

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

HOBBS OCD
FEB 06 2017
RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION	8. Well Name and No. ZIA AGI D 2
2. Name of Operator DCP MIDSTREAM, LP Contact: ALBERTO A GUTIERREZ E-Mail: aag@geolex.com	9. API Well No. 30-025-42207
3a. Address 370 17TH STREET SUITE 2500 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 505-842-8000
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T19S R32E Mer NMP NWSW 1893FSL 950FWL 32.643951 N Lat, 103.811116 W Lon	10. Field and Pool or Exploratory Area DEVONIAN EXPL.
	11. County or Parish, State LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Hydraulic Fracturing
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

On December 29, 2016 a step rate test (SRT) was successfully completed at the DCP Zia AGI D #2 well. The BLM Carlsbad Hotline and Mr. Paul Swartz were notified, and elected not to observe. The NMOCD Hobbs District Office was also notified as a courtesy and elected to not observe. The injection zone between 13,622 and 14,750 feet was tested. The BLM-provided SRT data forms (Attachment 1) have been provided for synchronized surface and formation pressure measurements recorded by Halliburton and Schlumberger. The bottom-hole pressure and surface pressures are overlain on a single graph included in Attachment 2.

The timing of the surface and bottom hole pressure sensors were synchronized, and all of the bottom hole data were recorded continuously at 5 minute intervals within each step. The Schlumberger P/T data is included in Attachment 4. The injection rate for each step was increased instantaneously and held constant for 30 minutes at each step, as shown in the surface injection rates recorded by

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #363439 verified by the BLM Well Information System
For DCP MIDSTREAM, LP, sent to the Hobbs
Committed to AFMSS for processing by PAUL SWARTZ on 01/26/2017 ()**

Name (Printed/Typed) ALBERTO A GUTIERREZ	Title CONSULTANT TO DCP MIDSTREM, LP
Signature (Electronic Submission)	Date 01/10/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD
JAN 26 2017
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2) **** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

KS

Additional data for EC transaction #363439 that would not fit on the form

32. Additional remarks, continued

Halliburton and Geolex (Attachment 1). The synchronicity of the surface and downhole data were confirmed with the observation of the immediate rate and pressure drop at the surface and at the formation when a needle valve in the lubricator caused a 2.5 minute shutdown shortly after the initiation of step 8 (Attachment 4).

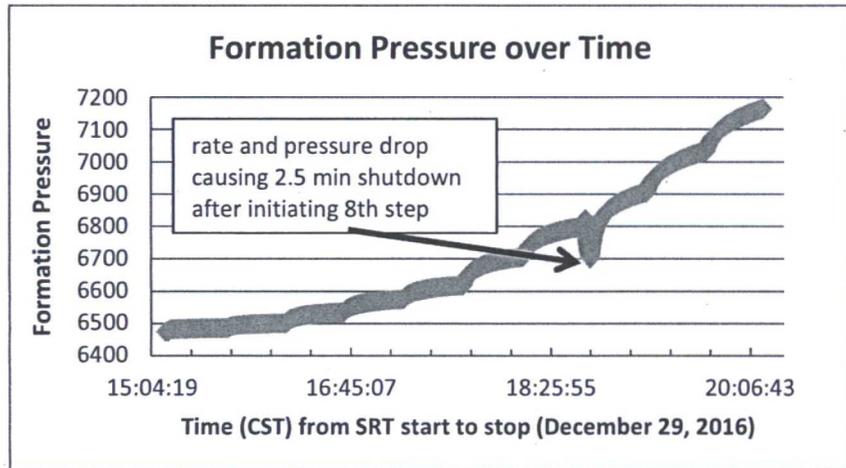
The surface pressure was 86 psig prior to pumping step 1 at 0.25 barrels per minute (bpm) using 8.35 lb/gal fresh water. Maximum surface pressures of 662 psig and 927 psig, respectively were observed in the 7th and 8th steps (4.0 and 5.0 bpm) bracketing the maximum permitted injection rate of 4.4 bpm. The temperature survey demonstrates the majority of fluids were in the upper portions (13,622 ? 13,880 feet) of the injection zone. Three additional steps, of greater injection rate, were conducted following the maximum permitted injection rate of 4.3 bpm. These additional steps were used to help evaluate reservoir injection potential. The maximum surface pressures reached during the last two steps (steps 9 and 10) were 1,253 psig at 6.0 bpm and 1,613 psig at 7.0 bpm.

