DCP Midstream
1625 West Marland St
Ofc. (575) 397-5552
Fax (575) 397-5598

Electronic MAIL:

March 4, 2013

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

Re: February 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 575-397-5505 or via email at SJHarless@dcpmidstream.com.

Sincerely,

Steve Harless
General Manager of Operations, SENM

SH;de

cc: Will Jones, New Mexico OCD
Steve Boatenhamer, DCPM – Hobbs
Russ Ortega, DCPM – Hobbs
Quiten Mendenhall, DCPM – Midland
Paul Tourangeau, DCPM – Denver
Jonas Figueroa, DCPM – Midland
Chris Root, DCPM – Denver
Alberto Gutierres, Geolex – Albuquerque

Submit 1 Copy To Appropriate District Office
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

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

Form C-103
Revised August 1, 2011

	WELL API NO. 30-025-38576
	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	8. Well Number 1
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 Wildcat
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:		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 ☐			
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 February 28, 2013 (1/31/13-2/28/13) Pursuant to Workover C-103 for Linam AGI #1
This is the tenth 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. 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: 1515 psig , Annulus Pressure 203 psig, TAG temperature 121°F, and Pressure differential: 1311 psig.

The data clearly show the effect of the changing temperature and pressure in the annulus and continue to demonstrate clearly that the workover successfully eliminated all connection between the tubing and the annular space. At several very short periods during the month, temporary interruptions in acid gas flow from the plant due to equipment malfunctions are reflected in the data. See attached graphs containing explanation of observed trends 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 3/1/2013

