

Office

Energy, Minerals and Natural Resources

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-38576

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

V07530-0001

7. Lease Name or Unit Agreement Name

Linam AGI

8. Well Number 1

9. OGRID Number 36785

10. Pool name or Wildcat

Wildcat

SUNDRY 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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

DCP Midstream LP

3. Address of Operator

370 17th Street, Suite 2500, Denver CO 80202

4. Well Location

Unit Letter K; 1980 feet from the South line and 1980 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐OTHER: Monthly Report pursuant to Workover C-103 ☒

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.

Monthly Report for the Month ending August 30, 2012 (7/26/12-8/30/12) Pursuant to Workover C-103 for Linam AGI #1

This is the fourth monthly submittal of data as agreed to between DCP and OCD relative to injection pressure, TAG temperature and casing annulus pressure. As shown on the attached graphs, there has continued to be significant fluctuation in the data due to fluctuating gas flows and 4th stage cooler control issues. DCP has modified operational procedures to better maintain the pressure and temperature conditions in the well to minimize the opportunity for corrosion in the tubing. Average temperatures and pressures for the report period are as follows: TAG injection pressure: 1437 psig, Annulus Pressure 356 psig, TAG temperature 120°F, and Pressure differential: 1081 psig.

The data clearly show the effect of the changing temperature and pressure in the annulus and continue to clearly demonstrate that the workover successfully eliminated all connection between the tubing and the annular space. See attached graphs and excel spreadsheet for raw data.

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

SIGNATURE  TITLE Consultant to DCP Midstream/ Geolex, Inc. DATE 09/07/2012

Type or print name Alberto A. Gutierrez, RGE-mail address: aag@geolex.comPHONE: 505-842-8000

For State Use Only

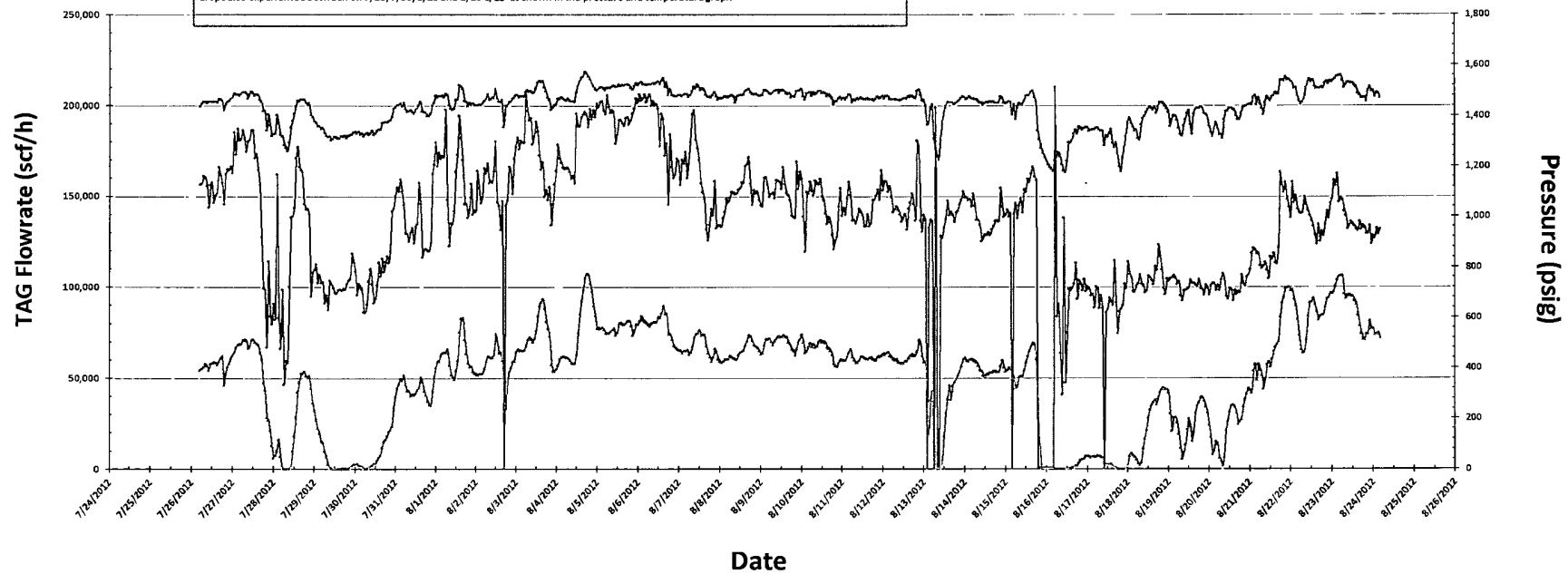
APPROVED BY: FOR RECORD ONLY TITLE _____ DATE 09-18-2012Conditions of Approval (if any): MW/OCD

