placed 8 Sx of cement (x 1.2 ft3/sx = 9.6 ft3) on top of it.

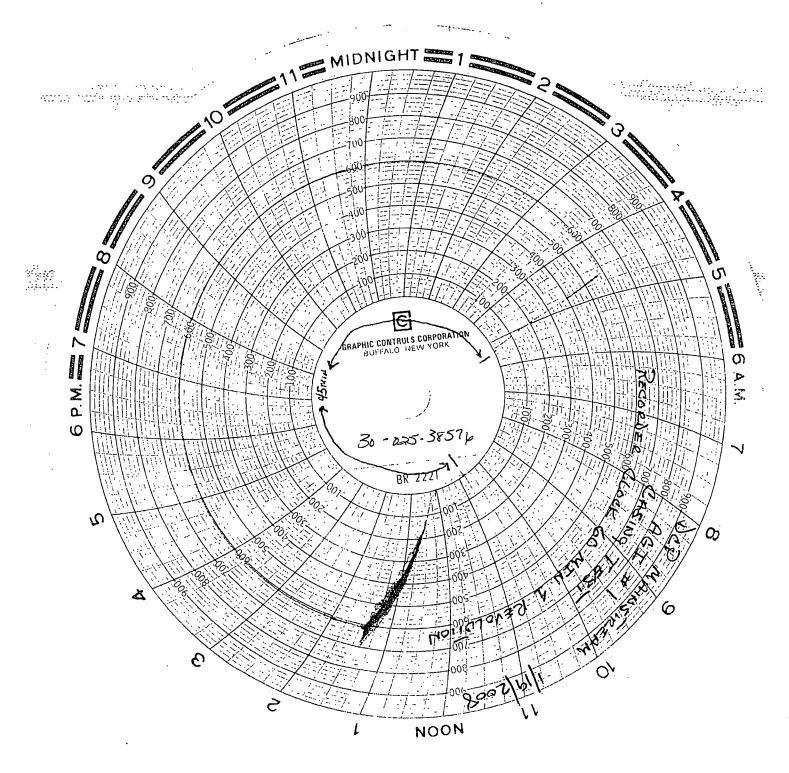
9.6 ft3 x 4.655 ft/ft3 (capacity of 7" 26ppf casing) = approx. 45 ft of cement. Tagged cement with tubing at 8,610 ft.

Plans are to install surface facilities and then re-enter the well for final completion at a later date.

This Approval of Temporary Abandonment Expires

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved glag.

SIGNATURE Killy from	TITLE Assel Manager	DATE/10/09
Type or print name	E-mail address:	Telephone No.
APPROVED BY: Approved BY:	DISTRICT 1 BUPERVISOR	DATEJ U N 2 4 2009
Conditions of Approval (if any):		



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1-19-2008 POMP OPIR. Mb C. Pere - Vista Services an air an a Tuh Titure NEW TEatt Enginzerwg ¢` ;. : n de la companya de l La companya de la comp

