

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

HOBBES OGDEN CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCT 22 2012

Form C-103

Revised August 1, 2011

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)		WELL API NO. 30-025-38576
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator DCP Midstream LP		6. State Oil & Gas Lease No. V07530-0001
3. Address of Operator 370 17 th Street, Suite 2500, Denver CO 80202		7. Lease Name or Unit Agreement Name Linam AGI
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		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3736 GR		9. OGRID Number 36785
		10. Pool name or Wildcat Wildcat

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 September 30, 2012 (8/30/12-10/4/12) Pursuant to Workover C-103 for Linam AGI #1

This is the fifth 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 some 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. This reporting period extends 4 days into October. On October 1st there at 7am there was a spike in injection pressure likely caused by hydrate formation in the tubing during a brief compressor shutdown which was resolved by injection restarting within the hour. Average temperatures and pressures for the report period are as follows: TAG injection pressure: 1472 psig, Annulus Pressure 478 psig, TAG temperature 122 °F, and Pressure differential: 995 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.

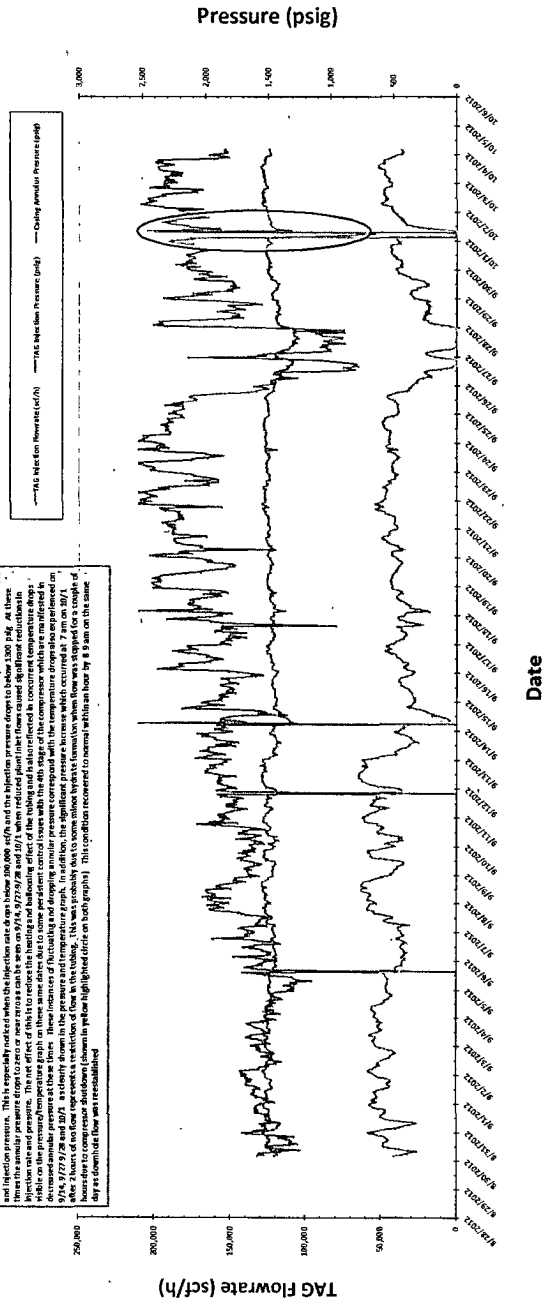
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Consultant to DCP Midstream/ Geolex, Inc. DATE 10/8/2012

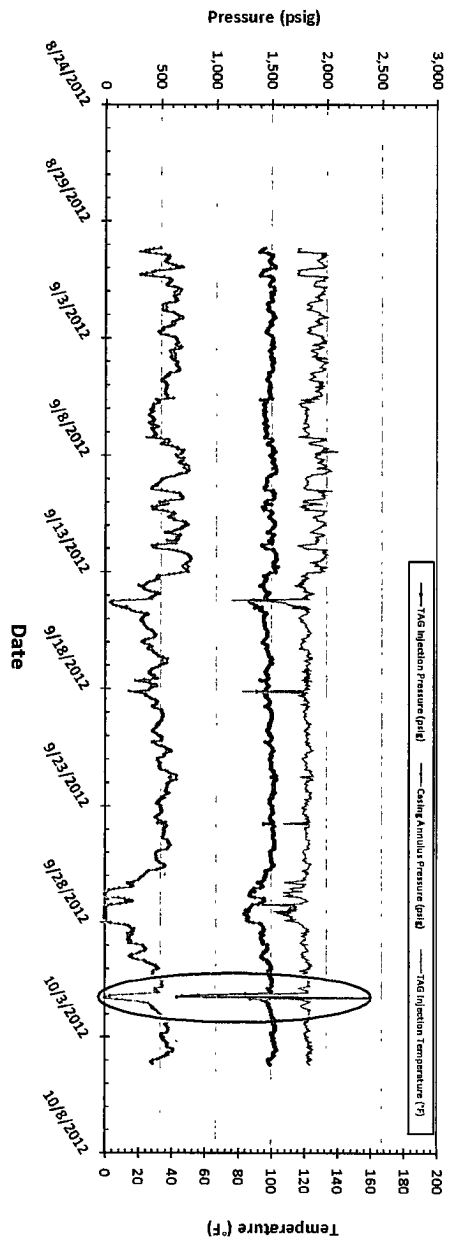
Type or print name Alberto A. Gutierrez, RG E-mail address: aag@geolex.com PHONE: 505-842-8000
For State Use Only

APPROVED BY: Accepted for Record Only TITLE _____ DATE _____
Conditions of Approval (if any): ELG 10-24-2012