The SRT did not reach a break-over point, and the formation parting pressure was not reached during the test; even at the highest pumping rate above the maximum permitted injection rate. This is shown by the observed surface or formation pressures, and has a linear fit coefficient in excess of 0.98 (Attachment 3). The NMOCD-approved MAOP for treated acid gas is 5,028 psig at the rate of 15 MMSCFD, which at bottom-hole P/T conditions is approximately 4.4 BPM of liquid treated acid gas (TAG). The anticipated pressure required to inject this volume is estimated to be between 1,400 and 1,800 psig. A preliminary warm-back analysis shows permeable zones between approximately 13,622 ? 13,880 feet, 14,200 ? 14,400 feet, and 14,530 - 14,630 feet (Attachment 5).

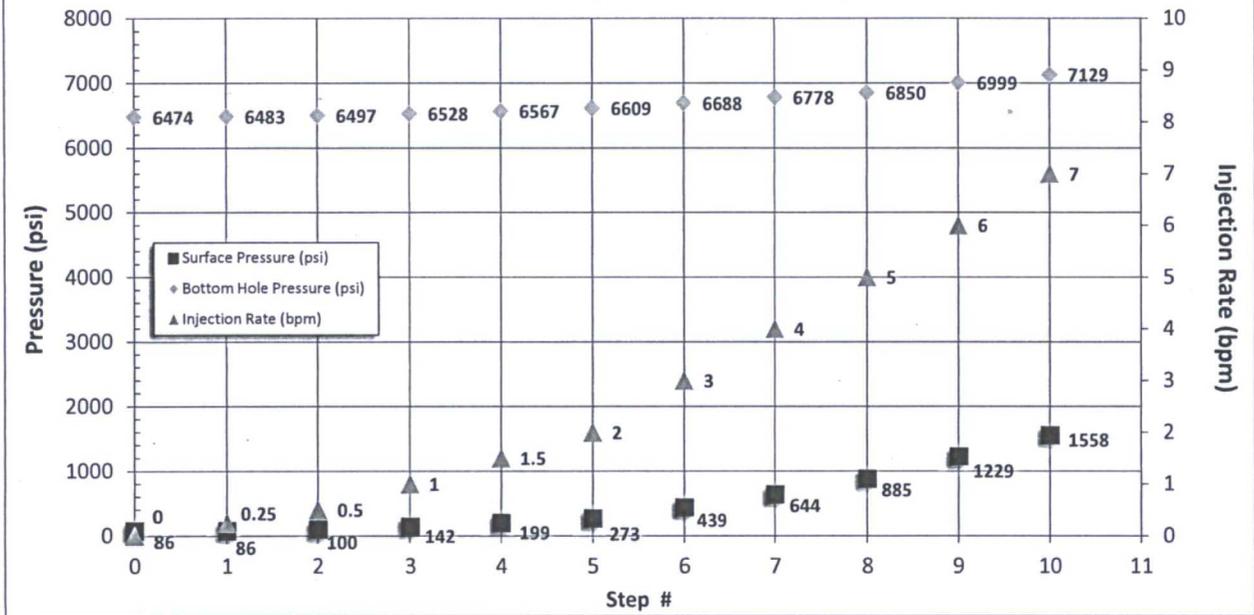
This SRT fulfills the requirement of the BLM Conditions of Approval for DCP Zia AGI D #2 dated September 7, 2016 and NMOCC Order R-14207, and demonstrates the Zia AGI D #2 well can be safely operated at pressures well below the approved MAOP. DCP is not requesting an MAOP increase at this time for this well. Required continuous surface and bottom-hole pressure monitoring will assure fracture pressure is never exceeded for this well.

