

Submit 1 Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

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

WELL API NO. 30-025-42208
5. Indicate Type of Lease STATE ☒ FEE ☐ FED X
6. State Oil & Gas Lease No. NMLC065863
7. Lease Name or Unit Agreement Name Zia AGI
8. Well Number #1
9. OGRID Number
10. Pool name or Wildcat Brushy Canyon/Cherry Canyon
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3550 Feet GL

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.)

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

2. Name of Operator

DCP Midstream LP

3. Address of Operator

370 17th Street, Suite 2500, Denver, CO 80202

4. Well Location

Unit Letter 2305 feet from the NORTH line and 750 feet from the West line

Section 19 Township 19S Range 32E NMPM County Lea

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. ☒ Zia AGI #1 Notification to Spud Well

OTHER:

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 DCP Zia AGI #1 borehole was spud by PB Energy on Tuesday, December 23, 2014 at 22:30.

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

SIGNATURE

Type or print name

Tom Sharp
Tom Sharp

TITLE: Consultant to DCP Midstream LP

E-mail address: tsharp@geolex.com

DATE: 12/24/14

PHONE: 505-842-8000

For State Use Only

APPROVED BY:

Conditions of Approval (if any):

Mary Brown
TITLE: _____
DATE: 1/7/2015

Accepted for Record Only

DATE

FEB 19 2015

OCD accepts
FOR RECORD ONLY.
ALL BLM FORMS REQUIRES BLM APPROVAL

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 87412
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

RECEIVED
JAN 07 2015

Revised July 18, 2013

WELL API NO.	30-025-42208
5. Indicate Type of Lease STATE ☒ FEE ☐	FEDX
6. State Oil & Gas Lease No.	NMLC065863
7. Lease Name or Unit Agreement Name	Zia AGI
8. Well Number	#1
9. OGRID Number	36785
10. Pool name or Wildcat AGI: Cherry Canyon/Brushy Canyon	

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.)	
1. Type of Well: Oil Well ☐ Gas Well ☐ Other: Acid Gas Injection Well ☒	
2. Name of Operator DCP Midstream LP	
3. Address of Operator 370 17 th Street, Suite 2500, Denver, CO 80202	
4. Well Location Unit Letter <u>L</u> : <u>2,305</u> feet from the NORTH line and <u>750</u> feet from the WEST line Section <u>19</u> Township <u>19S</u> Range <u>32E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,550 (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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒
Conductor Pipe, Surface Casing, BOP test, CBL, Csg Press, FIT
OTHER: ☐

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.

Zia AGI #1 Conductor Pipe (20-inch) was set in a 24-inch hole and run to a depth of 120 feet prior to December 22, 2014. Cement was circulated to the surface.

Surface casing was run on Saturday, December 27, 2014 in a 17 1/2-inch borehole drilled to a depth of 850'. No significant H₂S (>1 ppm) was encountered during drilling or completing the surface casing section. Very slight concentrations observed and noted on the mud log are likely the results of entrained gas in the mud tanks and pumps from the previous well. Monitoring will continue for the duration for the drilling. The casing was seated in the Magenta anhydritic dolomite at 842', well above the underlying Salado Formation (salt), in a competent formation that provides a solid and stable casing seat. The casing was installed after running a caliper log to evaluate the borehole condition. The caliper log indicated the borehole was relatively straight and uniform with minor washouts above the Triassic/Permian contact at 738' and across a shale zone from 762' to 780'. Below 780' the borehole is very straight and clean. The caliper log for the surface casing string was performed from the conductor pipe at 145' to 850'. The caliper log is attached to this C-103.

The Zia AGI #1 surface casing is constructed with 20 joints of 13 3/8", 68 lbs/ft, J55, BTC pipe extending from the surface to 842'. A schematic of the Zia AGI #1 well design and the as built casing tally is attached. The surface casing for the Zia AGI #1 was cemented in one stage with 600 sx (174 bbls) of class C cement with a tail yield of 1.63 ft³/sack and no lead slurry. 50.5 bbls (169 sks) were returned to the surface (see attached photograph) but was not witnessed onsite by a BLM representative. Cement did not fall back from the surface (see attached cement report from Schlumberger). Wait on cement (WOC) time was 18 hours before installing and testing the BOP (see attached results). A cement-bond log was run on the surface casing that indicated an excellent bond from 240' to 760' and 30 to 150'. The logging tool could not be fully lowered to the float collar at 796'. A small micro-annulus is believed present from 150' to 240' but no cement remediation is required per BLM representative engineer Chris Wall. The surface casing was pressure tested at 800 psi for 30 minutes resulting in a successful pressure test (attached). The casing shoe was drilled out to 10 feet into the formation prior to conducting a successful mud equivalency or formation integrity test (chart attached). Based on these results, drilling will continue with a 12 1/4-inch hole for the intermediate casing to be set at approximately 4,700 ft (4,650 ft TVD).

List of attachments includes nine files:

- (1) The surface casing mud log
- (2-5) Four open-hole logs (one file each - Caliper, AIT, CNL-Density, Borehole Compensated Sonic)
- (6) BOP pressure test
- (7-8) Two cased-hole logs for the surface casing section (one file each – Cement Print, Corrosion Print)
- (9) An additional file includes the well-bore diagram, surface casing pipe tally, cementing service report, cement lab report and cement pumping record, two photos of cement returns, surface casing pressure test, and the surface casing FIT

Spud Date:

December 23, 2014

Rig Release Date:

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

SIGNATURE

Thomas Sharp

TITLE Consultant to DCP Midstream LP DATE 12-31-2014

Type or print name Thomas Sharp E-mail address: tsharp@geolex.com PHONE: 505-842-8000

For State Use Only

APPROVED BY:

Conditions of Approval (if any):