SEP 18 2012

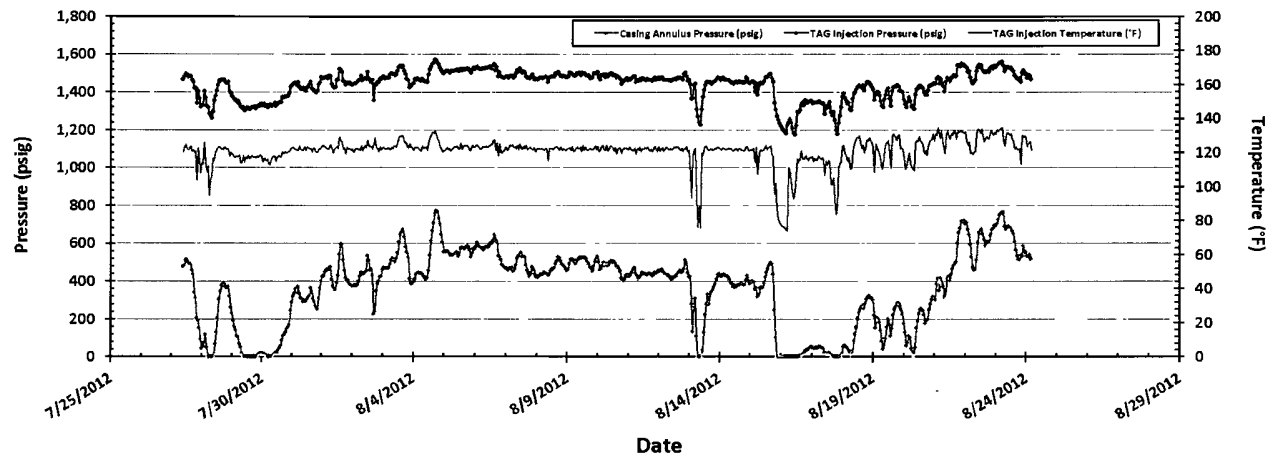
Linam AGI #1 Injection and Casing Annulus Pressure and TAG Injection Flowrate 7/26/2012 to 8/30/2012

Fluctuations in annular pressure observed during the month of August 2012 primarily represent the correlative behavior of the annular pressure with the flowrate and injection pressure. This is especially noticed when the injection rate drops below 80,000 scf/h and the injection pressure drops to below 1300psig. At these times the annular pressure drops to zero or near zero as can be seen on 7/28, 7/30, 8/13 and 8/16/18 when reduced plant inlet flows caused significant reductions in injection rate and pressure. The net effect of this is to reduce the heating and ballooning effect of the tubing and is also reflected in concurrent temperature drops due to some persistent control issues with the 4th stage of the compressor which have been manifested in the last two weeks resulting in decreased annular pressure. These instances of fluctuating and dropping annular pressure correspond with the temperature drops also experienced between on 7/28, 7/30, 8/13 and 8/16-8/18 as shown in the pressure and temperature graph.