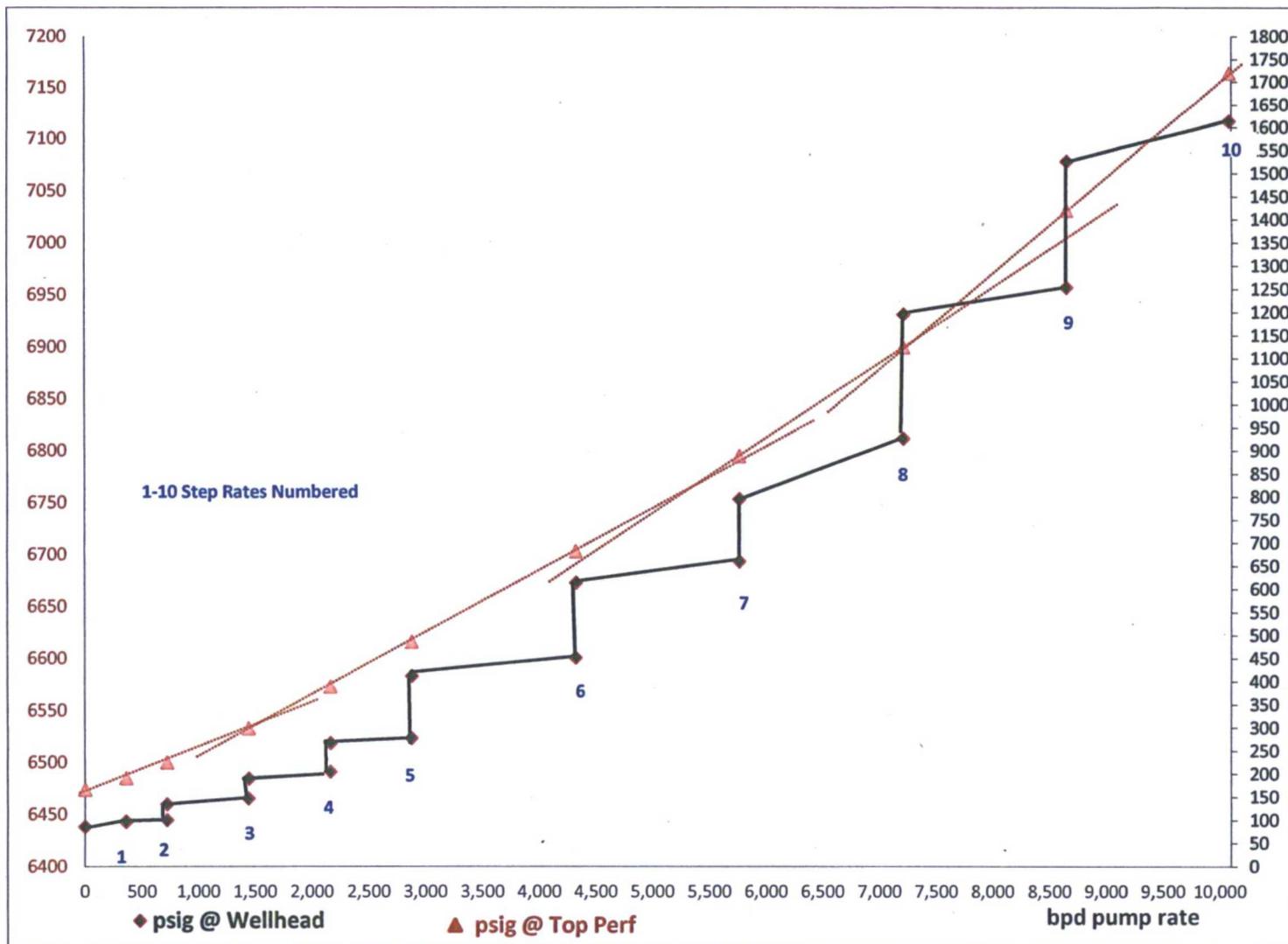
Reservoir :
 Field/Pool : AGI
 Well Location :
 Well Name : ZIA AGI #D2
 Formation Name :
 Client Name : Concho Resources
 Test Name : Step Rate Test
 Gauge S/N : 5410