Accepted for Record Only

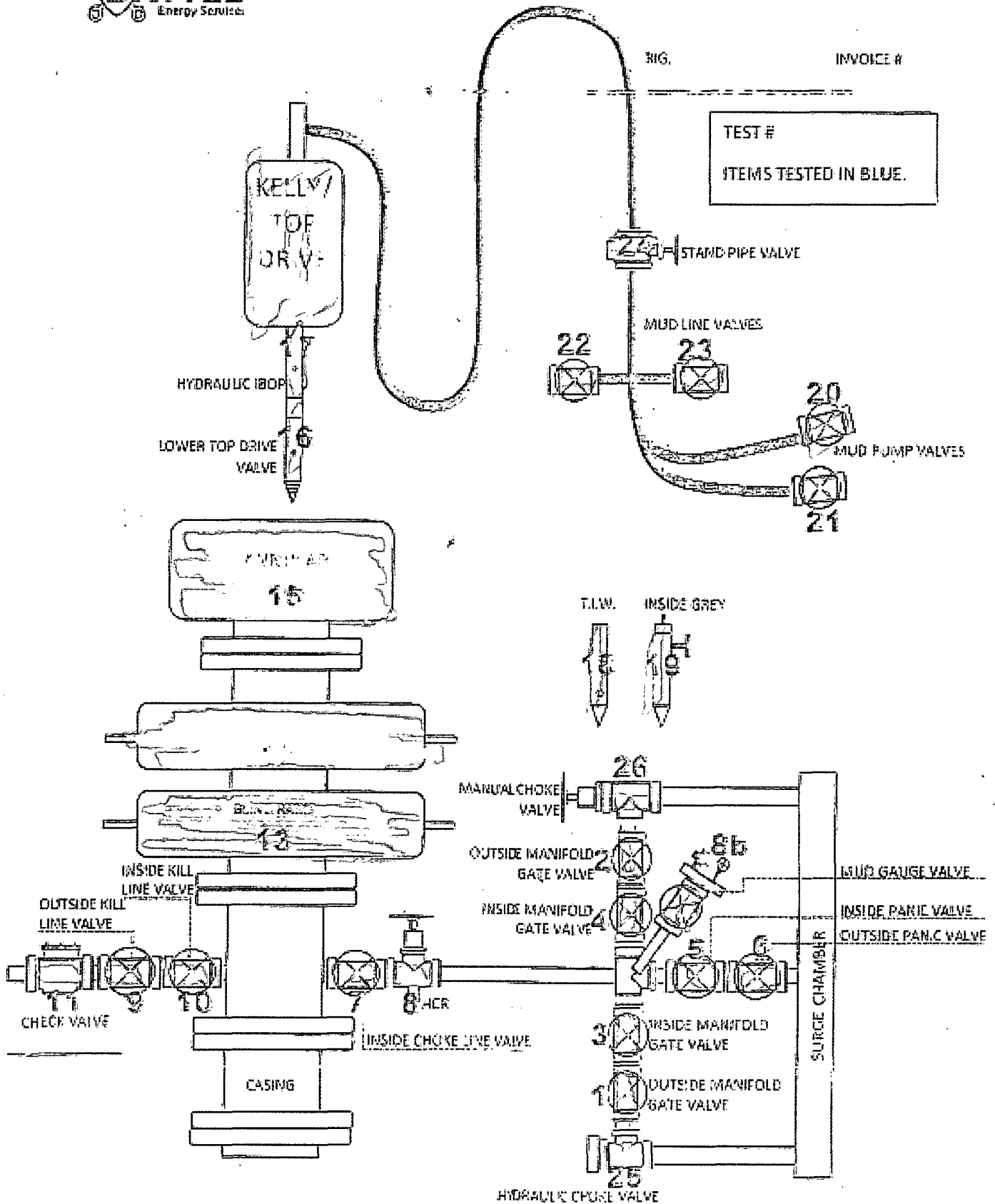
DATE

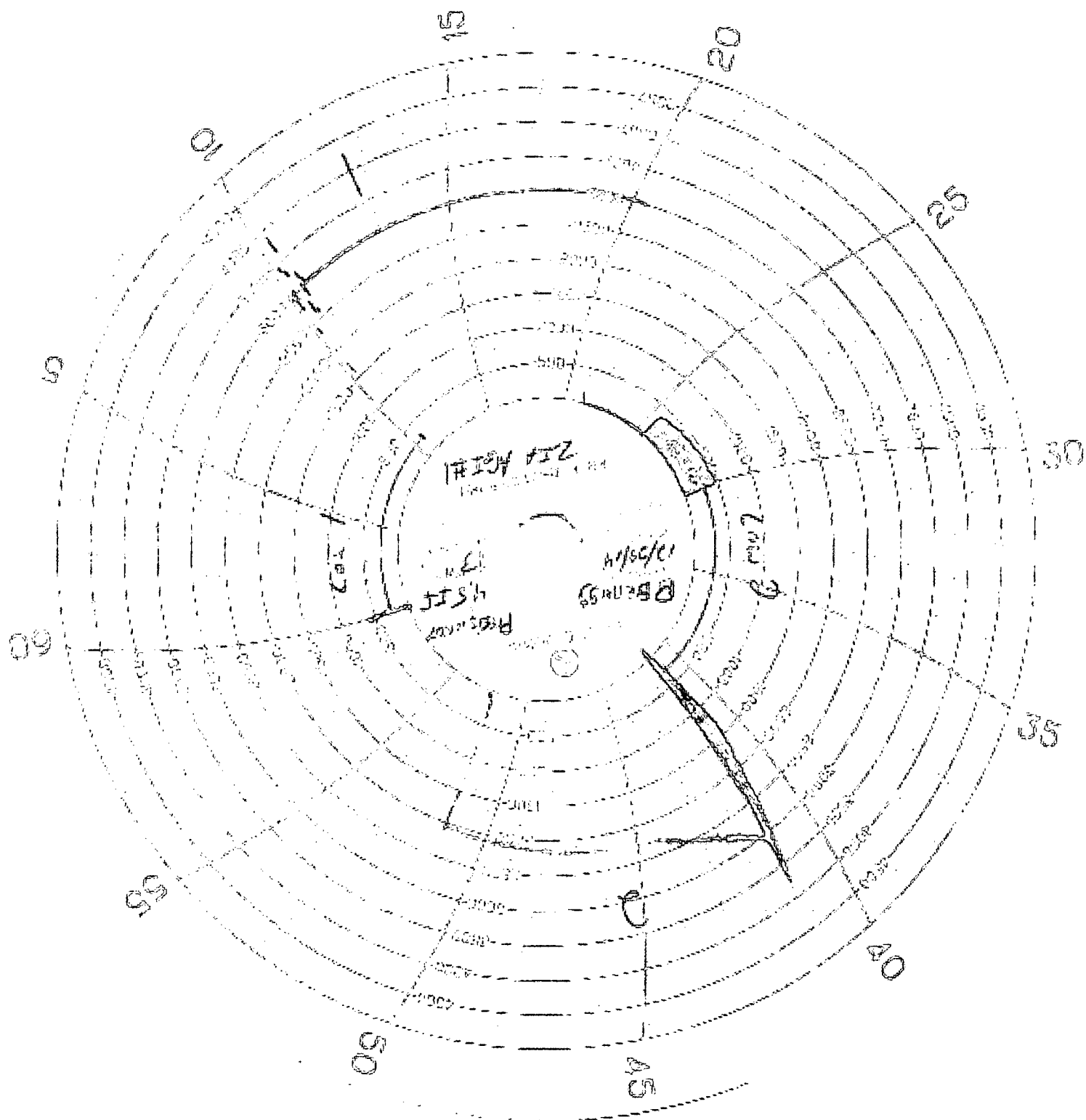
OCD accepts
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ALL BLM FORMS REQUIRES BLM APPROVAL

