State of New Mexico	Form C-103					
Energy, Minerals and Natural Resources	Revised July 18, 2013					
OIL CONSERVATION DIVISION	WELL API NO.  Zia AGI #1 30-025-42208  Zia AGI D#2 30-025-42207					
1220 South St. Francis Dr. Santa Fe, NM 87505	5. Indicate Type of Lease BLM STATE FEE					
	6. State Oil & Gas Lease No. NMLC065863					
SUNDRY NOTICES AND REPORTS ON WELLS  (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH	7. Lease Name or Unit Agreement Name  Zia AGI					
PROPOSALS.)  1. Type of Well: Oil Well ☐ Gas Well ☐ Other: Acid Gas Injection Well ☒	8. Well Number #1 and D #2					
2. Name of Operator  DCP Operating Company, LP	9. OGRID Number 36785					
3. Address of Operator 6900 E. Layton Ave, Suite 900, Denver, CO 80237	10. Pool name or Wildcat  #1 AGI: Cherry Canyon/Brushy Canyon D#2 AGI: Devonian/Fusselman/Montoya					
4. Well Location Surface						
Zia AGI#1 Unit Letter <u>L</u> : <u>2,100</u> feet from the SOUTH line and <u>95</u> Zia AGI D#2 Unit Letter <u>L</u> : <u>1893</u> feet from the SOUTH line and <u>95</u>	<del></del>					
Section 19 Township 19S Range 32E NMPM						
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,550 (GR)	·					
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other	r Data					
NOTICE OF INTENTION TO: SUB	SEQUENT REPORT OF:					

NOTICE OF IN	TENTION 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				
DOWNHOLE COMMINGLE							
CLOSED-LOOP SYSTEM □							
OTHER:			OTHER: Annual Injection Data Sun	nmary 🖂			

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. **Wellbore Diagrams attached.** 

Zia AGI #1 MAOP 2,233 psig NMOCC Order R-13809 / Zia AGI D #2 MAOP 5,208 psig NMOCC Order R-14207

Annual Report for the period from January 1 through December 31, 2024 Pursuant to NMOCC Orders R-13809 and R-14207 for Zia AGI #1 and AGI D #2, respectively.

This report includes the summary of quarterly injection data and analysis of surface injection pressure, TAG temperature, casing annular pressure as well as downhole injection pressure, temperature, and annular pressure for the Zia AGI #1 and for the Zia AGI D #2 for 2016 through 2024. While this is an annual summary, the cumulative values are included in order to provide a historical overview of the entire time frame of use. AGI D #2 continues to be the primary well for this facility with the Zia AGI #1 to be used only as a redundant and backup well. Based on data for surface injection, annular pressure, and successful MITs, both wells continue to show excellent integrity. The average surface temperature and bottom hole temperature for AGI D #2 in 2024 remained the same as 2023 averages. The annual summary of injection data is included herein, and all the values presented below are averages for the static conditions in the AGI #1 since the well has not been in operation since 2/7/2017 and only AGI D #2 operated for most of 2017 and exclusively since that time. AGI #1 serves only as a redundant well in the event of a problem that requires intervention in AGI D #2.

### AGI #1 Surface Measurements for Entire Period (inactive since Q1 2017):

Average TAG Line Pressure: 395 psig, Average Annular Pressure: 181 psig, Average Pressure Differential: 215 psig, Average TAG Line Temperature: 84 °F, Average TAG injection rate: 0.372 MMSCFD for entire period (not used since 2017).

### AGI #1 Downhole Measurements for Entire Period (inactive since Q1 2017):

Average bottom hole pressure: 3,404 psig, Average annular bottom hole pressure: 2,242 psig, Average bottom hole TAG Temperature: 98 °F.

Average TAG Injection Pressure: 1,718 psig, Average Annular Pressure: 286 psig, Average Pressure Differential: 1,432 psig, Average Tag Temperature: 114 °F, Average TAG injection rate: 5.12 MMSCFD (AGI D #2 used exclusively in 2024).

### AGI D #2 Downhole Measurements for Entire Period:

Average bottom hole pressure: 6,326 psig, Average bottom hole TAG Temperature: 166 °F.