Date	Time(CST)	Press	Temp	"Event"
yyyy-mm-dd	hh:mm:ss	psia	degF	
12/29/2016	15:11:29	6474.37	8 199.72	3
12/29/2016	15:11:32	6474.38	0 199.72	3 "Start SRT @ .25 bbl/min"
12/29/2016	15:11:32	6474.38	0 199.72	3
12/29/2016	15:11:35	6474.38	1 199.72	3
12/29/2016	15:11:38	6474.38	4 199.72	3
12/29/2016	15:11:41	6474.38	8 199.72	3
12/29/2016	15:11:44	6474.39	6 199.72	3
12/29/2016	15:11:47	6474.4	5 199.72	3
12/29/2016	15:11:50	6474.41	7 199.72	3
12/29/2016	15:11:53	6474.42	8 199.72	3
12/29/2016	15:11:56	6474.44	4 199.72	3
12/29/2016	15:11:59	6474.45	8 199.72	3
12/29/2016	15:12:02	6474.47	0 199.72	4
12/29/2016	15:12:05	6474.48	0 199.72	4
12/29/2016	15:12:08	6474.48	8 199.72	5
12/29/2016	15:12:11	6474.49	4 199.72	5
12/29/2016	15:12:14	6474.49	8 199.72	5
12/29/2016	15:12:17	6474.5	5 199.72	6
12/29/2016	15:12:20	6474.5	3 199.72	6
12/29/2016	15:12:23	6474.5	2 199.72	6
12/29/2016	15:12:26	6474.5	2 199.72	6
12/29/2016	15:12:29	6474.5	2 199.72	7
12/29/2016	15:12:32	6474.52	1 199.72	7
12/29/2016	15:12:35	6474.52	5 199.72	7
12/29/2016	15:12:38	6474.67	4 199.72	7
12/29/2016	15:12:41	6474.43	0 199.72	7
12/29/2016	15:12:44	6474.62	9 199.72	7
12/29/2016	15:12:47	6474.74	3 199.72	7
12/29/2016	15:12:50	6474.65	4 199.72	7
12/29/2016	15:12:53	6476.07	8 199.72	7
12/29/2016	15:12:56	6477.45	9 199.72	7
12/29/2016	15:12:59	6477.35	0 199.72	7
12/29/2016	15:13:02	6477.31	6 199.72	7
12/29/2016	15:13:05	6478.06	7 199.72	7
12/29/2016	15:13:08	6478.84	6 199.72	7
12/29/2016	15:13:11	6478.93	7 199.72	7
12/29/2016	15:13:14	6478.94	1 199.72	7
12/29/2016	15:13:17	6479.36	6 199.72	7
12/29/2016	15:13:20	6479.62	9 199.72	8
12/29/2016	15:13:23	6479.37	6 199.72	8
12/29/2016	15:13:26	6479.03	3 199.72	9
12/29/2016	15:13:29	6479.44	3 199.72	9
12/29/2016	15:13:32	6479.81	4 199.72	9
12/29/2016	15:13:35	6479.87	8 199.73	0
12/29/2016	15:13:38	6479.82	6 199.73	0
12/29/2016	15:13:41	6480.11	6 199.73	1
12/29/2016	15:13:44	6480.45	1 199.73	1
12/29/2016	15:13:47	6480.47	9 199.73	1
12/29/2016	15:13:50	6480.39	2 199.73	2
12/29/2016	15:13:53	6480.67	2 199.73	2
12/29/2016	15:13:56	6480.89	6 199.73	2
12/29/2016	15:13:59	6480.93	6 199.73	2
12/29/2016	15:14:02	6481	7 199.73	2
12/29/2016	15:14:05	6481.12	1 199.73	2
12/29/2016	15:14:08	6481.28	5 199.73	2
12/29/2016	15:14:11	6481.29	3 199.73	2
12/29/2016	15:14:14	6481.43	5 199.73	2
12/29/2016	15:14:17	6481.57	9 199.73	2
12/29/2016	15:14:20	6481.69	5 199.73	2
12/29/2016	15:14:23	6481.76	1 199.73	3
12/29/2016	15:14:26	6481.84	0 199.73	3
12/29/2016	15:14:29	6481.97	3 199.73	3
12/29/2016	15:14:32	6482.06	9 199.73	3
12/29/2016	15:14:35	6481.94	9 199.73	4
12/29/2016	15:14:38	6481.94	3 199.73	4