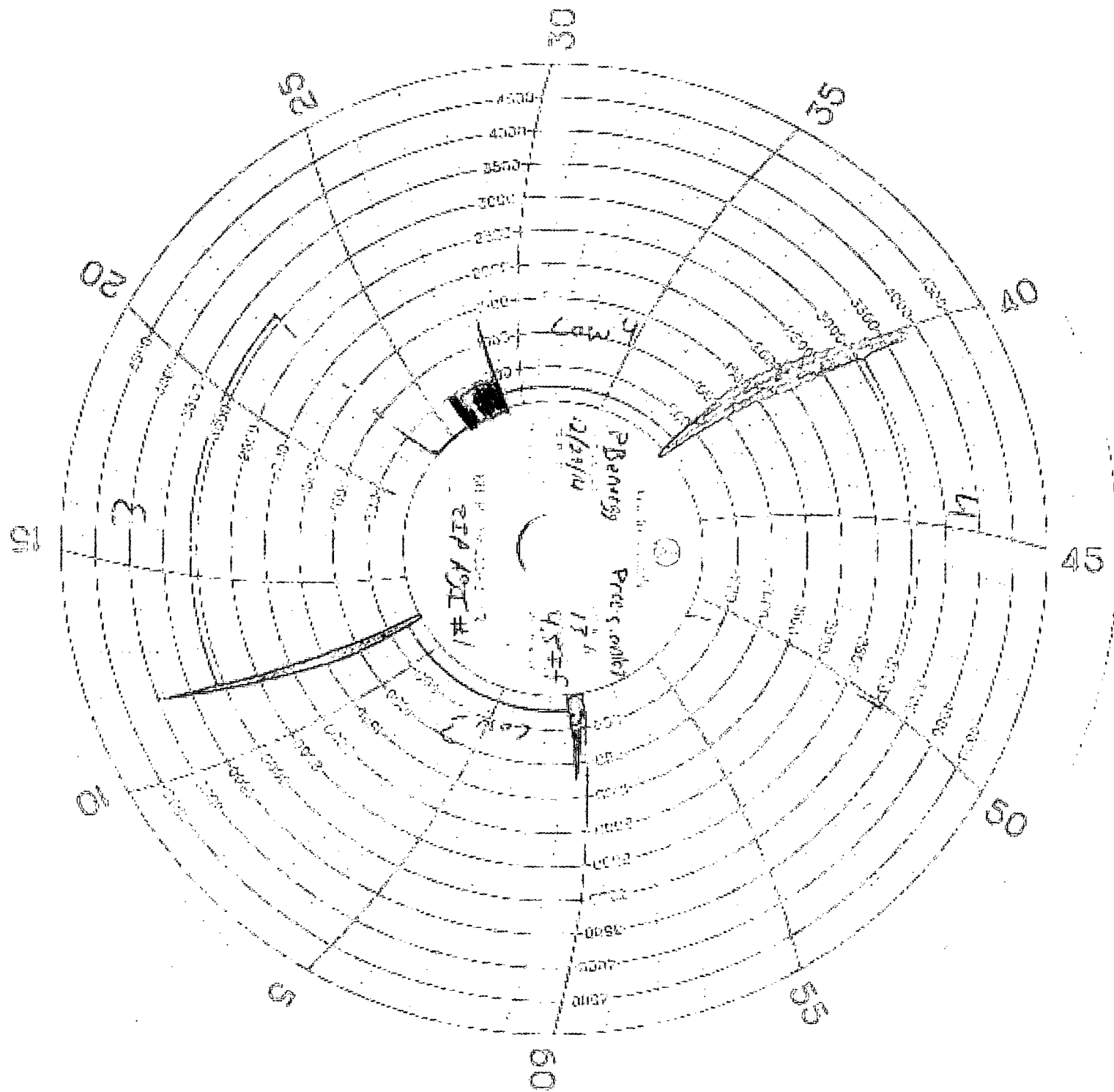
MSB 1/7/2015

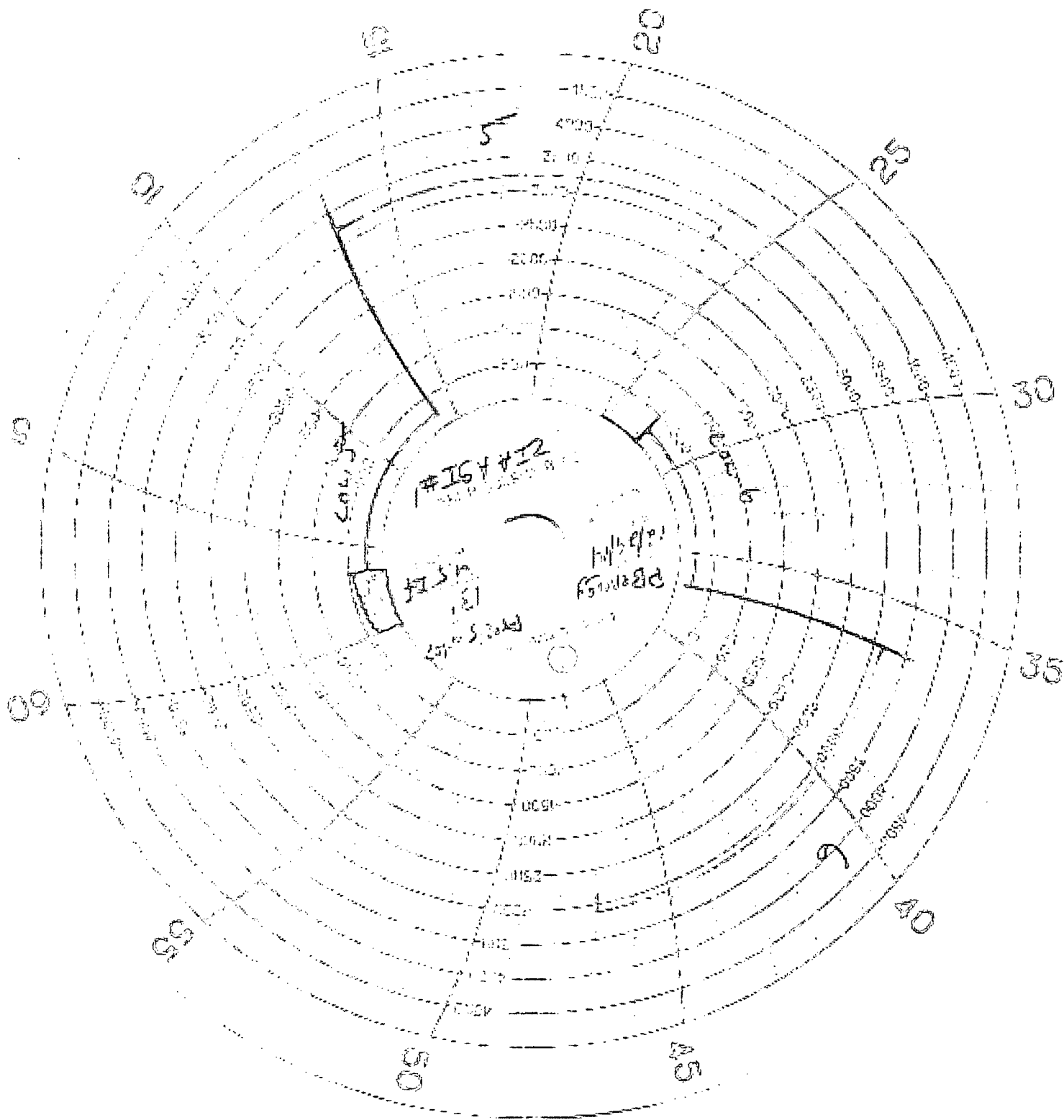
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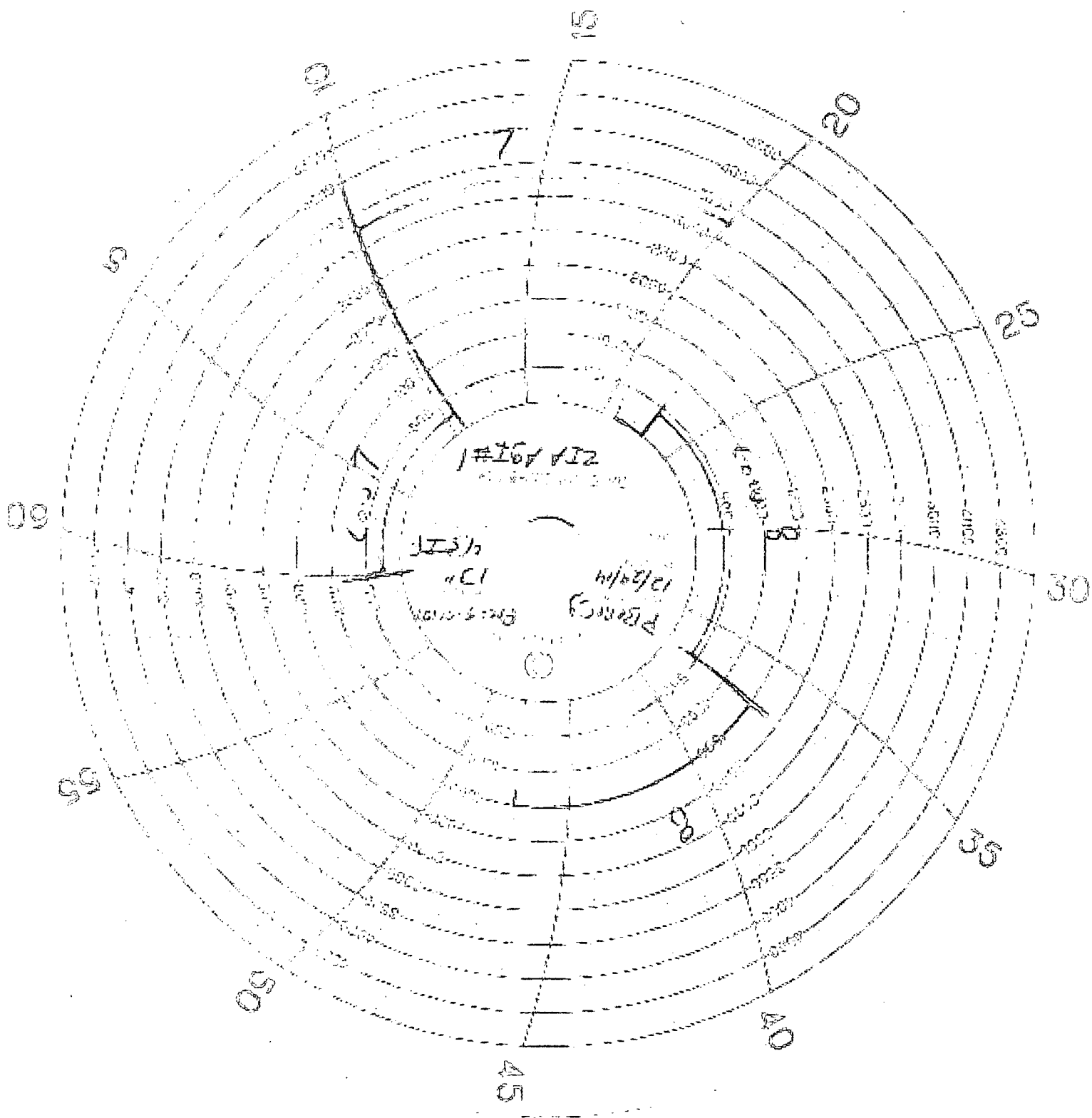
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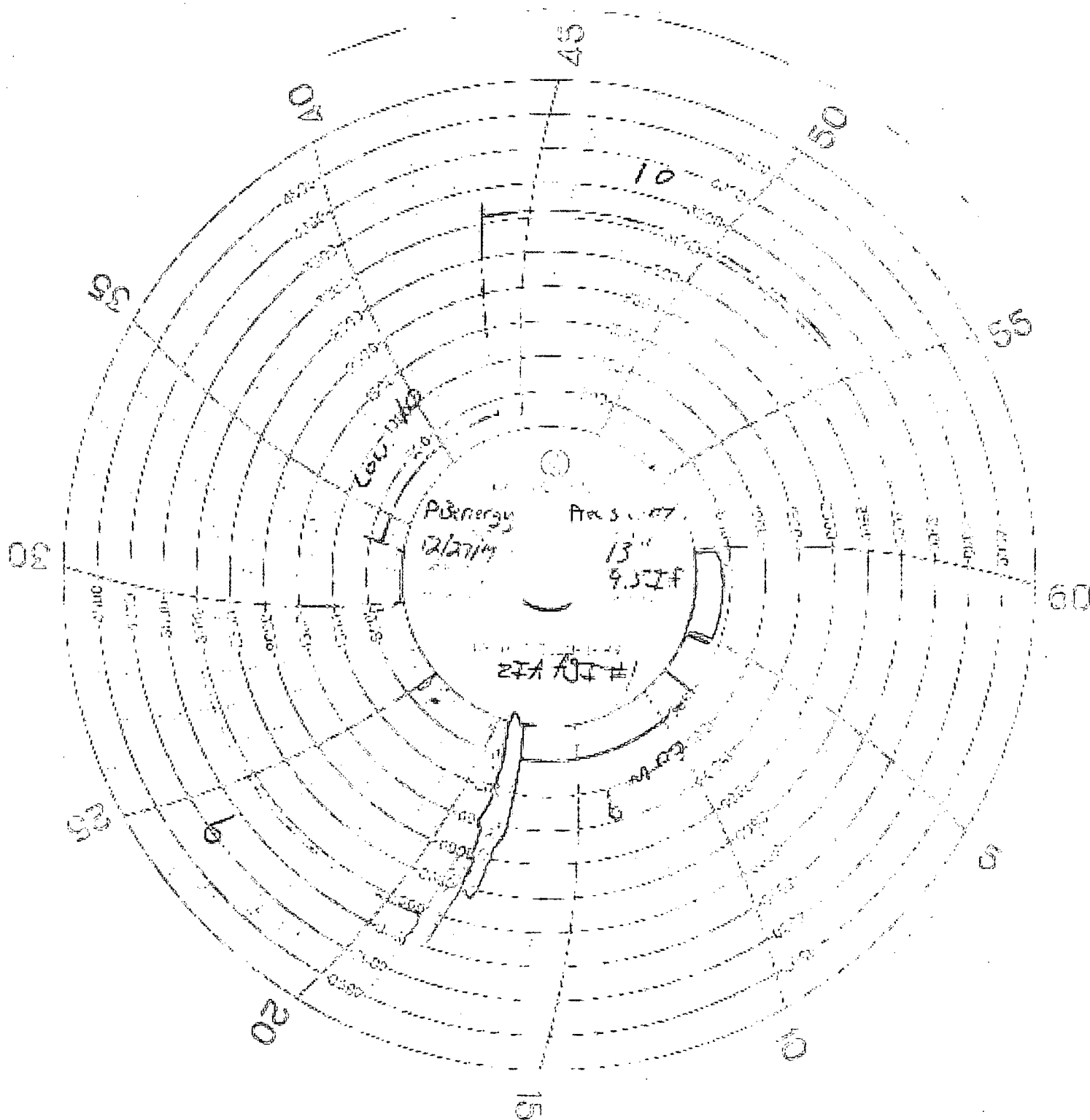