Submit To Approp Two Copies	riate District (Office	CEN	VED	State of New Minerals and N	Mexi	CO L Resour		`.					m C-105
Submit To Appropriate District Office REC Energy, State of New Mexico District 1 1625 N French Dr., Hobbs, NM 88240 District II '301 W Grand Avenue, Artesia, NM 88210 Strict III Strict III Oil Conservation Division						~~3	1. WELL 2 30-025-385		0.			<u>., ., 200</u>		
strict III						2. Type of Le	ase							
00 Rio Brazos Rd., Aziec, NM 874 HOBBSOCD1220 South St. Francis Dr.						3. State Oil &		FEE		ED/INDIA	<u>N</u>			
1220 S St Francis	Dr, Santa Fe	, NM 87505			Santa Fe, NM	18/5	05		3. State Off & V07530-0001	Gas L	ease no	•		
		ETION C	R RE	COMPL	ETION REPO	DRT A	AND LC	G		196 X 6	8. 8. 9			
A. Reason for fil	U	_							5. Lease Nam LINAM AGI			ment Na	me	
COMPLET	ION REPO	RT (Fill in b	oxes #1 th	1rough #31	for State and Fee we	ells only)		6. Well Numb	er: 00	1			
					ough #9, #15 Date F rdance with 19.15.1			32 and/or						
7. Type of Com		WORKOVE	ם ר] מ	EPENING	PLUGBACK	פפות ד	EDENIT DE	SEDVOI	R OTHER					
. Name of Oper	ator			<u>LI LIVIIIO</u>	CJIEGODINER [SERVOI	9. OGRID					
OCP MIDSTRE.					<u> </u>	······	<u></u>		36785 11. Pool name	or Wil	deat			·· ··· · · · · · · · · · · · · · · · ·
70 17 TH ST, SU		DENVER, CO	80202						WILDCAT	01 111	ucat			
2.Location	Unit Ltr	Section	То	wnship	Range L	ot	Feet	from the	N/S Line	Feet f	from the	E/W L	ine	County
Surface:	К	30	18		37E		1980)	S	1980		W		LEA
BH:	к	30	18	-	37E		1980		S	1980		W		LEA
3. Date Spudde 10/21/2007	d 14. Dat 11/16/2	e T.D. Reach 007	1	5. Date Rig 1/20/2007			16. Date 1/19/200		d (Ready to Proc	luce)			ions (DF a tc.) 3736 (
8. Total Measur 213 ft	•		9	9137 ft	ck Measured Depth		20. Was NO	Direction	al Survey Made	,				er Logs Run , SW CORE
22. Producing In 8104-9213 L	terval(s), of OWER B	this complet ONE SPR	ion - Top, NGS / V	Bottom, N WOLFCA	ame AMP									
3.				CAS	SING RECO	RD (I								
CASING SI		WEIGHT			DEPTH SET		HOLE S		CEMENTING RECORD AMOUNT PULLED				ULLED	
<u> </u>		48 #			580 ft 4,212		17 1/2		475 sx 1,325 sx					
<u> </u>		20			9,120	+	8 3/4'		1,110 sx / 360 sx					
24. SIZE	TOP		BOTTO		ER RECORD	TSC	REEN	25 SI	ZE		G REC		PACKE	R SET
												-		
			Ļ											
6. Perforation 710-8730 ½"			1d number 75 ½", 1				ACID, S PTH INTE		ACTURE, CE					
755-8765 %"			00 1/2", 7											
\$780-8795 ½", \$880-8900 ½",		9045-90	85 1/2", 2	OU Shots		86	10 ft	· · · ·	DRILLABLE BRIDGE PLUG SET FOR T&A					
925-8930 ½",	, 25 shots						UOTIO	.						
28. Date First Produc	ction	Pr	oduction	Method (F)	owing, gas lift, pum		UCTIC		Well Status	Prod	or Shut	-111)		
	CHOM		oddetion		owing, gus 191, puni	ping - Di	ze unu type	. pump)	Tempor				4	
Date of Test	Hours	Tested	Choke S	Size	Prod'n For Test Period	Oil	- Bbl	Ga	as - MCF	Wa	ter - Bbl	•	Gas - Oi	l Ratio
Flow Tubing Press.	Casing	Pressure	Calcula Hour R		Oil - Bbl.	 	Gas - MC	I F	Water - Bbl.		Oil Gra	avity - Al) PI - <i>(Corr.</i> ,	,
9. Disposition c	of Gas (Sold,	used for fue	, vented,	etc.)	L					30. T	est Witn	essed By		
1. List Attachm	ents			. <u></u> ,				<u> </u>						
2. If a temporar	y pit was us	ed at the wel	l, attach a	plat with th	ne location of the ten	nporary	pit.							
3. If an on-site	burial was u	sed at the we	ll, report t	the exact lo	cation of the on-site	burial:		·						
Jone Law 1	6. 1	- informer - i	an al -		Latitude				Longitude			<u></u>	NAD	0 1927 1983
Signature				vn on bot. -	h sides of this fo Printed Name Kelly	rm is t Tàma	rue and o กระกา	-	e to the best of Assel 11			dge and	•	2/10/09
-Duminic V	rue	7 Jem					•	1 mg	172501 11	105116	17		Date 2	10,01
mail Addre	225													

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INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or spened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one py of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeas	tern New Mexico	Northw	estern New Mexico
T. Anhy 1542	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt 1653	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt 2683	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 2841	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers 3150	T. Devonian	T. Cliff House	T. Leadville
T. Queen 3783	T. Silurian	T. Menefee	T. Madison
Т. Grayburg_4167	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres_4655	T. Simpson	T. Mancos	T. McCracken
T. Glorieta 5536	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs_U 6125	T.Todilto	
T. Abo7641	T. Bone Springs_L 8104	T. Entrada	
T. Wolfcamp 9045	T	T. Wingate	
T. Penn	T	T. Chinle	
T. Cisco (Bough C)	Τ.	T. Permian	