Pressure and Injection Rate Per Step





Data collected: 12/29/16
 Operator: DCP Midstream, LP
 Well: ZIA AGI-D2
 Sfc Loc: T19S-R32E, 19.1900s950w
 API#: 3002542207
 Lease: NM0149956
 Order: R-14207, 08/25/2016
 Pkr @: 10000
 Tbg ID: 2.9920
 Frmtn: Devonian, Silurian, Fusselman
 Top Inj: 13755
 Btm Inj: 14750

	Pmp bpm	Pmp bpd	psig @ Top perf	psig @ Wellhead
Beg (w/static psig)	0.0	0	6474	86
Stablized Step 1	0.3	360	6485	96
Beg Step 2, Sfc	0.3	360		97
Stablized Step 2	0.5	720	6500	100
Beg Step 3, Sfc	0.5	721		134
Stablized Step 3	1.0	1440	6533	147
Beg Step 4, Sfc	1.0	1441		190
Stablized Step 4	1.5	2160	6573	205
Beg Step 5, Sfc	1.5	2161		267
Stablized Step 5	2.0	2880	6616	278
Beg Step 6, Sfc	2.0	2881		412
Stablized Step 6	3.0	4320	6703	452
Beg Step 7, Sfc	3.0	4321		614
Stablized Step 7	4.0	5760	6795	660
Beg Step 8, Sfc	4.0	5761		795
Stablized Step 8	5.0	7200	6900	927
Beg Step 9, Sfc	5.0	7201		1196
Stablized Step 9	6.0	8640	7031	1253
Beg Step 10, Sfc	6.0	8640		1526
Stablized Step 10	7.0	10080	7164	1613

Downhole pressure data shows a 3 min drop from 6822 to 6701 on pge 55 -56 of the data with noted clock times of 18:43 to 18:46. The DH pressure was regained at 18:51. A surface leak was reported to be the cause. Downhole pressure was not available on the surface to enable the rate to be maintained and the test to be restarted at the time downhole pressure was regained. The incident hinders coordination of surface rate change times with downhole pressure times. That being said, the data does not indicate that formation fracture pressure was attained by the stabilized Step 10 rate of 7bpm or 294gpm.

Should the need arise for the well's BHP to be increased above 7164psig, another SRT to establish formation frac pressure is in order. Fresh water was used for the test with a fluid density different than that of the acid gas to be disposed with viable consideration for safe procedures.

STEP RATE TEST DATA for BLM. CFO

Operator: DCP Midstream, LP Well: ZIA AGI-D2
 API#: 3002542207 Lease: NM0149956
 Data Collection Date: 12/29/2016 Sfc Loc: T19S-R3E, 19.1900s950w
 < Cell(s) for Input < Cell(s) that are Calculated by Excel
 Tbg O.D.: 3 1/2 Tbg Wt.: 9.20 Grade: L-80 Pipe I.D.: **2.992** Packer at: **10000**
 Top Injection Depth: **13,755** X 0.20psig/ft = Generic Surface Injection psig: **2751**
 Beginning Wellhead psig: **86** Msrd No Flow Formation psig: **6474** at Depth of: **14662**
 Testing Wtr measured wth Mud Wt Scale - lbs/gal: Calc Production Water - lbs/gal: **8.4**
 Target Maximum Rate bpd (barrels per day): **7200**
 Minimum Bbls of Disposal Production Water to be on Location for S. R. T.: **803**