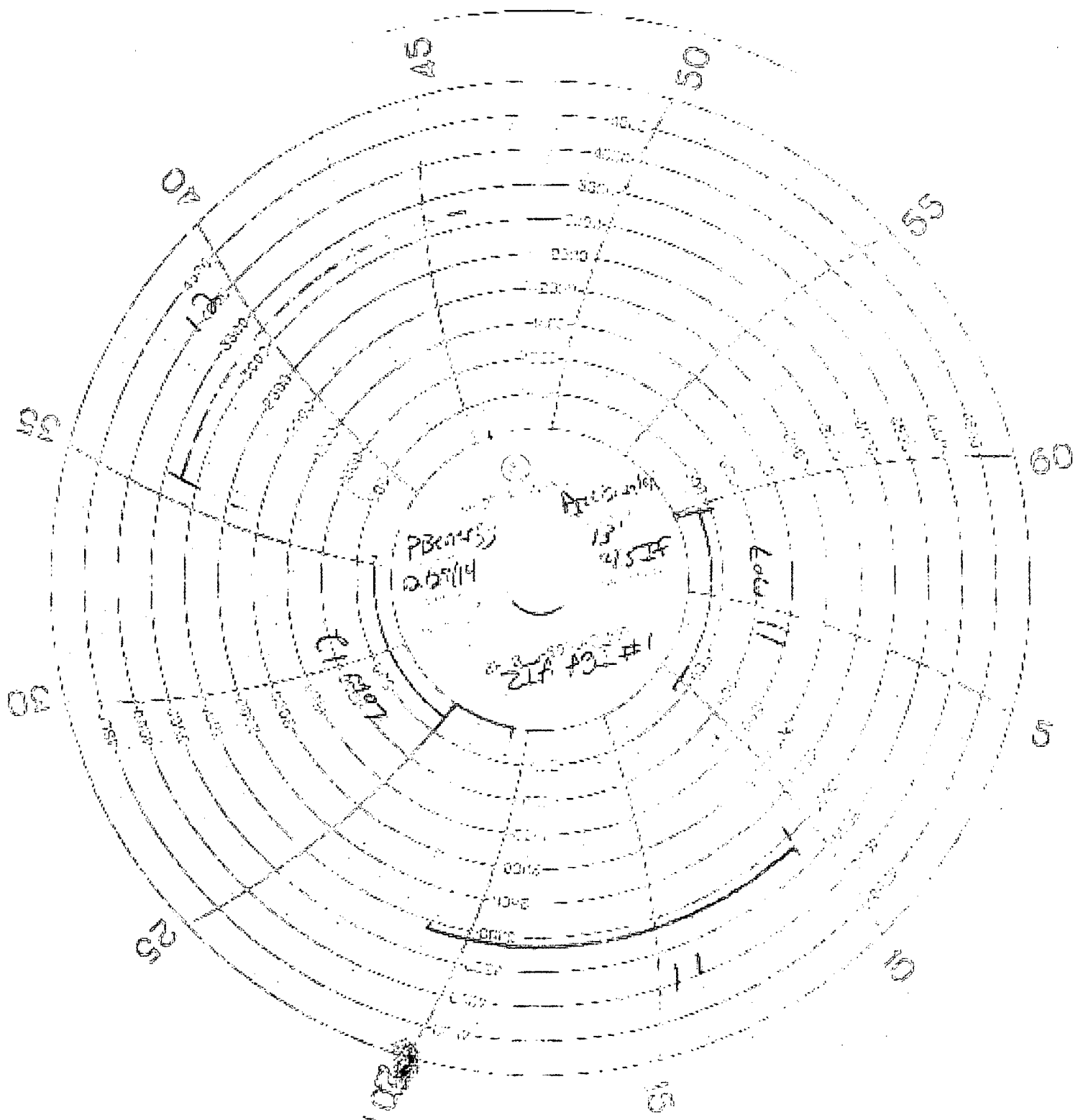


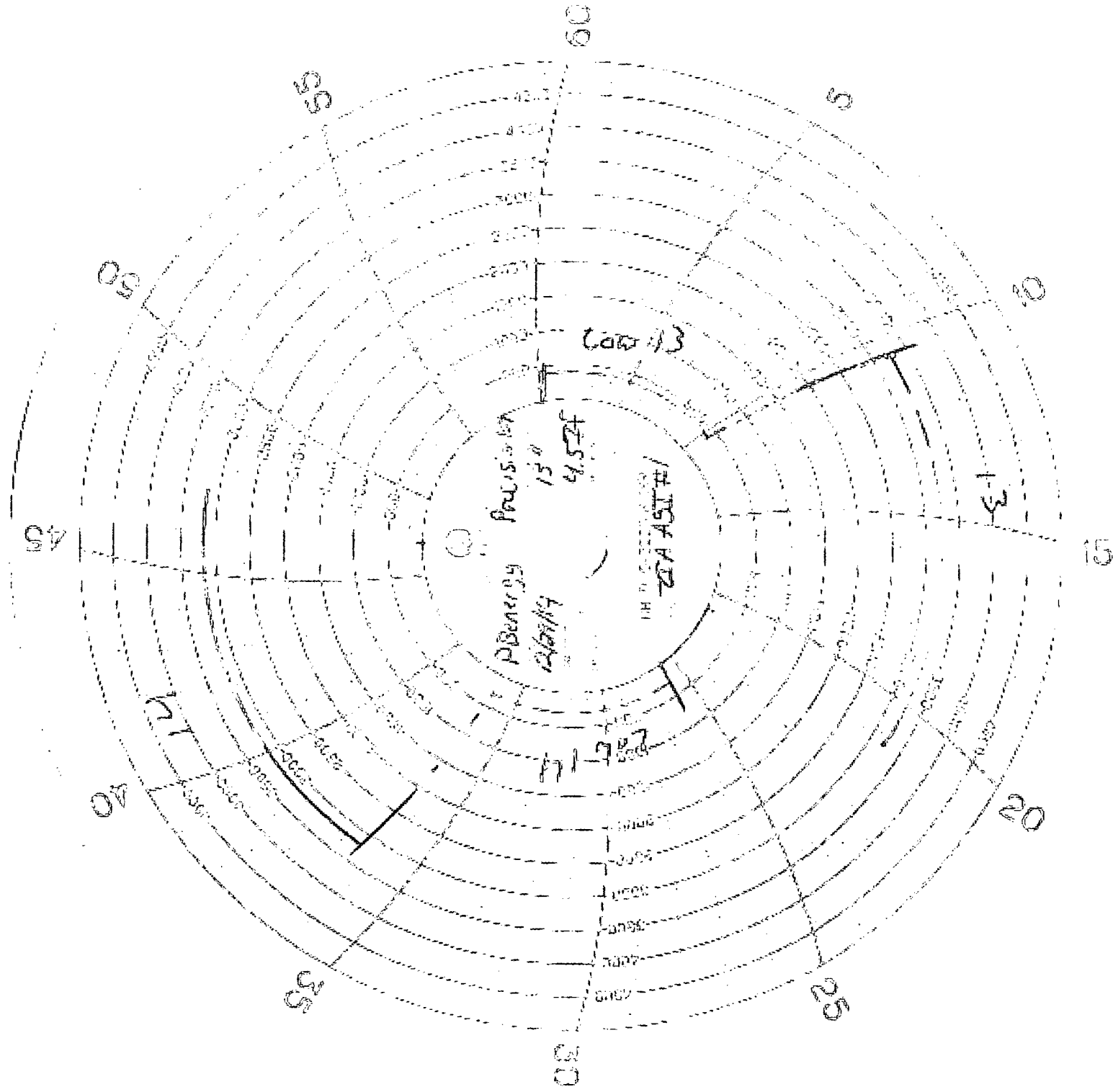


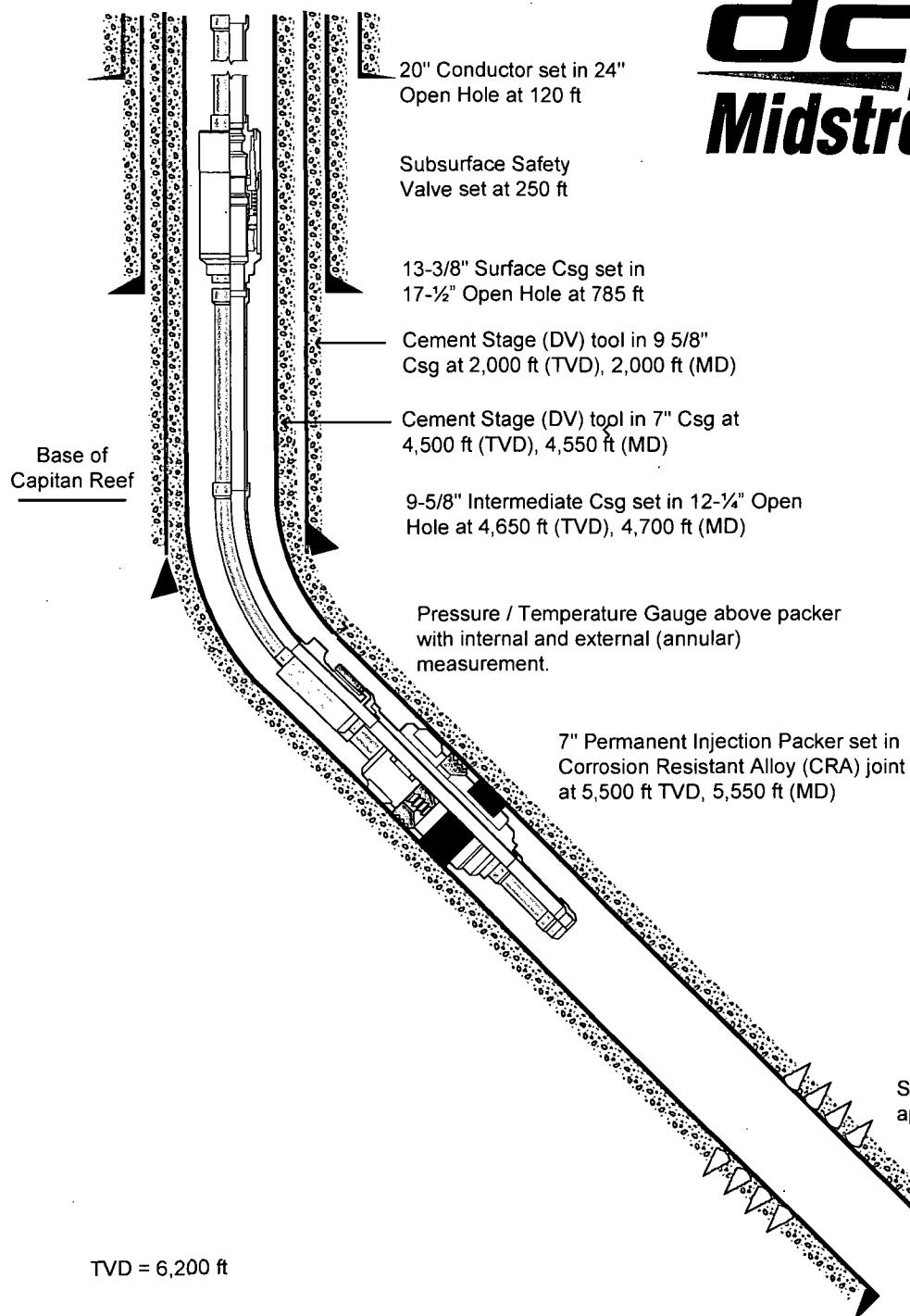












DCP MIDSTREAM, LP
ZIA AGI #1

Location: 2,100 FSL & 950' FWL
STR S19-T19S-R32E
County, St.: LEA COUNTY, NEW MEXICO

CONDUCTOR PIPE

20" Conductor set at 120 ft.
Cemented to surface

SURFACE CASING

13-3/8", 48#, J55, ST&C set at 785 ft MD
Cemented to surface

INTERMEDIATE CASING

9-5/8", 40#, J55, LT&C set at 4,700 ft MD (4,650 ft TVD)
Cemented to surface

PRODUCTION CASING:

7 5/8", 29.7#, HCL-80 LT&C, from surface to 300 ft MD (300 ft TVD)
7", 26#, HCL-80 LT&C, from 300 ft to 5,320 ft MD (5,220 ft TVD)
7", 26#, 28Cr, VAM TOP from 5,320 ft to 5,620 ft MD (5,220 ft to 5,520 ft TVD)
7", 26#, HCL-80 LT&C, from 5,620 to 6,300 ft MD (5,520 to 6,200 ft TVD)
Cemented to surface

PACKER:

Permanent injection packer with Incaloy components set in Corrosion Resistant Alloy (CRA) csg at 5,550 ft MD (5,450 ft TVD)

TUBING:

Subsurface Safety Valve at 250 ft MD (250 ft TVD)
3-1/2", 9.3#/ft, L80 (fiberglass lined) from surface to 5,550 ft MD (5,450 ft TVD)
Premium thread utilizing metal to metal sealing in collars

BOTTOM HOLE LOCATION AT 5,500 FT (TVD):

874' North and 206' West of surface location

Selective perforations in Brushy Canyon from approximately 5,500 ft to 6,000 ft (TVD)

