

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
NM OIL CONSERVATION
ARTESIA DISTRICT
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

RECEIVED		WELL API NO. 30-015-24308
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 PROPOSALS.)		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		6. State Oil & Gas Lease No. 23900
2. Name of Operator VERNON E. FAULCONER, INC.		7. Lease Name or Unit Agreement Name STATE K 3328
3. Address of Operator P.O. BOX 7995 TYLER, TX 75711		8. Well Number 1
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>2080</u> feet from the <u>SOUTH</u> line Section <u>36</u> Township <u>23S</u> Range <u>26E</u> NMPM County <u>EDDY</u>		9. OGRID Number 148394
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3217.8' GL		10. Pool name or Wildcat CARLSBAD, MORROW SOUTH

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input checked="" type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	

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.

Well Shut In due to Force Majeure notice from Transwestern Pipeline Company & DCP. See Attached Documents. According to the notice, the original timeline for coming back online was set to be February 1, 2016, but our DCP contact has advised us that Transwestern is saying the completion date for the repairs is "indefinite".

SI date 12-11-2015

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 01 2016

RECEIVED

Spud Date:

Rig Release Date:

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

SIGNATURE Karen Charles TITLE PRODUCTION ANALYST DATE 01/29/2016

Type or print name KAREN CHARLES E-mail address: KCHARLES@VEFINC.COM PHONE: 903-581-4382

For State Use Only

APPROVED BY: [Signature] TITLE Dist. Supervisor DATE 2/2/2016

Conditions of Approval (if any):

Notice Type Description:	Force Majeure
Notice Identifier:	54856
Critical Notice Description:	Critical notice
Posting Date/Time:	Dec 22 2015 10:28AM
Notice Status Description:	Supersede
Required Response Indicator Description:	No response required
Response Date/Time:	
TSP:	7933047
TSP Name:	TRANSWESTERN PIPELINE COMPANY, LLC
Notice Effective Date/Time:	Dec 22 2015 10:18AM
Notice End Date/Time:	Feb 1 2016 8:59AM
Notice Text:	<p>December 22, 2015</p> <p>To: All Transwestern Pipeline Customers</p> <p>Subject: Crawford Lateral - Force Majeure Event</p> <p><u>Revision 1 - In-service date has been extended to February 1, 2016. Please see underlined below.</u></p> <p>Due to ILI results on the Crawford Lateral, Transwestern has isolated the pipeline to perform anomaly repairs.</p> <p>Therefore, effective December 11, 2015, the total capacity for the Crawford Lateral will be reduced from 60,000 MMBtu/d to 0 MMBtu/d.</p> <p>The following interconnects will be limited to no flow:</p> <p>Agave Hardstick: POI - 78395 DCPCrawford: POI -500267</p> <p><u>Based on currently available information, the estimated in-service date for the Crawford Lateral has been extended to February 1, 2016.</u></p> <p>Transwestern reserves the right to revise the estimated in-service date for the Crawford Lateral. Please continue to monitor Transwestern's website for updates and schedule changes.</p>
Reason:	



DCP Midstream
5718 Westheimer Road
Suite 1900
Houston, TX 77057
713-735-3600

January 13, 2016

Vernon E. Faulconer
Attn: Julie Lippman
P. O. Box 7995
Tyler, TX 75711

RE: DCP Avalon System - Force Majeure Event
DCP's File No. BIG002000*, Meter No. 38199562,
State K 33 #1 Lease

Dear Ms. Lippman,

This is to inform you that due to ILI results on the Transwestern Pipeline Crawford Lateral, Transwestern has isolated the pipeline to perform anomaly repairs. Therefore, effective December 11, 2015, Transwestern has limited the total capacity for the Crawford Lateral from 60,000 MMBtu/d to 0 MMBtu/d.

The following interconnects will be limited to no flow:

DCP Crawford: POI -500267

This action has caused DCP to curtail takes into our Avalon Gas Gathering System. Based on currently available information, the estimated in-service date for the Crawford Lateral and DCP's return to gas takes is February 1, 2016.

DCP reserves the right to revise the estimated in-service date for the Avalon System. We will continue to monitor Transwestern's website for updates and schedule changes, and will keep you updated regarding the return to service of the Avalon system.

We thank you for your commitment to DCP and regret any burden this shutdown places on you, your company, and its operations. If you have additional questions, please contact Thomas Frisbie at the (713) 268-7498.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Griesinger".

David A. Griesinger
Managing Director

Karen Charles

From: Diane Burnett
Sent: Thursday, January 28, 2016 4:40 PM
To: Karen Charles; Robbie Anglin
Subject: FW: DCP Force Majeure - State CDP; Burton Ranch CP; Hackberry Hills, Eddy County, NM
Attachments: DCPNMShutInDec15.xlsx

From: Julie Lippman
Sent: Monday, January 25, 2016 1:43 PM
To: Jean Crawley; Tom Markel; Wentzel Bouwer; Diane Burnett; Raymond Wells; Clay Alexander; Cindy Boatman; Buddy Sloan
Cc: David Enright
Subject: DCP Force Majeure - State CDP; Burton Ranch CP; Hackberry Hills, Eddy County, NM

To All:

I thought it would be beneficial to prepare one clean email with all of the following information. If there is anyone that is not listed and should be included on the distribution, please let me know.

Raymond has confirmed that the Burton Ranch CP and Hackberry Hills #1 sales meters have been shut-in by DCP due to the Transwestern (downstream pipeline) repairs (the same reason the State CDP has been shut-in). I have requested DCP to provide a force majeure letter to cover these meters also. The State CDP was shut in 12/11/15 and the Hackberry Hills #1 was shut in 12/12/15; neither point has had sales since these dates. The Burton Ranch CP was shut in 12/18/15-12/29/15. DCP then allowed us to flow this meter to pack the line. DCP shut in the meter again on 1/9/16 and it has not flowed since this date. I have attached a spreadsheet with this information also.

My DCP supply rep advised that Transwestern said the completion date for the repairs is "indefinite". According to Raymond, the DCP production foreman said it would be "next year" and that DCP was looking for alternative markets. I have requested my rep to provide me with any updates as he receives them. Raymond is also looking for alternative markets for the wells.

I will continue to keep everyone updated as I receive information and have Raymond to do the same. If you need any additional information at this time, please let me know.

Julie Lippman

Marketing Manager
Vernon E. Faulconer, Inc.
Phone 214.706.9010
Fax 214.706.9011
jlippman@vefinc.com