

January 26, 2017

Mr. Phillip Goetze  
Petroleum Engineer  
NMOCD  
1220 South St. Francis Drive  
Santa Fe, NM 87501

Via Email and 1<sup>st</sup> Class Mail

RE: NMOCC ORDER # R-14207 DCP ZIA AGI D #2 IMMEDIATE NOTIFICATION PARAMETERS

Dear Mr. Goetze:

Pursuant to the requirement found on page 7 paragraph 6 of the above-referenced order, DCP has discussed the immediate notification parameters for the Zia AGI D#2 with the Hobbs District NMOCD and with your office and are proposing to use identical immediate notification parameters on what we have already successfully implemented on the Zia AGI #1 under NMOCC order R-13809 at this site and at the Linam AGI facility. These proposed parameters will be reviewed after the well is put into service and if changes are required, DCP Midstream LP (DCP) will propose a change to NMOCD within 90 days. If that review indicates that no change in the parameters is warranted then the parameters proposed below will become the final immediate notification parameters..

The intent of immediate notification parameters is to provide NMOCD with an immediate notification (within four hours of detection of variance or exceedance) of a condition that indicates that the integrity of the well is threatened or has resulted in a violation of the operating conditions approved under NMOCC Order R-14207. The monitoring of injection conditions required by the order provide the basis for determining if any of these parameters are outside of an acceptable or approved range that indicates further investigation is needed to ascertain the condition of the well.

The proposed immediate notification parameters are as follows:

1. Exceedance of the approved MAOP of 5028 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.

DCP proposes that if any of the immediate notification parameters is triggered, DCP will notify the Hobbs District Office of the NMOCD by telephone within 12 hours followed by an email notification within 24 hours to both the District and Santa Fe offices of NMOCD. Depending on the nature of the situation, DCP and NMOCD will jointly determine the appropriate steps to be undertaken to resolve the issue.

DCP intends to begin commissioning the well (including injection of TAG into the well) later this month followed by normal operations to begin in February, 2017 following completion and testing of all surface facilities. DCP will integrate the new AGI D#2 well into its required quarterly reporting of injection Mr.

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parameters as required by the above-referenced order and the Zia AGI#1 order (R-13809) after normal operations begin following the startup and commissioning of the plant and the AGI well.

Please advise if these proposed conditions which are fully consistent with the approved immediate notification parameters at DCP's Zia AGI#1 and at the Linam AGI facility are acceptable and approved so we may begin the commissioning and operation of Zia AGI D#2. Thank you in advance for your prompt attention to this matter.

Sincerely,  
Geolex, Inc.

A handwritten signature in black ink, appearing to read 'Alberto A. Gutierrez', with a large, stylized loop at the end.

Alberto A. Gutierrez, RG  
President  
Consultant to DCP Midstream LP

cc: Maxey Brown, NMOCD Hobbs  
Chris Root, DCP Denver  
Paul Tourangeau, DCP Denver  
Tony Canfield, DCP Midland  
Heath Kingham DCP Zia