7" Production Csg set in 8-1/2" Open Hole at 6,200 ft (TVD), 6,300 ft (MD)

TVD = 6,200 ft

		Opt	Min	Max			Well	Zig AGI #1
		2,220	2,420	2,420			Date	24-Dec-14
		BBLS		Stks		Shoe Depth		842
Capacity	F/Shoe	132.6	Pump Stks	1,339	Total Depth			
F=Collar	125.5	Pump Stks	1,268	Rathole	-8	Total	Collar	
Casing String Wt								
Run Jt #	Unit #	Length	O.D.	Weight	Grade	Thread	Remarks	Length
								Depth
1	1	42.13	68	J55	BTC			44.05
2	2	40.52	68	J55	BTC		(2) Cent 1 & 2	797.95
3	3	42.14	68	J55	BTC			755.63
4	4	42.14	68	J55	BTC		Cent #3	713.49
5	5	42.14	68	J55	BTC		Cent #4	671.35
6	6	42.14	68	J55	BTC			629.21
7	7	42.13	68	J55	BTC			629.21
8	8	42.14	68	J55	BTC		Cent #5	587.08
9	9	42.15	68	J55	BTC		Cent #6	544.94
10	10	42.13	68	J55	BTC		Cent #7	502.79
11	11	42.13	68	J55	BTC		Cent #8	460.66
12	12	42.13	68	J55	BTC		Cent #9	418.53
13	13	42.13	68	J55	BTC		Cent #10	376.40
14	14	42.13	68	J55	BTC		Cent #11	334.27
15	15	42.13	68	J55	BTC			292.14
16	16	42.03	68	J55	BTC			250.01
17	17	42.13	68	J55	BTC			207.98
18	18	42.11	68	J55	BTC			165.85
19	19	42.12	68	J55	BTC			123.74
20	20	42.13	68	J55	BTC			81.62
21	21	42.15	68	J55	BTC			39.49
22	22	42.13	68	J55	BTC		Out Joints	-2.66
23	23	42.14	68	J55	BTC		Out Joints	
24	24	42.14	68	J55	BTC		Out Joints	
25	25	42.16	68	J55	BTC		Out Joints	
26	26	42.16	68	J55	BTC		Out Joints	
Total		210.73						