The data gathered through the fourth quarter of normal operations in 2024 demonstrate the correlative behavior of the annular pressure with the flowrate, injection pressure and temperature and confirm that both wells have good integrity, are functioning appropriately, and within the requirements of their respective NMOCC orders. Well AGI D #2 displays excellent reservoir characteristics, easily accommodating the required volumes of TAG from the facility. This well will continue to be used as the primary disposal well for the facility with the AGI #1 well being operated as needed to confirm functionality and to allow for any required future maintenance on the AGI D #2 well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE	TITLE Consultant to DCP Midstr	ream LP_DATE <u>1/9/2025</u>
Type or print name: Alberto A Gutiérrez, RG	E-mail address: aag@geolex.com	PHONE: <u>505-842-8000</u>
For State Use Only APPROVED BY: Conditions of Approval (if any):	_TITLE	DATE





## ANALYSIS OF ANNUAL TRENDS AND REQUEST TO CONTINUE WITH APPROVED IMMEDIATE NOTIFICATION PARAMETERS FOR OPERATION OF ZIA AGI #1 AND ZIA AGI D #2 (API #s 30-025-42208 AND 30-025-42207) UNDER R-13809 and R-14207

This document presents the results from the analyses of the injection parameter data collected from the Zia AGI #1 and D #2 wells that serve the Zia Ranch Gas Processing Facility in Lea County, NM. Data from the Zia AGI #1 have been collected since its initial operation in 2015 through the time when the well was placed on backup/standby status after the commissioning of the Zia AGI D #2 on February 7, 2017. Similarly, for AGI D #2, data have been continuously collected and have been analyzed by Geolex and transmitted to DCP for reporting to NMOCD on a quarterly basis as per the two NMOCC orders referenced above. The AGI D #2 well was completed in the Devonian through the Montoya section as a vertical well approximately 250 feet southwest of the AGI #1, which was completed in the Cherry Canyon and Brushy Canyon units of the Delaware Mountain Group. From the time that the AGI D #2 was brought online, injection has been solely into AGI D #2 with AGI #1 now maintained in standby status as a backup well for the facility should circumstances require some interruption of flow to the AGI D #2 for maintenance or repairs.

This operational mode (utilizing only AGI D #2) will continue indefinitely with AGI #1 being used only as a backup standby well. In order to continue to record reservoir data in AGI #1 we review and monitor bottom hole data in the well which is unaffected by its standby status. Bottom hole sensors for AGI D #2 provide data on reservoir conditions in the deeper Devonian reservoir and both downhole sensors are providing reliable data on both reservoirs. In addition, surface data from both wells is being collected. The following surface and bottom hole parameters are monitored:

- Treated Acid Gas (TAG) surface injection pressure
- TAG injection temperature
- Annular pressure
- Bottom hole pressure and temperature
- TAG flow rate from compressors to each well independently

The above are the key parameters which are currently being measured to monitor the operations of the wells, prevent hydrate formation, and reduce corrosion potential. Since these parameters are useful indicators and predictors of potential operational or mechanical problems in the well, various levels of alarms have been established for each of these parameters. The surface parameters include three that are measured directly (TAG injection pressure, TAG injection temperature and annular pressure) and one (differential pressure) which is a calculated value (the difference between the two measured parameters of injection and annular pressure). The analyses of the long-term trends in these values have been useful in smoothing out shorter-term variations, which can be observed from detailed inspection of hourly data, and in the development of appropriate alarm bands for each parameter. These data are included as Table 1.

Both wells at Zia are equipped with bottom hole (at top of packer) pressure and temperature measurement capability inside the tubing. The monitoring of these additional parameters will also aid significantly in determining the appropriate immediate notification parameters which are required by the NMOCC order for AGI D #2. The immediate notification parameters for both wells were developed from this long-term analysis of the injection data.



The NMOCD also requires that immediate notification parameters and levels be discussed and agreed upon with the agency, and that these be periodically reviewed and updated as needed based on operational or regulatory changes. The immediate notification parameters for both wells have been approved by NMOCD and DCP requests no changes in these approved values. With this requirement in mind, and for the purpose of protecting the mechanical integrity and safety of both wells and the overall AGI facility, Geolex monitors these data under contract to DCP to prevent damage to the wells or violation of regulatory requirements or permit constraints.

After eight years of carefully analyzing the performance of AGI #1 and AGI D #2 on a continuous basis, Geolex has assembled the data and has analyzed observed trends for the 2016 through 2024 timeframe as can be seen in Figures 1-5.