OIL OR GAS SANDS OR ZONES

,

^v o. 1, fromtoto	No. 3, fromtoto
7. 2, fromtoto	No. 4, fromtoto

IMPORTANT WATER SANDS

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	То	Thickness In Feet	Lithology	From	То	Thickness In Feet	Lithology
							•
	-						

	State of New Me	xico	Form C-103	
Office	Energy, Minerals and Natu		May 27, 2004	
			WELL API NO. /	7
	MEPONGERVATION	DIVISION	30-025-38576	
1625 N French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W Grand Ave , Artesia, NM 88240	WILGONSERVATION	DIVISION	5. Indicate Type of Lease	1
District III 1000 Rio Brazos Rd., Aztec, NM 874 JUL 0 Ô	20 South St. Fran	ncis Dr.	STATE STATE	
District IV	Santa Fe, NM 87	7505	6. State Oil & Gas Lease No.	1
1220 S St Francis Dr., Santa Fe, MOBBS			V07530-0001	
7505				
SUNDRY NOTICES A DO NOT USE THIS FORM FOR PROPOSALS T DIFFERENT RESERVOIR USE "APPLICATION		JG BACK TO A	7. Lease Name or Unit Agreement Name Linam AGI	
ROPOSALS)	Well 🛛 Other Class II Inject		8. Well Number 001	-
			9. OGRID Number	+
. Name of Operator V			36785	
DCP Midstream, LP		· · · · · · · · · · · · · · · · · · ·		-
Address of Operator	20202		10. Pool name or Wildcat	1
70 17 th Street, Suite 2500, Denver, CO	5UZUZ		Wildeat AGI: Wolfcamp	1
Well Location				V
Unit Letter K : 198	0 feet from the Sout	h line and	1980 feet from the <u>West</u> line	1
		ange 37E	NMPM County Lea	
			المترافي حتى مرافقاً بي الركينية بالمحدود المحدود ويهي الالتقاري ويحدد ويعد المحدود ويستعد والمحدود و	-
Ch. The state of t	Elevation (Show whether DR, 6 GR	лл <i>b, к</i> і, GK, etc.,		r T
t or Below-grade Tank Application X or Closu			Liffs The Typeship Charles a contract the	ľ
		ter well >1000 fr Dia	stance from nearest surface water_>1000ft	1
				1
Liner Thickness: 20 mil	Below-Grade Tank: Volume	bbls; C	Construction Material	l
12. Check Appro	opriate Box to Indicate Na	ature of Notice	Report or Other Data	
	Trans Tour to Malante Lu			
NOTICE OF INTEN		SUB	SEQUENT REPORT OF:	
		REMEDIAL WOR		
		COMMENCE DRI		
	LTIPLE COMPL	CASING/CEMEN		
PULL OR ALTER CASING				
	57		_	
		OTHER:		
OTHER: Return well to injection 13. Describe proposed or completed of	operations. (Clearly state all p	OTHER: pertinent details, and	_	е
OTHER: Return well to injection 13. Describe proposed or completed of starting any proposed work). SEE	operations. (Clearly state all p	OTHER: pertinent details, and	d give pertinent dates, including estimated dat	e
DTHER: Return well to injection 13. Describe proposed or completed of starting any proposed work). SEE recompletion.	operations. (Clearly state all p RULE 1103. For Multiple Co	OTHER: pertinent details, and pmpletions: Attach	d give pertinent dates, including estimated dat	- е
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Submit 3 Copies To Appropriate District State of New Mexico Office	Form C-103
District I 1625 N. French Dr., Hobbs, NM 88240 Energy, Minerals and Natural Resou	Irces May 27, 2004 WELL API NO.
District II 1301 W. Grand Ave., Artesia, NM 8870 CEWEONSERVATION DIVISI District III 1000 Rio Brazos Rd. Azter. NM 87410 1000 Rio Brazos Rd. Azter. NM 8741	5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410 JUL 2 9 2009 Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NMHOBBSOCD	V07530-0001
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK T DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH	O A 7. Lease Name or Unit Agreement Name Linam AGI
PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other Class II Injection	8. Well Number 001
2. Name of Operator DCP Midstream, LP	9. OGRID Number 36785
3. Address of Operator	10. Pool name or Wildcat
370 17 th Street, Suite 2500, Denver, CO 80202	AGI Wolfcamp
4. Well Location	
	e and1980feet from theWestline
Section 30 Township 18S Range 37E	
11. Elevation (Show whether DR, RKB, RT, 3736 GR	GR, etc.)
Pit or Below-grade Tank Application 🛛 or Closure 🗌	
Pit typeDepth to Groundwater<50 ftDistance from nearest fresh water well_>10	000 ft Distance from nearest surface water_>1000ft
Pit Liner Thickness: 20 mil Below-Grade Tank: Volume	bbls; Construction Material
12. Check Appropriate Box to Indicate Nature of	Notice, Report or Other Data
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
	IAL WORK 🛛 ALTERING CASING 🗌
— — — — — — — — — — — — — — — — — — — —	
PULL OR ALTER CASING MULTIPLE COMPL CASING CASING	CEMENT JOB
OTHER: OTHER: OTHER:	<u> </u>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On July 20, 2009 DCP Midstream, re-entered the well to return it to an operational (injection) status. The temporary Bridge Plug set at 8,610 ft was drilled out, a permanent packer was set at 8,750 ft, and the 3 ½" 9.3 ppf production tubing (including a subsurface safety valve – SSV – at 259 ft) was installed in the well and landed in the wellhead. Diesel fuel was used as the packer fluid. Approximately 15,000 gallons of 15% HCl acid was pumped down the tubing to determine the well's injection capacity. Finally, a remote hydraulic panel was hooked up to the SSV and was function tested satisfactorily. On 7/29/09 operations were concluded and all equipment released.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Fully form	TITLE Assel Manager	DATE 7/30/09
Type or print name Kally Jamerton For State Use Only	E-mail address: #djo merson Colora id straam	Telephone No. 575/397-5339
APPROVED BY:	JISTRICT & BUPERVISOR	DATE32009
Conditions of Approval (if any)	•	