Surveys

195' 3/4"

665 1/2"

846 3/4"

Well		Zila 1		Customer		Parsons Brinckerhoff		Job Number		CX05-00030	
Field		Location (Legal)		Schlumberger Location		Job Start		Dec/27/2014			
Formation Name/Type		Depth		Bit Size		WHD MD		WHD TD		850.0 ft	
Country		Loc		Date/Province New Mexico		DHP		BIST		BACT	
Well Number		0631589524		APR/08/1		2002542208		CD		degf	
Rig Name		Precision 107		Oil & Gas		Service Via		Land		Casing/Liner	
Offshore Zone		Well Class		New		Well Type		Development		Weight, lb/m	
Drilling Fluid Type		Well Density		Plastic Viscosity		Y/P		Depth, ft		Size, in	
Service Line		Job Type		13 3/8" Surface		Max. Allowed Ann. Press		W/H Connection		Rin. of Shots	
Cementing		Max. Allowed Ann. Press		W/H Connection		Y/P		Depth, ft		Size, in	
Service Instructions		149 psi		Pipe Recirculated		Shot Type		Shot Depth		Shot Type	
Rig Centralizers		Top Rugs		Bottom Rugs		Shot Type		Shot Depth		Shot Type	
Cement Head Type		Arrived on Location		Leave Location		Casing Type		Casing Depth		Casing Type	
Job Scheduled For		Dec/27/2014		Dec/27/2014		Casing Type		Casing Depth		Casing Type	
Date		Time		Pressure		Density		Volume		Messages	
12/27/2014		06:45:34		0		0.0		8.41		0.0	
12/27/2014		06:47:14		1		0.0		8.41		0.0	
12/27/2014		06:48:54		1		0.0		8.41		0.0	
12/27/2014		06:50:34		25		3.2		8.41		1.5	
12/27/2014		06:52:14		27		2.7		8.41		5.3	
12/27/2014		06:53:54		6		0.0		8.41		6.4	
12/27/2014		06:57:14		6		0.0		8.41		8.6	
12/27/2014		06:58:54		2858		0.0		8.41		8.6	
12/27/2014		06:59:00		2850		0.0		8.41		8.6	
12/27/2014		07:00:34		9		0.0		8.41		8.6	
12/27/2014		07:02:14		93		5.4		8.41		13.3	
12/27/2014		07:02:58		124		6.4		8.41		17.6	
12/27/2014		07:03:54		116		6.4		8.41		23.5	
12/27/2014		07:05:34		175		6.5		10.94		34.2	
12/27/2014		07:06:08		172		6.4		11.03		37.8	
12/27/2014		07:07:14		189		6.4		12.17		44.9	
12/27/2014		07:08:54		233		6.5		13.60		55.7	
12/27/2014		07:10:34		234		6.5		13.62		66.4	
12/27/2014		07:12:14		239		6.5		13.63		77.2	
12/27/2014		07:13:54		241		6.5		13.71		88.0	
12/27/2014		07:15:34		252		6.5		13.72		98.8	

Well	Field	Job Name	Customer	Job Number	Notes
20 1		Dec 27/2014	Parsons Brinckerhoff	CXDF-00020	
Depth	Pressure	Flow	Density	Volume	OSL
ft	psi	gpm	lb/c	cu ft	
07:18:54	249	6.5	13.69	120.4	
07:20:34	244	6.5	13.69	131.1	
07:22:14	241	6.5	13.67	141.9	
07:23:54	233	6.5	13.69	152.7	
07:25:34	241	6.5	13.69	163.5	
07:27:14	250	6.5	13.70	174.3	
07:28:13	252	6.5	13.70	180.7	Mud scale reads 1.7 ppg
07:29:54	257	6.4	13.70	185.1	
07:30:34	250	6.5	13.70	195.9	
07:32:14	258	6.5	13.69	206.7	
07:32:13	248	6.5	13.69	208.5	End Test Slurry
07:32:12	248	6.5	13.69	208.6	Grp Top Plug
07:33:54	5	0.0	14.49	214.6	
07:35:34	6	0.0	14.03	214.6	
07:37:14	21	1.7	9.45	215.1	
07:37:12	66	4.4	9.20	215.9	Start Displacement
07:38:54	118	6.5	8.69	222.9	
07:40:34	117	6.5	8.75	232.8	
07:42:14	115	6.5	8.67	244.5	
07:43:54	110	6.4	8.42	255.2	
07:45:34	152	6.4	8.40	266.0	
07:47:14	180	6.4	8.40	276.7	
07:48:54	216	6.4	8.40	287.3	
07:50:34	228	6.4	8.41	298.0	
07:52:14	252	6.2	8.42	308.5	
07:53:54	266	6.2	8.42	319.0	
07:55:34	230	6.2	8.42	329.5	
07:57:14	150	2.0	8.42	334.5	
07:58:54	181	2.0	8.42	338.3	
07:59:13	179	2.0	8.41	339.7	Grp Top Plug
08:00:18	558	2.0	8.42	341.2	Circulate 50.5 bbls = 169 sec
08:00:34	803	0.0	8.41	341.5	
08:02:14	796	0.0	8.41	341.5	

Post Job Summary

Slurry	NS	Head	Maximum Rate	Total Slurry	Head	Spacer	NS
5.7			6.7	182.0		0.0	20.0
Average Pump Rates, bbl/min							
Volume of Fluid Injected, bbl							
Final	Average	Bump Plug to Breakdown	Type	Volume	Density	Bygal	
2664	3	768					
Avg. NS Percent	0.0 bbl	Displacement	Mix Water Temp	Current Circulated to Surface?	To	From	
%		125.5 bbl	degf				
Customer or Authorized Representative	Schubert	Supervisor	La Tarnant	Job Completed	X		
Charles Slack							

Parsons Brinckerhoff - ZIA 1 Surface Field Blend Tail

Fluid No : HNM14C701002		Client : Parsons Brinckerhoff		Location / Rig : Precision #107		Signatures	
Date : Dec-27-2014		Well Name : ZIA #1		Field :		P. Quintana, LT/ K. Hamburg LAraya-LTT	

Job Type	Surface	Depth	1025.0 ft	TVD	1025.0 ft
BHST	88 degF	BHCT	80 degF	BHP	712 psi
Starting Temp.	80 degF	Time to Temp.	00:13 hr:mn	Heating Rate	0.01 degF/min
Starting Pressure	251 psi	Time to Pressure	00:13 hr:mn	Schedule	9.2-1

Composition

Slurry Density	13.70 lb/gal	Yield	1.63 ft ³ /sk	Mix Fluid	8.461 gal/sk
Solid Vol. Fraction	30.5 %	Porosity	69.5 %	Slurry type	Conventional

Code	Concentration	Sack Reference	Component	Blend Density	Lot Number
D903		94 lb of BLEND	Blend	197.27 lb/ft ³	FB3234
Fresh water	8.451 gal/sk		Base Fluid		Tap
S001	1.000 %BWOC		Accelerator		14181
D065	0.200 %BWOC		Dispersant		BA17DP22
D130	0.130 lb/sk		Lost circ		929147
D020	1.000 %BWOC		Extender		Bulk
D046	0.200 %BWOC		Antifoam		CW4J0265A1
D177	0.010 gal/sk		Retarder		2014246AL

Rheology

Temperature (°F)	80 degF			80 degF		
	Up (deg)	Down (deg)	Average (deg)	Up (deg)	Down (deg)	Average (deg)
300	27.0	27.0	27.0	30.0	30.0	30.0
200	23.0	23.0	23.0	26.0	26.0	26.0
100	18.0	19.0	18.5	21.0	21.0	21.0
60	16.0	17.0	16.5	19.0	18.0	18.5
30	14.0	15.0	14.5	16.0	16.0	16.0
6	12.0	12.0	12.0	12.0	13.0	12.5
3	10.0	11.0	10.5	9.0	11.0	10.0

10 sec Gel	10 deg - 10.67 lb/100ft ²	11 deg - 11.74 lb/100ft ²
10 min Gel	15 deg - 16.01 lb/100ft ²	11 deg - 11.74 lb/100ft ²

Rheo. computed	Viscosity : 13.775 cP	Yield Point : 13.56 lb/100ft ²	Viscosity : 15.332 cP	Yield Point : 15.31 lb/100ft ²
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Thickening Time