Given the observations of the trends in the graphs and the significantly different behavior of both wells, the wells continue to demonstrate good mechanical integrity. Minor fluctuations in the Zia AGI #1 surface data continue to demonstrate the correlative behavior of the annual pressure with flowrate, injection pressure, and temperature (Figure 1). Downhole pressure in the Zia AGI #1 reservoir has dropped slowly following cessation of injection (early 2017) and has stabilized as can be seen in Figure 3. AGI D #2 continues to exhibit a strong correlative relationship of annular pressure with injection pressure, injection temperature, and flowrate confirming the integrity of the well. Additionally, over the operational lifetime of AGI D #2, the bottom hole pressure has only increased by about 10% (600 psig) while the injection rate has increased since commencing injection operations, indicating continued adequate reservoir conditions for TAG injection.

Mechanical integrity tests were successfully completed for Zia AGI #1 and Zia AGI D #2 on February 21, 2024. The AGI D #2 well had a slight decrease in injection rate compared to 2023. During January and March, AGI D #2 expereinced slight variations in injection rate due to minor compressor issues, but stablized throughout the remainder of the year. Both wells behaved appropriately during normal operations and recovered from interruptions with appropriate changes in injection pressure and annulus pressure. The trends observed in AGI D #2 are shown in Figures 2 and 4 and total flow rates are summarized on Figure 5 for the entire period.

Upon startup from any shutdown that lasts more than 6-8 hours it is critical to inject methanol along with the TAG for the initial startup period to prevent the formation of hydrates. It is also critical to maintain the temperature control on the injected TAG and to avoid rapid temperature or pressure fluctuations during periods when power failures or other mechanical failures may occur.





## REVIEW OF STATISTICAL ANALYSIS OF INJECTION PARAMETERS, DEVELOPMENT OF AND REQUEST TO CONTINUE WITH APPROVED IMMEDIATE NOTIFICATION PARAMETERS FOR ZIA AGI #1 AND ZIA AGI D #2 (API #s 30-025-42208 AND 30-025-42207) UNDER R-13809 and R-14207

The statistical analyses of the injection parameter data were initially conducted for the purpose of establishing normal operating levels for these parameters which are automatically monitored. Several data filtering steps were accomplished to take the hourly data which forms the basis of the analysis in order to smooth out variability due to normal operations. Since the commissioning of the AGI D #2, only that well has been operated and this operating approach will continue with the AGI #1 serving as a redundant and backup well in the event that maintenance is required on the AGI D #2. The bottom hole pressure and temperature sensors in the two wells have provided excellent reservoir condition data for both wells.

All the data are summarized in Table 1. Based on the analysis of trends, the immediate notification parameters, which were approved for AGI D #2, and the parameters previously approved for AGI #1 and continued through 2024, remain appropriate to continue through 2025. P66 requests continuation of the previously approved immediate notification parameters detailed below:

The approved immediate notification parameters for Zia AGI #1 (which is inactive) are summarized below:

- 1. Exceedance of the approved MAOP of 2,233 psig surface for a period greater than two hours.
- 2. Failure of a mechanical integrity test (MIT) of the well.
- 3. Confirmation of any condition that indicates a tubing, packer or casing leak.
- 4. Any increase of the annular pressure to a value that is more than 80% of the injection pressure.
- 5. Any release of H<sub>2</sub>S at the well which results in an activation of the facility's approved Rule 11 H<sub>2</sub>S contingency plan.
- 6. Any workover or maintenance activity that requires intrusive work in the well.

The approved immediate notification parameters for the Zia AGI D #2 (which is the active well at the facility) are summarized below:

- 1. Exceedance of the approved MAOP of 5,028 psig surface for a period greater than two hours.
- 2. Failure of a mechanical integrity test (MIT) of the well.
- 3. Confirmation of any condition that indicates a tubing, packer or casing leak.
- 4. Any increase of the annular pressure to a value that is more than 80% of the injection pressure.
- 5. Any release of H<sub>2</sub>S at the well which results in an activation of the facility's approved Rule 11 H<sub>2</sub>S contingency plan.
- 6. Any workover or maintenance activity that requires intrusive work in the well.

