

**HOBBS**  
**FEB 02 2015**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMLC065863

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
ZIA AGI 1

9. API Well No.  
30-025-42208-00-X1

10. Field and Pool, or Exploratory  
AGI

11. County or Parish, and State  
LEA COUNTY, NM

1. Type of Well  
 Oil Well  Gas Well  Other: UNKNOWN OTH

2. Name of Operator  
DCP MIDSTREAM LP  
Contact: TOM SHARP  
E-Mail: tsharp@geolex.com

3a. Address  
370 17TH STREET SUITE 2500  
DENVER, CO 80208 5406  
3b. Phone No. (include area code)  
Ph: 505-842-8000

4. Location of Well: (Footage, Sec., T., R., M., or Survey Description)  
Sec 19 T19S R32E Lot 3 2100FSL 950FWL  
32.644599 N Lat, 103.811145 W Lon

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                |   |  |  |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent             | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                          |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                          |
| <input type="checkbox"/> Final Abandonment Notice     | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other<br>Drilling Operations |
|   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |  |
|   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |  |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The 9 5/8 inch intermediate casing was run on Saturday, January 17, 2015 in a 12 7/8-inch borehole drilled to a depth of 4,950'. No significant H2S (>1 ppm) was encountered during drilling until reaching a depth of 4,230'. H2S was detected at concentrations over 1 ppm from 4,230' to 4,880' with a high H2S concentration of 6.3 ppm. Monitoring will continue for the duration for the drilling.

The casing was seated just below the Lamar limestone of the Delaware formation at 4,921'. The BLM approved plan was to set the casing seat in the middle of the Lamar limestone, however, there was an error in the casing tally and an additional casing joint was placed below the DVT, which caused the casing seat to be deeper than planned. This competent dolomite provides a solid and stable casing seat. The casing was installed after running two caliper logs (2-arm and 4-arm calipers) to evaluate the borehole condition. The caliper logs for the intermediate casing string were

**ACCEPTED FOR RECORD**  
*[Signature]*  
**JAN 26 2015**  
BUREAU OF LAND MANAGEMENT  
ARL SBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #289272 verified by the BLM Well Information System**  
For DCP MIDSTREAM LP, sent to the Hobbs  
Committed to AFMSS for processing by ED FERNANDEZ on 01/26/2015 (15EF0024SE)

Name (Printed/Typed) TOM SHARP Title GEOLEX CONSULTANT TO DCP  
Signature (Electronic Submission) Date 01/25/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED** EDWARD FERNANDEZ  
Title PETROLEUM ENGINEER Date 01/26/2015

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

E-PERMITTING

REVISD \*\* BLM REVISD \*\* BLM REVISD \*\* BLM REVISD \*\*

P&A NR \_\_\_\_\_ P&A R \_\_\_\_\_

INT to P&A \_\_\_\_\_

CSNG **MB** \_\_\_\_\_ CHG Loc \_\_\_\_\_

TA \_\_\_\_\_

**FEB 05 2015**

## Additional data for EC transaction #289272 that would not fit on the form

### 32. Additional remarks, continued

performed from the base of the surface casing at 840? to 4,950?. The caliper logs indicate the borehole was very washed out in the salt of the Salado formation from approximately 905? to 2,296?. From the base of the salt at 2,296? to 4,600? there are moderate washouts. From 4,600? to 4,950? the hole is straight and uniform. The 2-arm caliper provided a wider detection range than the 4-arm caliper. As such, the 2-arm caliper was used to determine cement quantities. The caliper logs are attached to this C-103.

The Zia AGI #1 intermediate casing is constructed with 115 joints of 9 5/8?, 40 lbs/ft, J55, BTC pipe extending from the 842? to 4,921? (casing tally is attached). The intermediate casing for the Zia AGI #1 was cemented in two stages. The 1st stage was started at 05:00 January 19th. The 1st stage seals the annular space from the shoe to the DVT placed at 2,380? with 760 sacks of Class C NaCl lead cement with a yield of 2.01 ft<sup>3</sup>/sack and 200 sacks of tail with a yield of 1.34 with 285 sacks returned to the surface (see attached photographs). The 1st stage was not witnessed by a BLM representative. The 2nd stage cement pumping started at 18:00 on January 19th and consisted of 2,865 sacks of 1.78 yield Class C cement pumped from the DVT at 2,380? to the surface. The tail cement consisted of 425 sacks of Class C with a yield of 1.34. Cement did not fall back from the surface (see attached cement report from Schlumberger). BLM inspector, Paul Flowers, witnessed the cement circulating to the surface with 635 sacks being returned. Wait on cement (WOC) time was 24 hours before drilling out the shoe and conducting the CBL, pressure and FIT (see attached results). The cement plan, cement report, and lab reports are attached.

A standard and circumferential cement-bond log was run on the intermediate casing so that the cement around the shoe could be evaluated. The CBL indicated an excellent cement bond covering most of the intermediate casing interval. The CBL was sent to Ed Fernandez, BLM Engineer, and he approved the cement job and gave permission to continue drilling. CBLs are attached. The logging tool initially could not be fully lowered past the DVT at 2,369? resulting in a 2nd trip in the hole to drill out the DVT. At this time, the drilling contractor discovered that the casing tally was off by one joint that was mistakenly added to below the DVT resulting in the DVT being higher than originally planned. This change was approved by Ed Fernandez on January 20, 2015. The intermediate casing was pressure tested at 800 psi for 30 minutes resulting in a successful pressure test (chart attached). The casing shoe was drilled out to 10 feet into the Delaware formation prior to conducting a successful mud equivalency or formation integrity test (FIT)(chart attached).