1. Take a charted record of shut in psig for no less than 48 hours. If the wellhead shut in psig is not less than the approved injection pressure, bled the wellhead pressure below 0.2psig/ft x depth at top of injection before beginning the Step Rate Test.
2. Perform a min of 7 steps, recording the rate to $\pm 1/10$ bpm, surface and down hole pressures to ± 10 psig in five minute intervals on the surface. The first two psig(s) must be below 0.2psig/ft x top injection depth.
3. The last two five minute surface pressure readings of each (minimum 30 minute) step are to be within 15psig of each other. And the last two five minute formation pressure readings of each (minimum 30 minute) step are to be within 15psig of each other. If either are not, continue 5 minute readings. Record the (surface pressure, formation pressure, & rate) of the last reading as the Data Point for that Step.

Step 1								
10 Step Test Rate ($\pm 05\%$ of maximum bpd/1440 = 0.25)								
7 Step Test Rate (05% of maximum bpd/1440 = 0.25 bpm for Step 1)								
Step 1 data at:	5 min	10 min	15 min	20 min	25 min	30 min	Start Time:	
Surface (psig):	86	86	86	86	85	86		
Formation (psig)	6482	6483	6483	6484	6484	6485		@ bpd: 360
bpm:	0.25	0.25	0.25	0.25	0.25	0.25		Data Point #1
Step 1 data at:	35 min	40 min	45 min	50 min	25 min	60 min		
Surface (psig):							Sfc psig:	96
Formation (psig):							F psig:	6485
bpm:							@ bpm:	0.25

Step 2								
10 Step Test Rate ($\pm 10\%$ of maximum bpd/1440 = 0.5)								
7 Step Test Rate (10% of maximum bpd/1440 = 0.5 bpm for Step 2)								
Step 2 data at:	5 min	10 min	15 min	20 min	25 min	30 min	@ bpd: 720	
Surface (psig):	97	99	100	101	100	100		
Formation (psig):	6493	6496	6497	6499	6499	6500		Data Point #2
bpm:	0.50	0.50	0.50	0.50	0.50	0.50		
At bpm Rate:	35 min	40 min	45 min	50 min	25 min	60 min		
Surface (psig):							Sfc psig:	100
Formation (psig):							F psig:	6500
bpm:							@ bpm:	0.50

Step 3								
10 Step Test Rate ($\pm 20\%$ of maximum bpd/1440 = 1.0)								
7 Step Test Rate (20% of maximum bpd/1440 = 1.0 bpm for Step 3)								
Step 3 data at:	5 min	10 min	15 min	20 min	25 min	30 min	@ bpd: 1440	
Surface (psig):	134	138	142	141	142	152		
Formation (psig):	6517	6524	6528	6531	6533	6534		Data Point #3
bpm:	1.00	1.00	1.00	1.00	1.00	1.00		
Step 3 data at:	35 min	40 min	45 min	50 min	25 min	60 min		
Surface (psig):							Sfc psig:	147
Formation (psig):							F psig:	6533
bpm:							@ bpm:	1.00

STEP RATE TEST DATA for BLM, CFO

Operator: DCP Midstream, LP

Well: ZIA AGI-D2

API#: 3002542207

Lease: NM0149956

Data Collection Date: 12/29/2016

Sfc Loc: T19S-R32E, 19.1900s950w

Step 4						
10 Step Test Rate ($\pm 30\%$ of maximum bpd/1440 = 1.5						
7 Step Test Rate (40% of maximum bpd/1440 = 2.0 bpm for Step 4						
Step 4 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):	190	195	197	199	203	211
Formation (psig):	6554	6562	6567	6570	6572	6575
Rate bbl/min:	1.50	1.50	1.50	1.50	1.50	1.50
Step 4 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						@ bpd: 2160
						<u>Data Point #4</u>
						Sfc psig: 205
						F psig: 6573
						bpm: 1.5