TABLE 1. DCP MIDSTREAM ZIA AGI FACILITY CUMMULATIVE INJECTION DATA																				
																				i e
															AGI D #2					i l
					AGI#1	AGI #1 Surface									Surface					i l
				AGI#1	Surface	Injection and	AGI #1	AGI #1				AGI D #2			Injection and		AGI D #2			i
				Surface TAG	Casing	Casing Annular I	Bottom Hole I	Bottom Hole	AGI #1 Bottom			Surface TAG	AGI D #2	AGI D #2	<b>Casing Annular</b>	AGI D #2	Average	AGI #1 Flow	AGI D #2 Flow	Total Flow Rate
		AGI #1	AGI #1 Surface	Injection	Annulus	Pressure	Annular	Injection	Hole Injection	AGI D #2	<b>Total Flow</b>	Injection	Surface TAG	Surface Casing	Pressure	Average	<b>Bottom Hole</b>	Rate CO2	Rate CO2	CO2
		Flowrate	TAG Injection	Pressure	Pressure	Differential	Pressure	Pressure	Temperature	Flowrate	Rate	Temperature	Injection	Annulus	Differential	Bottom Hole	Temperature	Sequestered	Sequestered	Sequestered
Date		End Quarter (MSCFD)	Temperature (°F)	(psig)	(psig)	(psig)	(psig)	(psig)	(°F)	(MSCFD)	(MSCFD)	(°F)	Pressure (psig)	Pressure (psig)	(psig)	Pressure (psig)	(°F)	(Metric Ton)	(Metric Ton)	(Metric Ton) Notes
Q1 2016	January thru March	3/30/2016 2260	88	.,		1864	2111	3321	84		2260	` '	ι, σ,	" 0,	., 0,	., 02	` ,	8537	0	8537 Only AGI #1 in use
Q2 2016	April thru June	6/30/2016 3670	93				2288	4145	102		3670							13864	0	13864 Only AGI #1 in use
Q3 2016	July thru September	9/30/2016 2100 12/30/2016 2830	94			2091 2127	2037	4170 4181	101		2100 2830							8020	0	8020 Only AGI #1 in use
Q4 2016	October thru December	12/30/2016 2830	91	2140	13	2127	1975	4181	99		2830							10808	U	10808 Only AGI #1 in use  AGI #1 used exclusively 1-1-17 to 2-7-17.
																				AGI #1 used exclusively 1-1-17 to 2-7-17.  AGI D#2 commissioned 2-7-17 and used
Q1 2017	January thru March	3/30/2017 2520	91	2154	132	2022	1960	4025	98	2490	2502	99	1337	204	1132	6051	171	9415	9303	9349 exclusively from 2-7-17 onward
Q2 2017	April thru June	6/30/2017 0	77				1948	3714	98	4130	4130	102	1425						15601	15601 Only AGI D#2 in use
Q3 2017	July thru September	9/30/2017 0	80				2196	3583	98	4120	4120	108							15735	15735 Only AGI D#2 in use
Q4 2017	October thru December	12/30/2017 0	66		191		2267 2249	3481 3402	98	3800 4460	3800 4460	104				6093 6118	166 165		14512 16663	14512 Only AGI D#2 in use 16663 Only AGI D#2 in use
Q1 2018 Q2 2018	January thru March April thru June	3/30/2018 0 6/30/2018 0	65		135	-80	2249	3402	98	4460	4460	104				6118	165		15979	15979 Only AGI D#2 in use
Q3 2018	July thru September	9/30/2018 0	81	- 10	111		2280	3305	98	4230		106							17339	17339 Only AGI D#2 in use
Q4 2018	October thru December	12/30/2018 0	67		60		2285	3274	98	5340	5340	104					165		20394	20394 Only AGI D#2 in use
Q1 2019	January thru March	3/30/2019 0	70	3	62	-59	2285	3274	98	7100	7100	103	1558	526	1032	6193	163	0	26526	26526 Only AGI D#2 in use
Q2 2019	April thru June	6/30/2019 0	87		57	-51	2285	3274	98	6290	6290	120				6193	168		23761	23761 Only AGI D#2 in use
Q3 2019	July thru September	9/30/2019 0	94		60	-52	2285	3274	98	4512	4512	119							17232	17232 Only AGI D#2 in use
Q4 2019 Q1 2020	October thru December January thru March	12/30/2019 0 3/30/2020 0	77		43	-38 -29	2285 2285	3274 3274	98 98	6820 5890	6820 5890	121 121				6275 6271	169 169		26046 22250	26046 Only AGI D#2 in use 22250 Only AGI D#2 in use
02 2020	April thru June	6/30/2020 0	75		24		2285	3274	98	4280		121							16168	, , , , , , , , , , , , , , , , , , , ,
Q3 2020	July thru September	9/30/2020 0	93		18		2285	3274	98	5950		117							22723	22723 Only AGI D#2 in use
Q4 2020	October thru December	12/30/2020 0	79	4	16	-12	2285	3274	98	4810	4810	119	1725	100	1625	6282	167	0	18370	18370 Only AGI D#2 in use
Q1 2021	January thru March	3/30/2021 0	74	. 2	306	-304	2285	3274	98	5030	5030	119	1742	234	1508	6301	167	0	18792	18792 Only AGI D#2 in use
Q2 2021	April thru June	6/30/2021 0	87		311		2285	3274	98	5370	5370	117							20285	20285 Only AGI D#2 in use
Q3 2021	July thru September	9/30/2021 0	90		312		2285	3274	98	4410	4410	116				6328	167		16842	16842 Only AGI D#2 in use
Q4 2021	October thru December	12/30/2021 0	82	· ·	304		2285	3274	98	4430		115							16918	16918 Only AGI D#2 in use
Q1 2022 Q2 2022	January thru March April thru June	3/30/2022 0 6/30/2022 0	73 91	_	303		2285 2285	3274 3274	98 98	5920 3810	5920 3810	119 120					167		27055 17606	27055 Only AGI D#2 in use 17606 Only AGI D#2 in use
Q2 2022 Q3 2022	July thru September	9/30/2022 0	91		315		2285	3274	98	3910	3910	119							18267	17606 Only AGI D#2 in use 18267 Only AGI D#2 in use
Q4 2022	October thru December	12/30/2022 0	82		304		2285	3274	98	4430	4430	115				6345	166		20696	20696 Only AGI D#2 in use
Q1 2023	January thru March	3/31/2023 0	75	3	309		2285	3274	98	7950	7950	123					168	0	36597	36597 Only AGI D#2 in use
Q2 2023	April thru June	6/30/2023 0	95		319	~	2285	3274	98	8030		120					167		37375	37375 Only AGI D#2 in use
Q3 2023	July thru September	9/30/2023 0	104		321		2285	3274	98	6540		115					165		30743	30743 Only AGI D#2 in use
Q4 2023	October thru December	12/31/2023 0	80		313		2285	3274	98	6210	6210	115							29238	29238 Only AGI D#2 in use
Q1 2024 Q2 2024	January thru March April thru June	3/31/2024 0 6/30/2024 0	75 96		313 321		2285 2285	3274 3274	98 98	5919 3721	5919 3721	115 116					164 166		27540 17258	27540 Only AGI D#2 in use 17258 Only AGI D#2 in use
Q2 2024 Q3 2024	July thru September	9/30/2024 0	102		321	-313	2285	3274	98	5006	5006	116				6631	165		22931	22931 Only AGI D#2 in use
Q4 2024	October thru December	12/31/2024 0	82		316		2285	3274	98	4530		122							20998	20998 Only AGI D#2 in use
		, , , , , , , , , , , , , , , , , , , ,	0.2					/-		.250		122		113	_,,,,,,	1000	103			
Average for 2024		0	89	7	318	-312	2285	3274	98	4794	4794	118	1909	296	1613	6617	165	0	22182	22182
Standard Deviation for 2024		0	11		4	2	0	0	0	796		3	37			29		. 0	3705	3705
Average for Entire Period		372					2242	3404	98	5124		114								
Standard Deviation Entire Period	od	948	10	766	123	822	99	274	2	1261	1424	7	173	151	. 227		or 2024 (Metric ton)	-		