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

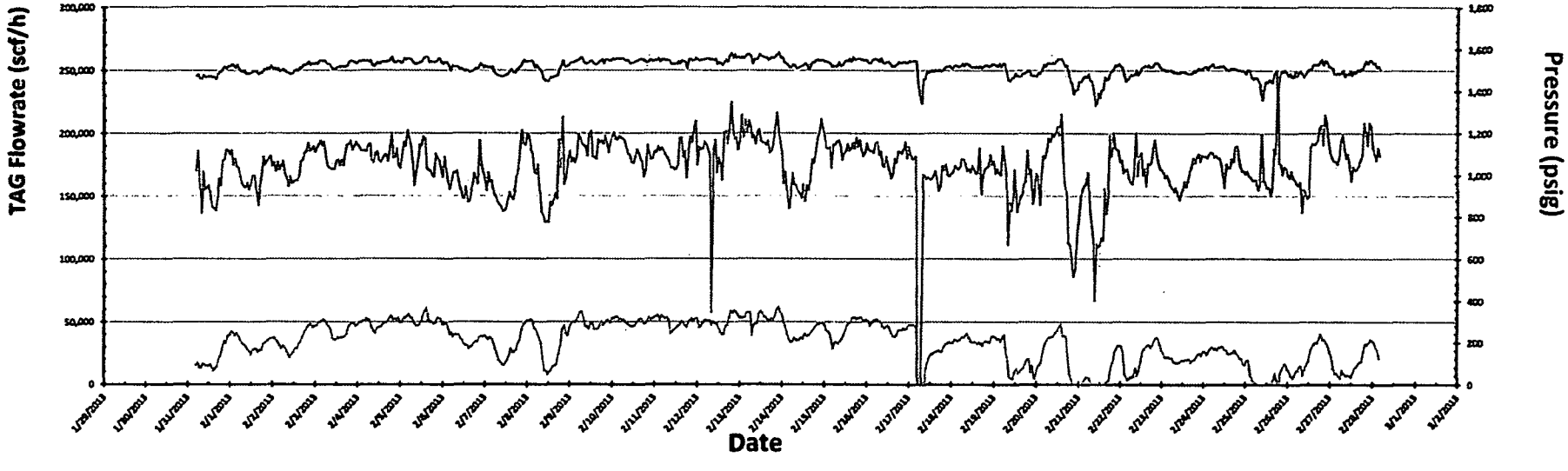
For State Use Only

APPROVED BY: _____ TITLE Dist. Mgr DATE 3-6-2013

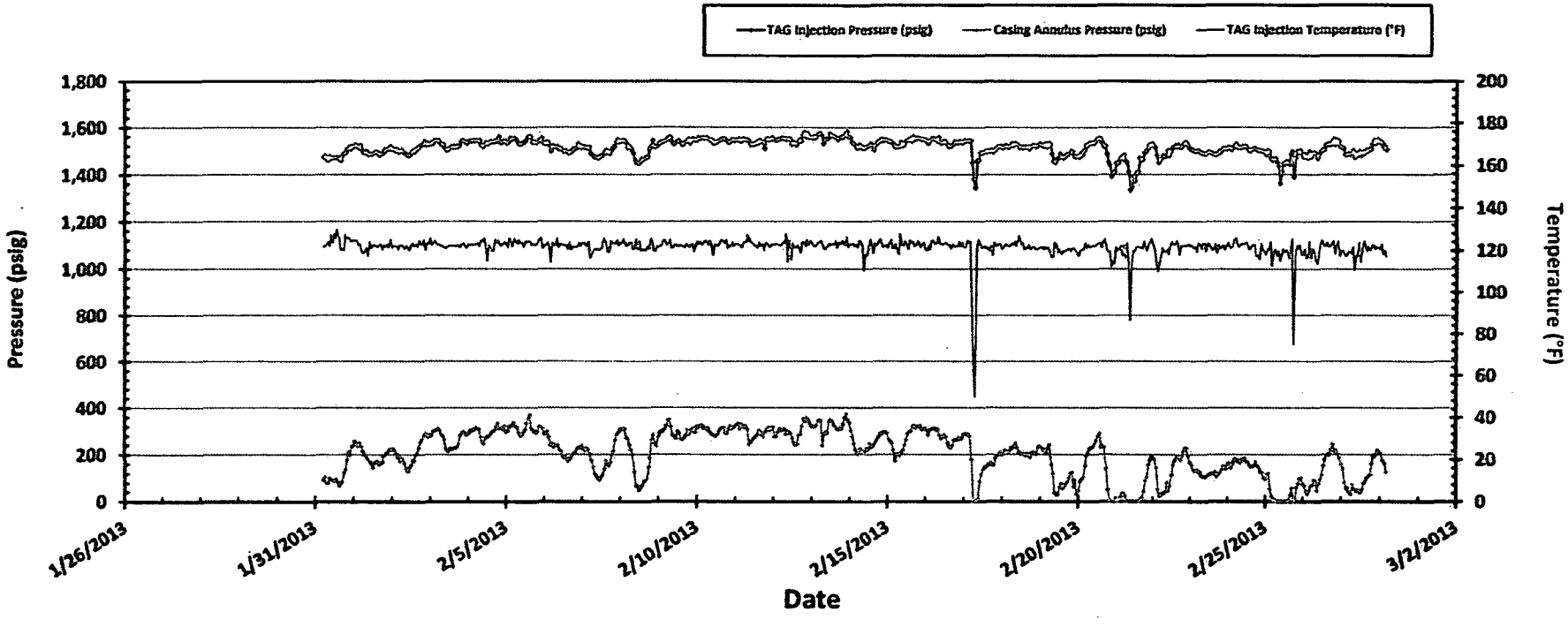
Conditions of Approval (if any):

Linam AGI #1 Injection and Casing Annulus Pressure and TAG Injection Flowrate 1/31/2013 to 2/28/2013

Fluctuations in annular pressure observed during the month of February 2013 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 150,000 scf/h and the injection pressure drops to around 1400 psig. At these times the annular pressure drops significantly as can be seen on the graph when injection rates were reduced. Flow rates only dropped off below 125,000 between 2/20-2/21 for any length of time and the effect is reflected both in the injection pressure and annular pressure. These events are generally corrected within hours. It is more important to observe the longer wavelength cyclical flow pattern and the mirrored effects on the annular pressure. The net effect of volume reduction is to reduce the heating and ballooning effect of the tubing and is also reflected in concurrent temperature drops visible on the pressure/temperature graphs on the same dates as the flow drops on which are manifested in decreased annular pressure at these times. The significant spread between TAG injection pressure (inside tubing) and the annular pressure proves the continuing integrity of the well and the tubing. These instances of fluctuating and dropping annular pressure correspond with the temperature drops also associated with the same events as clearly shown in the pressure and temperature graph.