Submit 3 Copies To Appropriate District State of New Me Office Financial Appropriate District State of New Me	
District 1 1625 N. French Dr., Hobbs, NM 88240 Energy, Minerals and Nati	WELL API NO.
	30-025-38576
District II 1301 W. Grand Ave., Artesia, NCEC IVALOCONSERVATION District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV Santa Fe, NM 8	$\begin{array}{c c c c c c c c c c c c c c c c c c c $
District IV JUL 2 9 2009 Santa Fe, NM 8	o. Sant On the Cas Bear (16)
1220 S. St. Francis Dr., Santa Fe, NMOBBSOCD	V07530-0001
SUNDRY NOTICES AND REPORTS ON WELLS	
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PL DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) F	
PROPOSALS.) 1. Type of Well: Oil Well 🗍 Gas Well 🛛 Other Class II Inje	ction 8. Well Number 001
2. Name of Operator	9. OGRID Number
DCP Midstream, LP	36785
3. Address of Operator	- 10. Pool name or Wildcat
370 17 th Street, Suite 2500, Denver, CO 80202	AGI Wolfcamp
4. Well Location	
Unit Letter K : 1980 feet from the Sou	thline and1980feet from theWestline
Section 30 Township 18S	Range 37E NMPM County Lea
11. Elevation (Show whether DR 3736 GR	R, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application 🛛 or Closure 🗌	
Pit typeDepth to Groundwater<50 ftDistance from nearest fresh w	ater well_>1000 ft Distance from nearest surface water_>1000ft
Pit Liner Thickness: 20 mil Below-Grade Tank: Volume	bbls; Construction Material
12. Check Appropriate Box to Indicate N	lature of Notice, Report or Other Data
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK 🔲 PLUG AND ABANDON 📋	REMEDIAL WORK ALTERING CASING
TEMPORARILY ABANDON 🔲 CHANGE PLANS 📋 .	COMMENCE DRILLING OPNS. P AND A
PULL OR ALTER CASING 🔲 MULTIPLE COMPL 📋	CASING/CEMENT JOB
OTHER:	OTHER: MIT TEST

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 7/28/09 an initial (2 year) MIT test of the annular space between the 3 ½", 9.3 ppf, L80 tubing and the 7" 26 ppf, L80 casing was performed. The annular space was pressured to 800 psi for 30 minutes and the pressure did not deviate more than 40 psi (5%). See attached chart.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Hilly Jomn	TITLE Assot Manager	DATE 7/30/09
	E-mail address: Kdjamerson Cdepmids	Telephone No. 575/397-5539
APPROVED BY: Came U. Lil	TITLE DISTRICT 1 SUPERVISOR	DATEJUL 3 0 2009
Conditions of Approval (if any)		