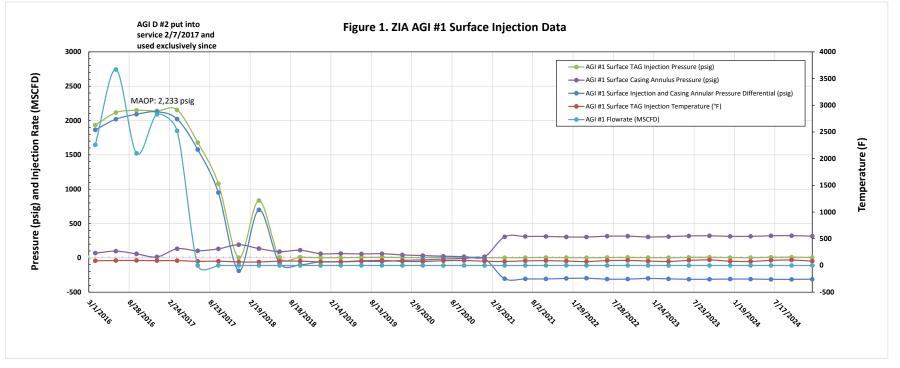
Total for 2024 (Metric ton) 0.0 88728 88728 Total for Entire Period<sup>1</sup> (Metric ton) 50643.8 677743 719018 2024 Carbon Credit in USD (\$85/ton) \$ - \$ 7,541,881.11 \$ 7,541,881.11