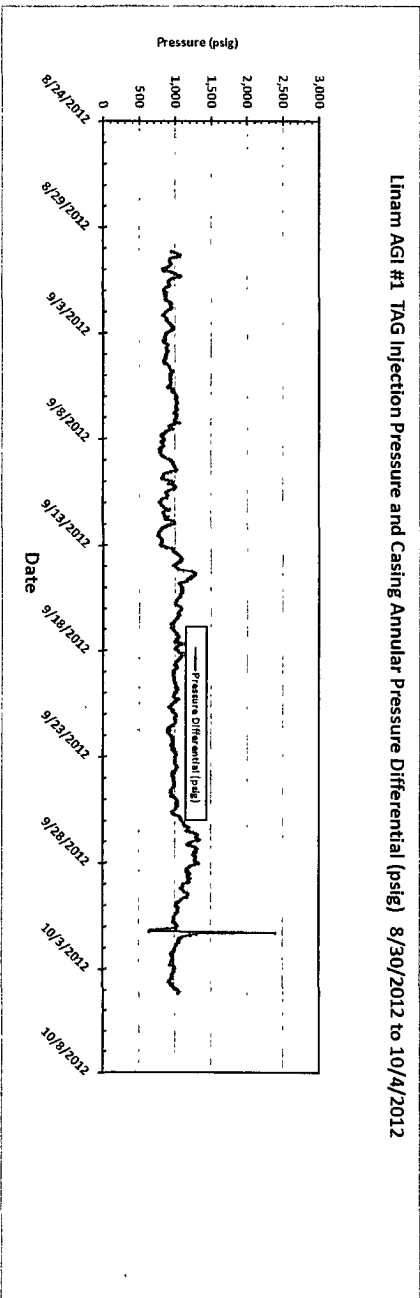
OCT 24 2012

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Linam AGI #1 TAG Injection Pressure, Casing Annulus Pressure and TAG Injection Temperature 8/30/2012 to 10/4/2012

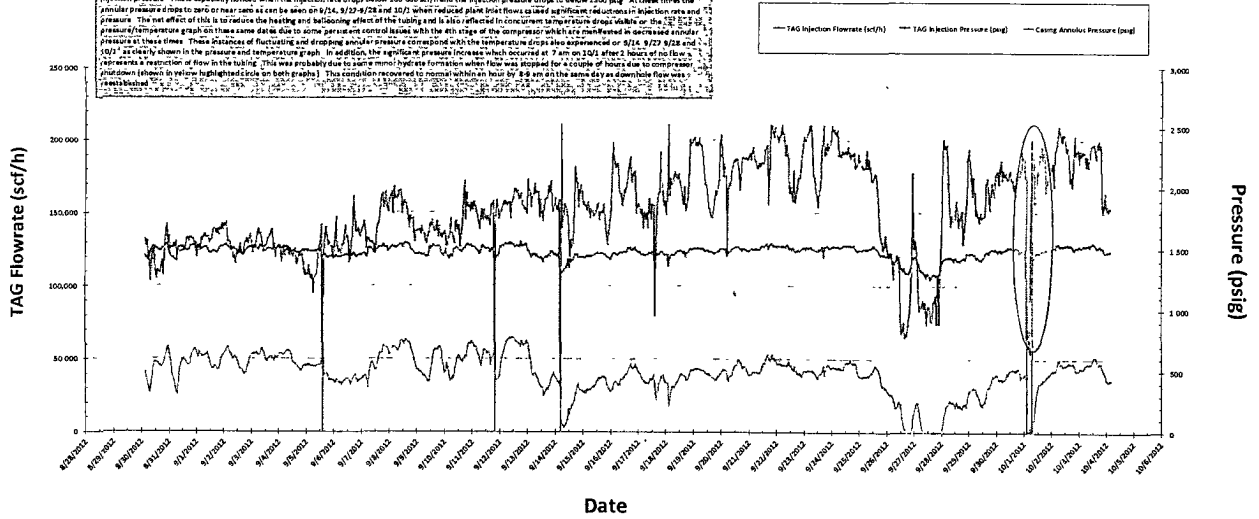


Linam AGI #1 TAG Injection Pressure and Casing Annular Pressure Differential (psig) 8/30/2012 to 10/4/2012



Linam AGI #1 Injection and Casing Annulus Pressure and TAG Injection Flowrate 8/30/2012 to 10/4/2012

Fluctuations in annular pressure observed during the month of September 2012 primarily represent the correlated behavior of the annular pressure with the flowrate and injection pressure. This is especially noticed when the injection rate drops below 100,000 scf/h and the injection pressure drops to below 1500 psig. At these times the annular pressure drops to zero or near zero as can be seen on 9/24, 9/27-9/28 and 9/29. When reduced flow rates are resumed, the annular pressure increases and the 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 while on the pressure/temperature graph on these same dates due to some parasitic control issues with the air stage of the compressor which are manifested in decreased annular pressure at these times. These periods of fluctuating and dropping annular pressure correspond with the temperature drops observed on 9/24, 9/27-9/28 and 9/29. It is clearly shown in the pressure and temperature graph. In addition, the significant pressure increase which occurred at 7 am on 10/2 after 2 hours of no flow is representative of a restriction in flow in the tubing. This was probably due to some minor hydrate formation which flow was stopped for a couple of hours due to compressor problems (shown in relative highlighted circle in both graphs). This condition recovered to normal within an hour or so on the second day as flow rate was reestablished.





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2012 OCT 16 A 10:40

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

Electronic MAIL:

October 9, 2012

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

HOBBS OCD

OCT 22 2012

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Re: September 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,

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