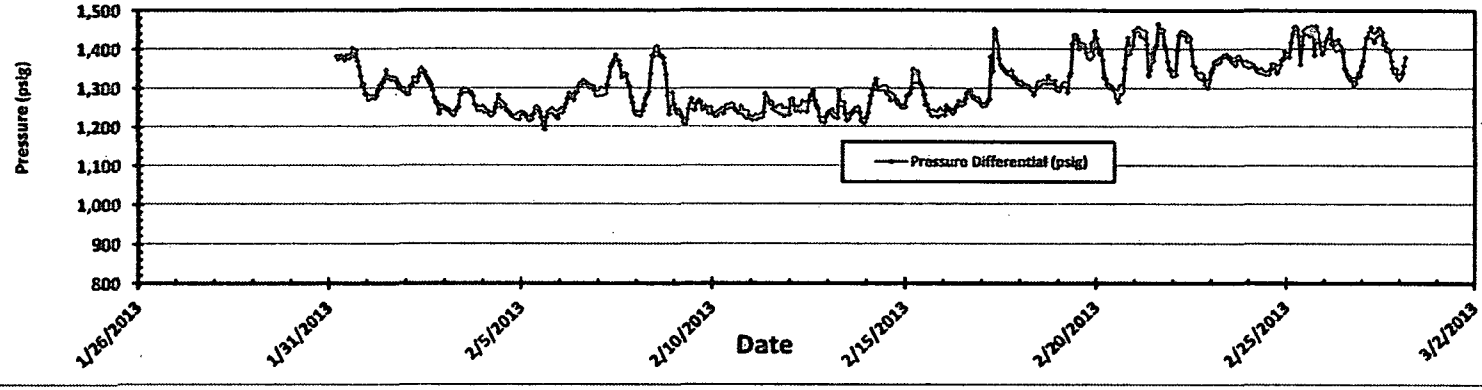


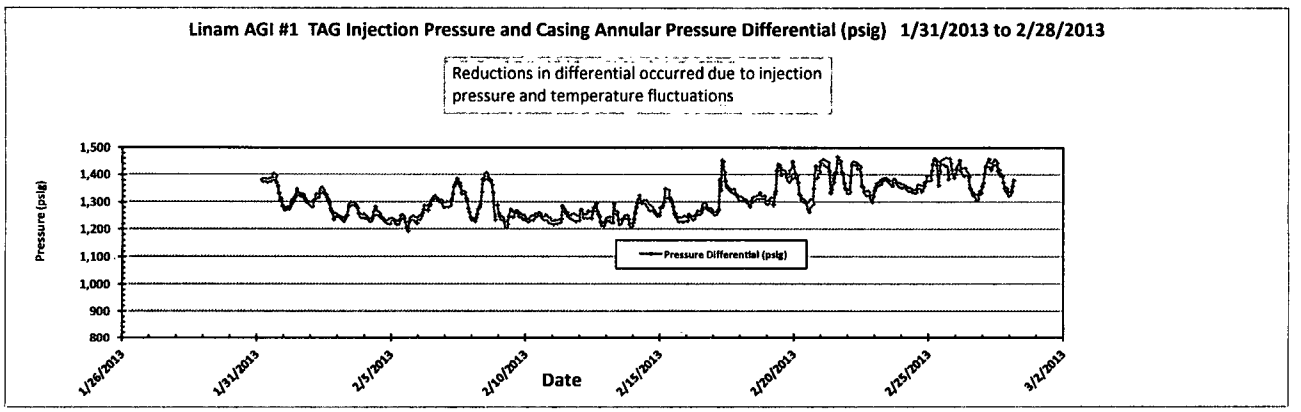
Linam AGI #1 TAG Injection Pressure, Casing Annulus Pressure and TAG Injection Temperature 1/31/2013 to 2/28/2013



Linam AGI #1 TAG Injection Pressure and Casing Annular Pressure Differential (psig) 1/31/2013 to 2/28/2013

Reductions in differential occurred due to injection pressure and temperature fluctuations




Linam AGI #1 TAG Injection Pressure and Casing Annular Pressure Differential (psig) 1/31/2013 to 2/28/2013
Reductions in differential occurred due to injection pressure and temperature fluctuations
Pressure (psig)
1,500
1,400
1,300
1,200
1,100
1,000
900
800
Pressure Differential (psig)
1/26/2013
1/31/2013
2/5/2013
2/10/2013
2/15/2013
2/20/2013
2/25/2013
3/2/2013
Date