<sup>1</sup> - assumed 80:20 for 2016-2021

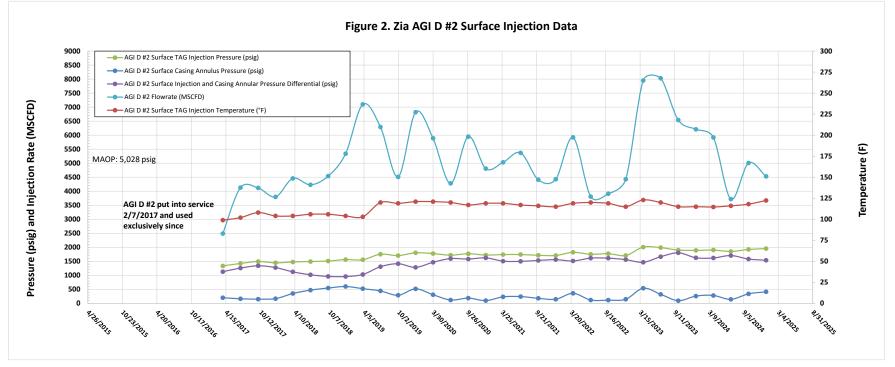
0.80 <sup>2</sup> - 2022 calculated from data provided by Greg Schmidt for July-Sept, Dec 2022 0.98

Flowrate per hour x CO2 percent x days in quarter x convert to scf / scf to tons x tons to metric tons