Step 5						
10 Step Test Rate ($\pm 40\%$ of maximum bpd/1440 = 2.0						
7 Step Test Rate (60% of maximum bpd/1440 = 3.0 bpm for Step 5						
Step 5 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):	267	270	272	275	275	279
Formation (psig):	6595	6604	6609	6612	6615	6617
bpm:	2.00	2.00	2.00	2.00	2.00	2.00
Step 5 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						@ bpd: 2880
						<u>Data Point #5</u>
						Sfc psig: 278
						F psig: 6616
						bpm: 2.0

Step 6						
10 Step Test Rate ($\pm 60\%$ of maximum bpd/1440 = 3.0						
7 Step Test Rate (80% of maximum bpd/1440 = 4.0 bpm for Step 6						
Step 6 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):	412	428	449	442	453	452
Formation (psig):	661	6679	6688	6695	6701	6705
Rate bbl/min:	3.00	3.00	3.00	3.00	3.00	3.00
Step 6 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						@ bpd: 4320
						<u>Data Point #6</u>
						Sfc psig: 452
						F psig: 6703
						bpm: 3.0

Step 7						
10 Step Test Rate ($\pm 80\%$ of maximum bpd/1440 = 4.0						
7 Step Test Rate (100% of maximum bpd/1440 = 5.0 bpm for Step 7						
Step 7 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):	614	629	644	655	658	662
Formation (psig):	6748	6766	6778	6786	6793	6798
bpm:	4.0	4.0	4.0	4.0	4.0	4.0
Step 7 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						@ bpd: 5760
						<u>Data Point #7</u>
						Sfc psig: 660
						F psig: 6795
						bpm: 4.0

STEP RATE TEST DATA for BLM, CFO

Operator: DCP Midstream, LP

Well: ZIA AGI-D2

API#: 3002542207

Lease: NM0149956

Data Collection Date: 12/29/2016

Sfc Loc: T19S-R32E,19.1900s950w

Step 8							10 Step Test Rate ($\pm 100\%$ of maximum bpd/1440 = 5.0 bpm for Step 8)	
Step 8 data at:	5 min	10 min	15 min	20 min	25 min	30 min	@ bpd: 7200 Data Point #8	
Surface (psig):	795	860	891	912	923	927		
Formation (psig):	6746	6827	6858	6877	6890	6900		
Rate bbl/min:	5.0	5.0	5.0	5.0	5.0	5.0		
Step 8 data at:	35 min	40 min	45 min	50 min	25 min	60 min	Sfc psig:	927
Surface (psig):							F psig:	6900
Formation (psig):							bpm:	5.0
bpm:								

Step 9							10 Step Test Rate (120% of maximum bpd/1440 = 6.0 bpm for Step 9)	
Step 9 data at:	5 min	10 min	15 min	20 min	25 min	30 min	@ bpd: 8640 Data Point #9	
Surface (psig):	1196	1218	1229	1229	1251	1253		
Formation (psig):	6952	6979	6997	7011	7022	7031		
bpm:	6.0	6.0	6.0	6.0	6.0	6.0		
Step 9 data at:	35 min	40 min	45 min	50 min	25 min	60 min	Sfc psig:	1253
Surface (psig):							F psig:	7031
Formation (psig):							bpm:	6.0
bpm:								

Step 10							10 Step Test Rate (140% of maximum bpd/1440 = 7.0 bpm for Step 10)	
Step 9 data at:	5 min	10 min	15 min	20 min	25 min	30 min	End Time: 19:13 @ bpd: 10080 Data Point #9	
Surface (psig):	1526	1547	1544	1531	1587	1613		
Formation (psig):	7080	7108	7127	7142	7154	7164		
bpm:	7.0	7.0	7.0	7.0	7.0	7.0		
Step 9 data at:	35 min	40 min	45 min	50 min	25 min	60 min	Sfc psig:	1613
Surface (psig):							F psig:	7164
Formation (psig):							bpm:	7.0
bpm:								

Instant Shut In Pressure:

5 minute Shut In Pressure:

10 minute Shut In Pressure:

15 minute Shut In Pressure:

	Surface	Formation	
Instant Shut In Pressure:	1608		psig
5 minute Shut In Pressure:	449		psig
10 minute Shut In Pressure:	394		psig
15 minute Shut In Pressure:	229		psig