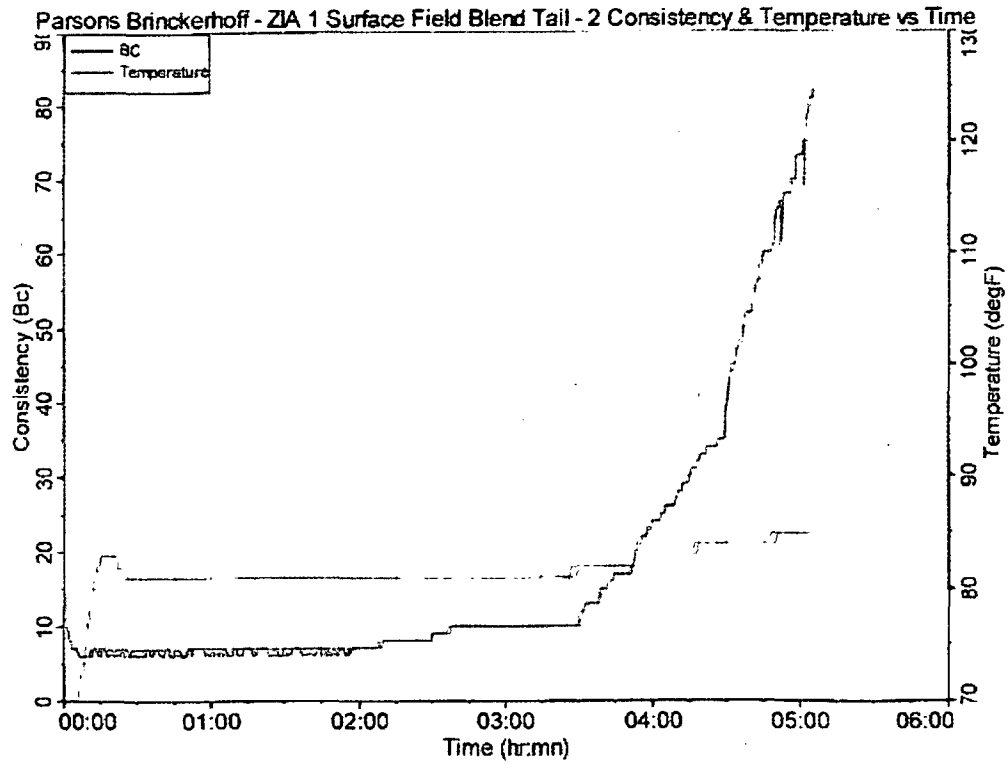
Consistency	Time
POD :	02:08 hr:mn
30 Bc	04:14 hr:mn
50 Bc	04:37 hr:mn
70 Bc	04:56 hr:mn

UCA Compressive Strength

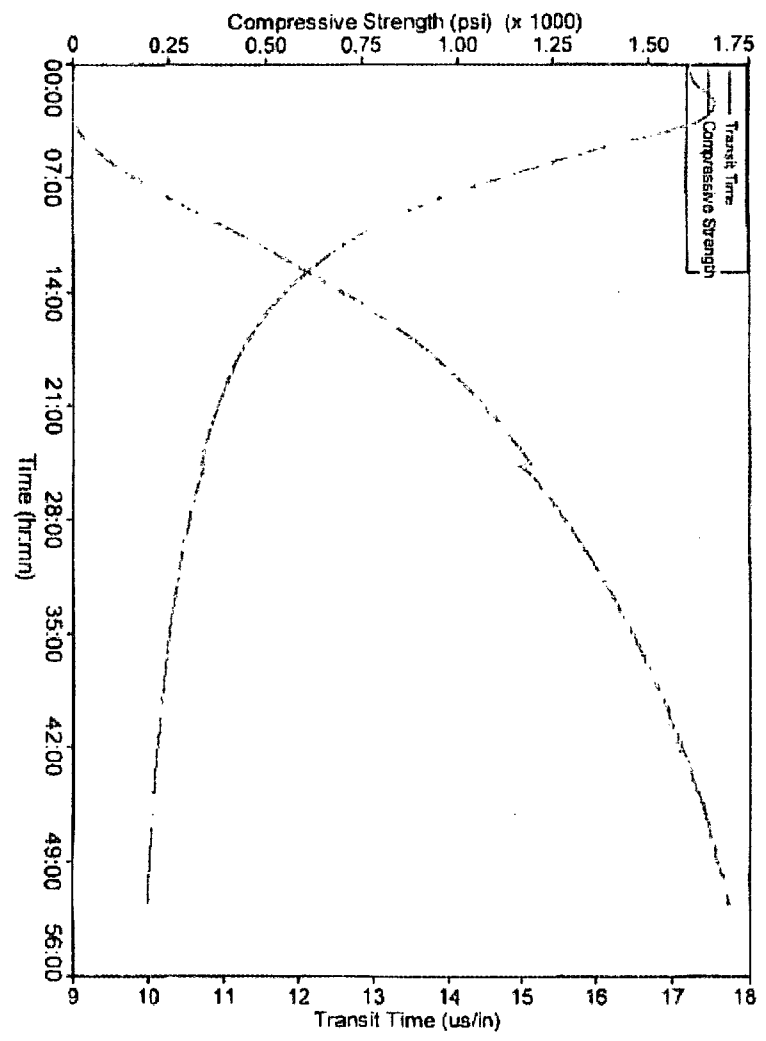
Time	CS
05:01 hr:mn	50 psi
11:17 hr:mn	500 psi
24:00 hr:mn	1176 psi
48:00 hr:mn	1656 psi

Free Fluid

2.0 mL/250mL in 2 hrs
At 80 degF and 0 deg incl
Sedimentation : None



Submittal



Well	Zib	Client	Parsons Brinckerhoff
Field		SIR No.	CXOF-00080
Engineer	Lia Tennant	Job Type	13 3/8" Surface
Country	United States	Job Date	12-27-2014