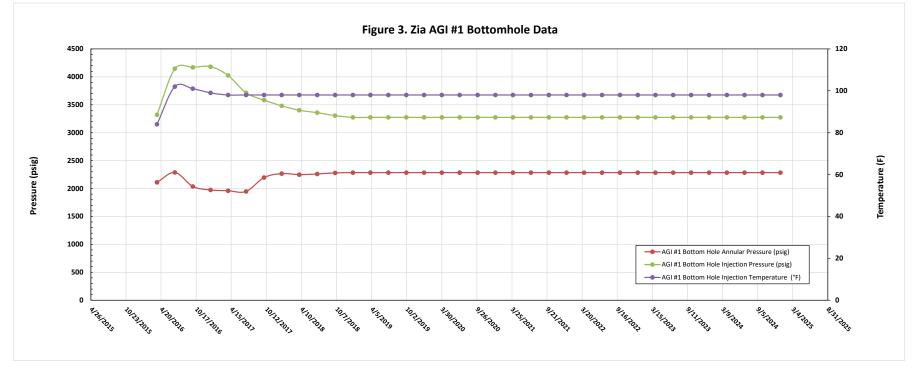
SCF to MSCF 1000 SCF = 1 MSCF



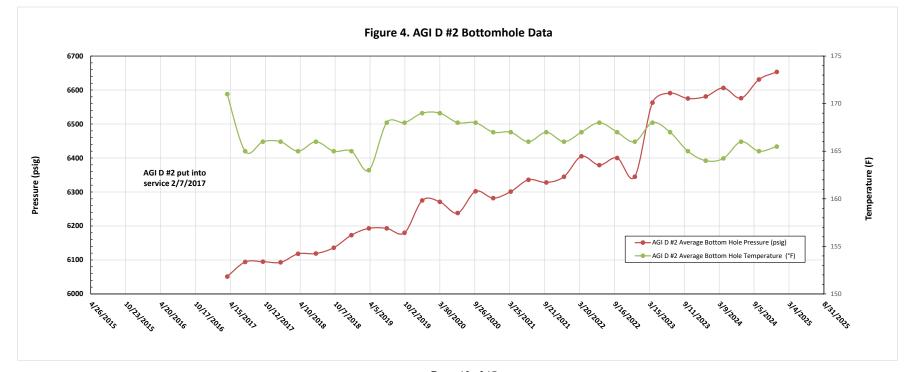
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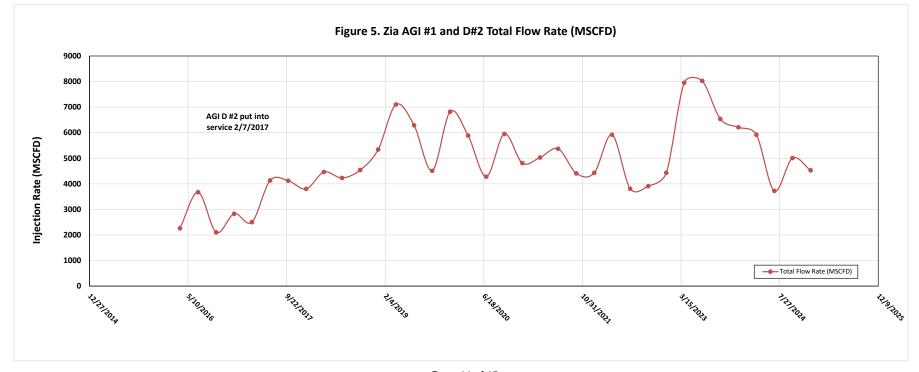


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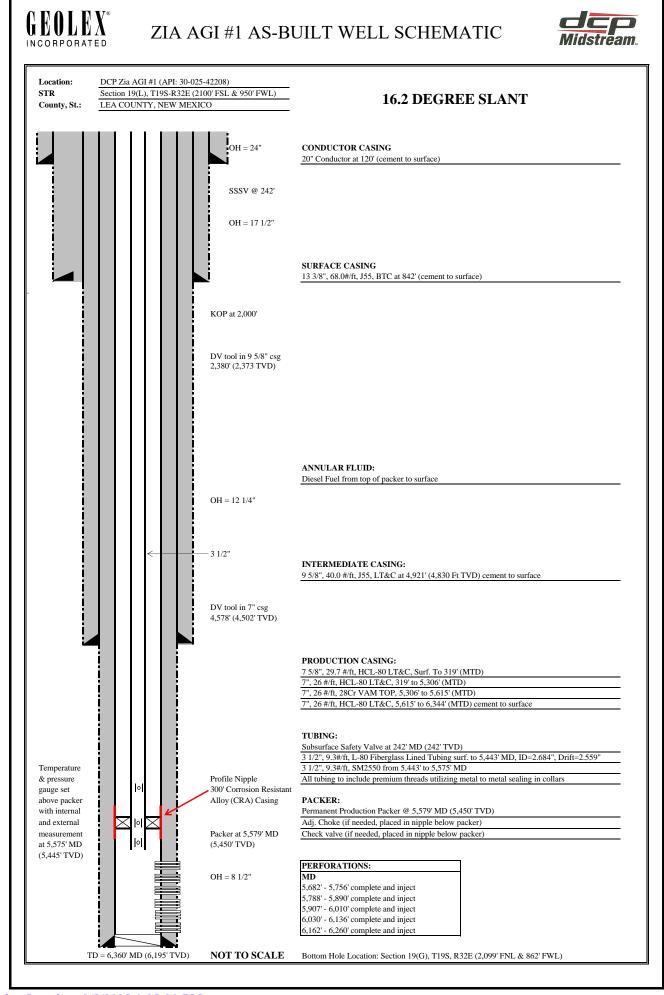


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### WELL SCHEMATICS

Zia AGI #1 API# 30-025-42208

Zia AGI D #2 API# 30-025-42207



### DCP Zia AGI D #2 As-Built Well Schematic

 Well Name:
 Zia AGI D #2

 API:
 30-025-42207

STR: Sec. 19(L), T19S-R32E

County, St.: Lea County, New Mexico

**Footage:** 1893' FSL & 950' FWL

Well Type: Devonian AGI Expl.