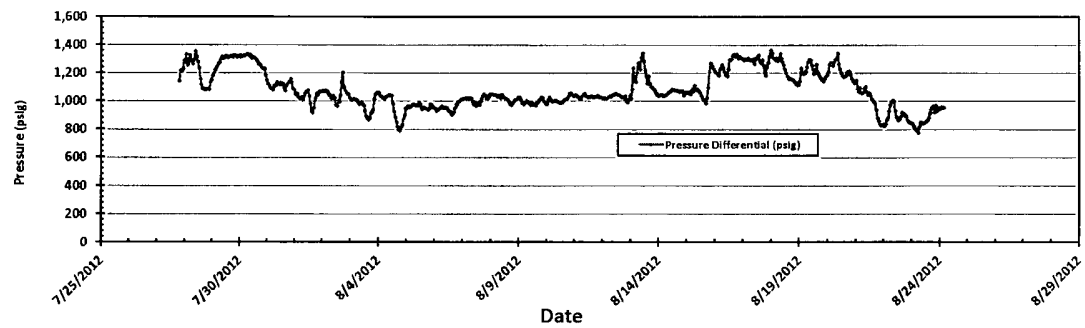
—TAG Injection Flowrate (scf/h) —TAG Injection Pressure (psig) —Casing Annulus Pressure (psig)



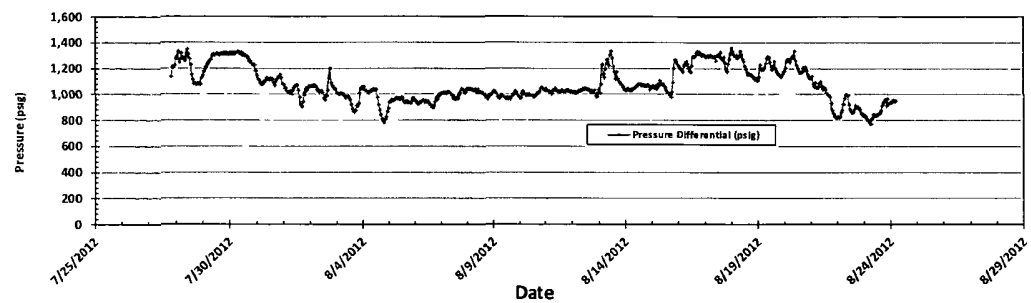
Linam AGI #1 TAG Injection Pressure, Casing Annulus Pressure and TAG Injection Temperature 7/26/2012 to 8/30/2012



Linam AGI #1 TAG Injection Pressure and Casing Annular Pressure Differential (psig) 7/26/2012 to 8/30/2012



Linam AGI #1 TAG Injection Pressure and Casing Annular Pressure Differential (psig) 7/26/2012 to 8/30/2012





DCP Midstream
10 Desta Dr., Ste. 400 W
Midland, TX 79705
Ofc. (432) 620-4000
Fax (432) 620-4160

Electronic MAIL:

September 10, 2012

Mr. Elidio Gonzales
District Supervisor
New Mexico Oil Conservation Division
Hobbs Office – District 1
1625 North French Dr.
Hobbs, NM 88240

HOBBS OCD

SEP 17 2012

RECEIVED

Re: August C-103 monthly report, Linam AGI #1

Dear Mr. Gonzales:

This letter serves as DCP Midstream, LP's (DCPM) response to file a monthly C-103 report with the OCD. DCPM will continue to operate as per our original approved injection order as modified by the C-103 approved on 5/3/2012 which requires monthly reporting and MIT every 6 months.

If you have any questions about the information included in this submittal, please feel free to contact me at 432-620-4066 or via email at dxledonne@dcpmidstream.com.

Sincerely,

A handwritten signature in black ink, appearing to read "D Ledonne", with a long, sweeping horizontal line extending to the right.

Dave Ledonne
VP Operations, Permian

DL:tf

cc: Will Jones, New Mexico OCD
Steve Boatenhamer, DCPM – Hobbs
Mike Betz, DCPM – Hobbs
John Cook, DCPM – Midland
Paul Tourangeau, DCPM – Denver
Jonas Figueroa, DCPM – Midland
Chris Root, DCPM – Denver
Alberto Gutierrez, Geolex – Albuquerque