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1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

	WELL API NO. 30-025-42139
	5. Indicate Type of Lease STATE ☒ FEE ☐
	6. State Oil & Gas Lease No. V07530-0001
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.)	7. Lease Name or Unit Agreement Name Linam AGI
1. Type of Well: Oil Well ☐ Gas Well ☐ Other Acid Gas Injection ☒	8. Well Number #2
2. Name of Operator DCP Midstream LP	9. OGRID Number 36785
3. Address of Operator 370 17th Street, Suite 2500, Denver, CO 80202	10. Pool name or Wildcat AGI:Wolfcamp
4. Well Location Unit Letter K : 1600 feet from the South line and 1750 feet from the West line Section 30 Township 18S Range 37E NMPM County Lea	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3736 GR

12. Check Appropriate Box to Indicate Nature 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 ☒	
DOWNHOLE COMMINGLE ☐		Lower Intermediate Casing to 8,604'	
OTHER.		OTHER: intermediate BOP 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The BOPE was installed on November 3, 2014 and tested on November 4, 2014. All tests were successful and the test charts and BOP Test Diagrams are attached.

The Linam AGI #2 lower intermediate borehole reached TD at midnight on November 29, 2014 at a depth of 8,630'. The caliper log for the lower intermediate (12 ¼- inch) borehole indicate minor washouts from 3,220' to 4,130', 5,000' to 6,500', 6,850 to 7,100, and 7,250' to 7,880'. The caliper log indicated a clean hole from 7,880' to 8,630'. The caliper log from 3,220' to 8,604' is attached to this C-103. The lower intermediate borehole 1st log run was completed at 19:30 on November 30th. The Top of the Abo Formation was determined to be 7,377' based on open-hole geophysical logs and the mud log. Mud logs and geophysical logs are attached. The continual monitoring for H_2S during the drilling of this lower intermediate borehole provided us with a unique opportunity to directly evaluate the integrity of the caprock in the area potentially affected by the Linam AGI#1. There were no confirmed detections of H_2S encountered during drilling or completing the upper intermediate casing section down to 8,630' which is no more than 80' above the top of the injection zone (8,710' in Linam AGI#1). The lack of detection of H_2S provides clear and unambiguous evidence of the integrity of the caprock and the underlying reservoir. In preparation for entering the injection zone, the mud weight will be at least 10ppg to assure that if H_2S is encountered it will be contained and not present a safety hazard. Monitoring for H_2S will continue as the injection zone is entered after drilling out of the 9 5/8-inch lower intermediate casing.

The Linam AGI #2 lower intermediate casing was run starting at 07:00 December 2, 2014, after completing the logging of the open borehole. Casing was set at 8,604' near the base of the Abo Formation. The Linam AGI #2 lower intermediate casing is constructed with 191 joints of 9 5/8 ", 47#, HCL 80 casing from the surface to 8,604'. A schematic of the Linam AGI #2 well design and the as built casing tally is attached.

The lower intermediate casing for the Linam AGI #2 was cemented in three stages. DV Tools were located at depths of 8098.50' and 5720.20', and a packer was located at a depth of 5731.20' (see casing tally sheet). The 1st Stage (Bottom 8,630' - Top 8,100') utilized 225 sx of 15.6 ppg Evercrete cement with a yield of 1.18 cuft/sx (47 bbls). WOC time for the 1st Stage was 30 hrs. The 2nd Stage (Bottom 8,098.5' - Top 3,000') utilized 620 sx of 12 ppg TXI with a yield of 1.67 cuft/sx (184.5 bbls) for Lead and 146 sx, 13.2 ppg TXI with a yield of 1.62 cuft/sx (42.1 bbls) for Tail cement. The 3rd Stage was pumped immediately after pumping the 2nd Stage (Bottom 3,000' - Top Surface) it utilized 705 sx, 12 ppg TXI with a yield of 1.68 cuft/sx (211 bbls) for Lead #1 and 660 sx, 12 ppg TXI with a yield of 1.67 cuft/sx (196.3 bbls) for Lead #2 cement. WOC time for the 2nd and 3rd Stages was 24 hrs. Seventy bbls of cement were returned on the 2nd Stage and 79 bbls were returned on the 3rd Stage. The cement returns were not witnessed by the NMOCD but were photographed (photos attached). Cement did not fall back and the lower intermediate casing remained cemented to surface. The cement report is attached.

After WOC of 24 hours on the 2nd and 3rd Stage, the DV Tools were drilled out and a circumferential cement bond log (CBL) was run on December 6, 2014. There were some sections of dry micro annulus observed primarily against the Queen Formation (about 3,830'- 4,150') which in this hole was logged very tight and probably resulted in some starving of fluid and less than complete cement expansion in this zone – this condition was also observed within the upper intermediate casing. In addition, the CBL for the basal portion of the hole indicated that there were intervals showing high liquids versus solids. It is believe this is due to the processing of the Schlumberger USIT data. The program assigns "liquid" to all reflections of less than 2.6, where liquid is actually 2.0. This makes the basal portion of the log where this effect (primarily from 8,550' to 8,410') was observed appear to have less than adequate strength; however, this is in part also due to the properties of the EverCrete™ acid resistant cement.

The 9 5/8" casing was successfully pressure tested and charted to 800 psi for 30 min and it held well, and that combined with the tight dolomite the casing it is set in, demonstrates that there is a good bond throughout the overall hole. There were good cement returns to the surface on both the 2nd and 3rd stages. The risks associated with attempting to squeeze the lower section was evaluated and it was determined that it would not likely achieve better bond signature and may in fact fracture the caprock that forms the competent and effective seal above the injection zone. The recommended course of action is to drill ahead and discuss with PB Energy and Schlumberger any steps that can be taken when cementing the 7" casing to minimize this effect. The circumferential CBL and photographs of cement returns to surface, and the casing pressure test chart are attached.

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

Michael W Selke

SIGNATURE TITLE: Consultant to DCP Midstream LP DATE: 12/8/14

Type or print name Michael W. Selke, RG E-mail address: mselke@geolex.com PHONE: 505-842-8000

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APPROVED BY: Mayte Reyes TITLE Dist Supervisor DATE 12/8/2014

Conditions of Approval (if any):