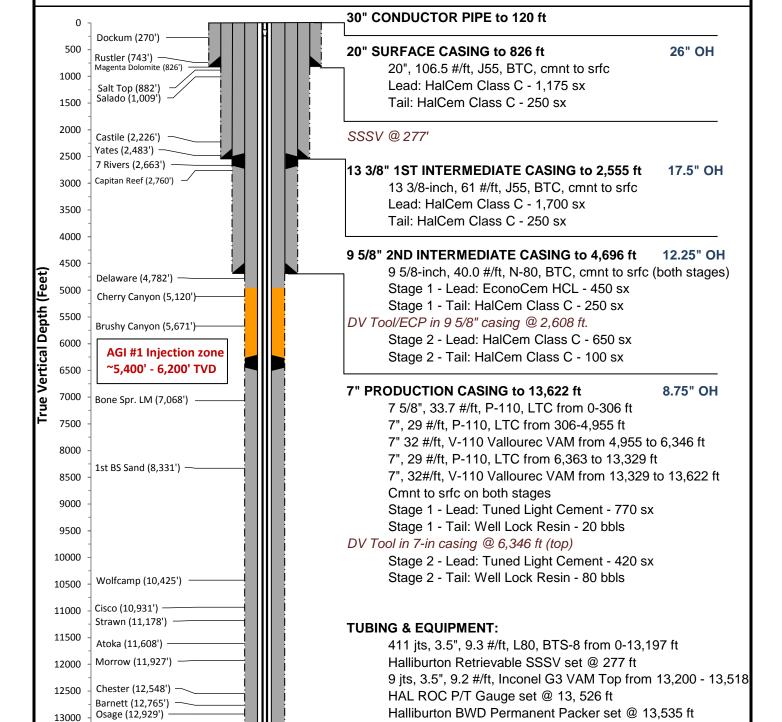
**KB/GL:** 3574'/3547'

**Lat, Long:** 32.643950, -103.777782

Annulus filled with 500 bbls diesel mixed with 1% (5 bbls)

Baker CRO 381 corrosion inhibitor

TD Location: Sec. 19, T19S-R32E (1963' FSL & 1024' FWL)



Released to Imaging: 8/5/2025 1:05:20 PM

Woodford (13,499')

Devonian (13,625') Wristen (13,797') —

Fusselman (13,972') — Montoya (14,371') —

Schematic is properly scaled

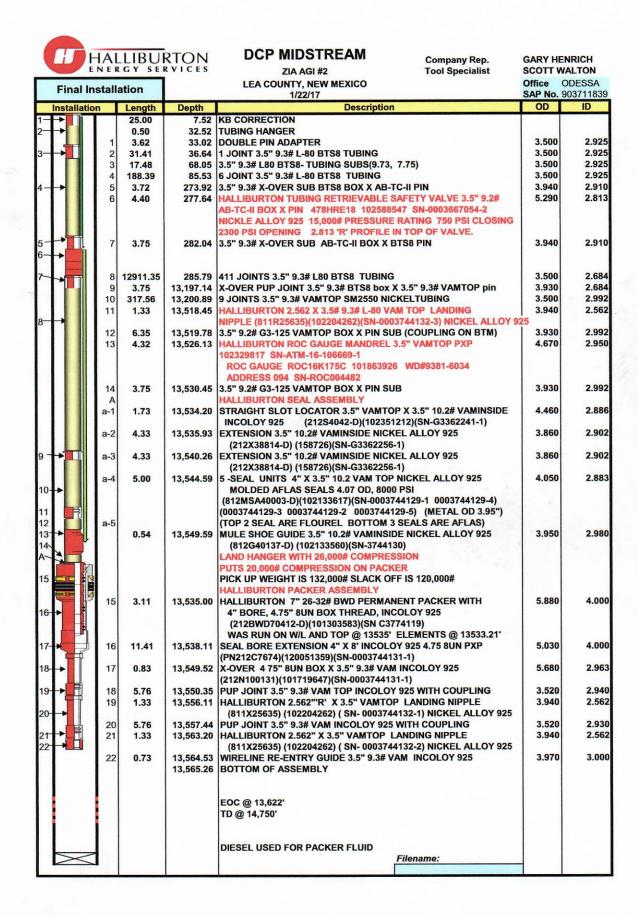
TD at 14,750 feet

13500

14000

14500 15000

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Sante Fe Main Office Phone: (505) 476-3441 General Information

Phone: (505) 629-6116

Online Phone Directory <a href="https://www.emnrd.nm.gov/ocd/contact-us">https://www.emnrd.nm.gov/ocd/contact-us</a>

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

CONDITIONS

Action 425159

### **CONDITIONS**

Operator:	OGRID:
DCP OPERATING COMPANY, LP	36785
2331 Citywest Blvd	Action Number:
Houston, TX 77042	425159
	Action Type:
	[C-103] Sub. General Sundry (C-103Z)

### CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	8/5/2025