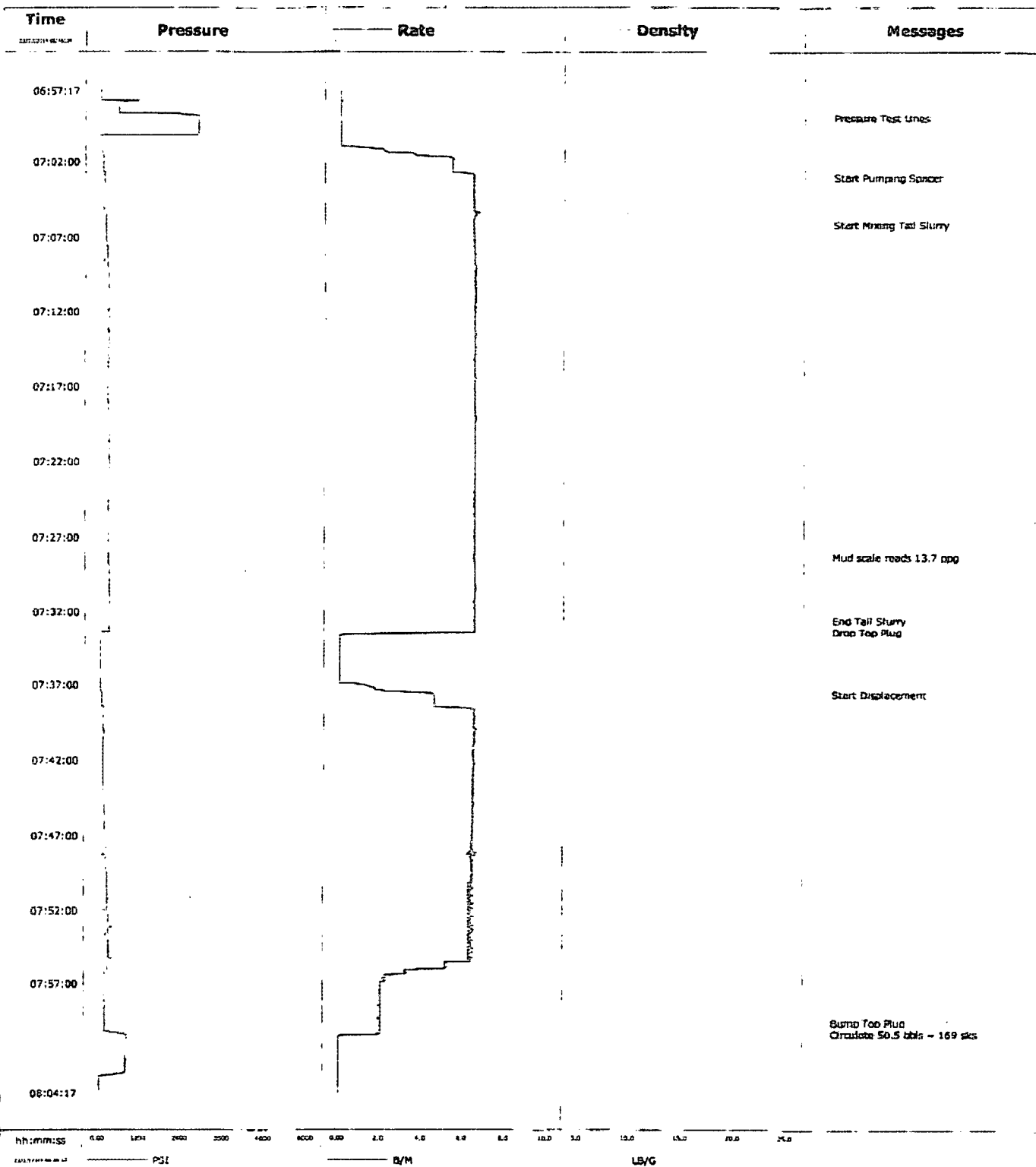


Photo of Cement Returns

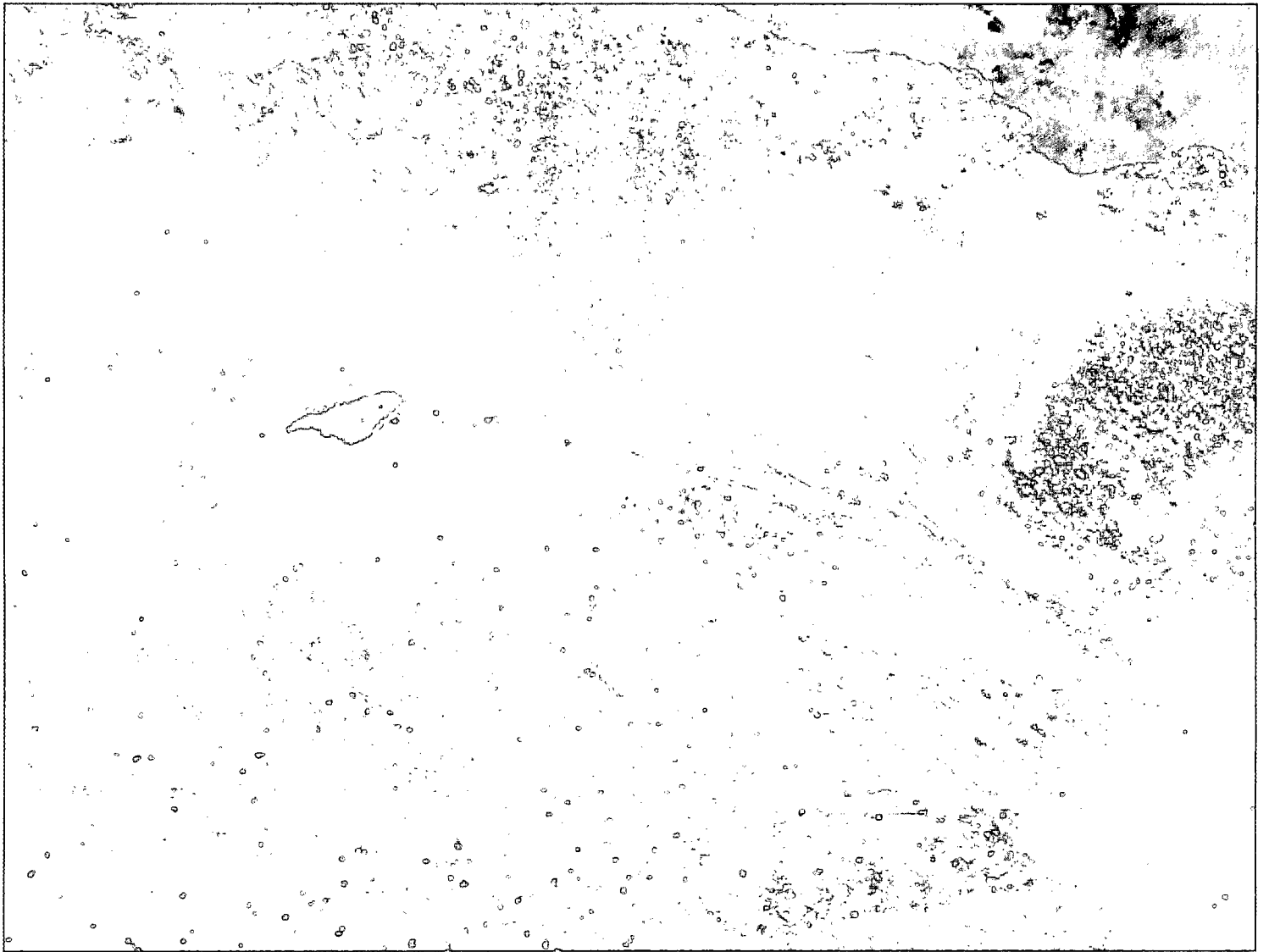
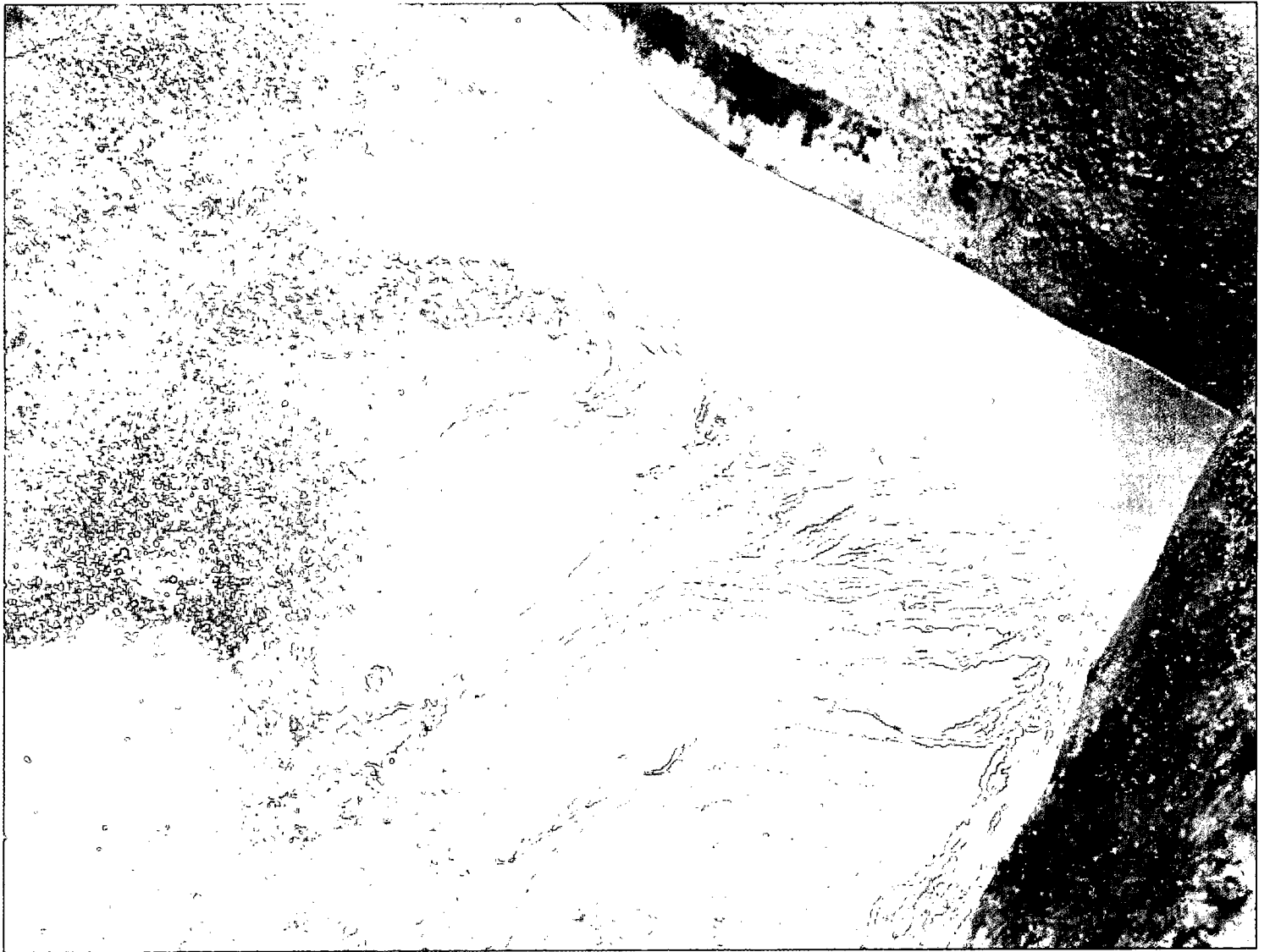
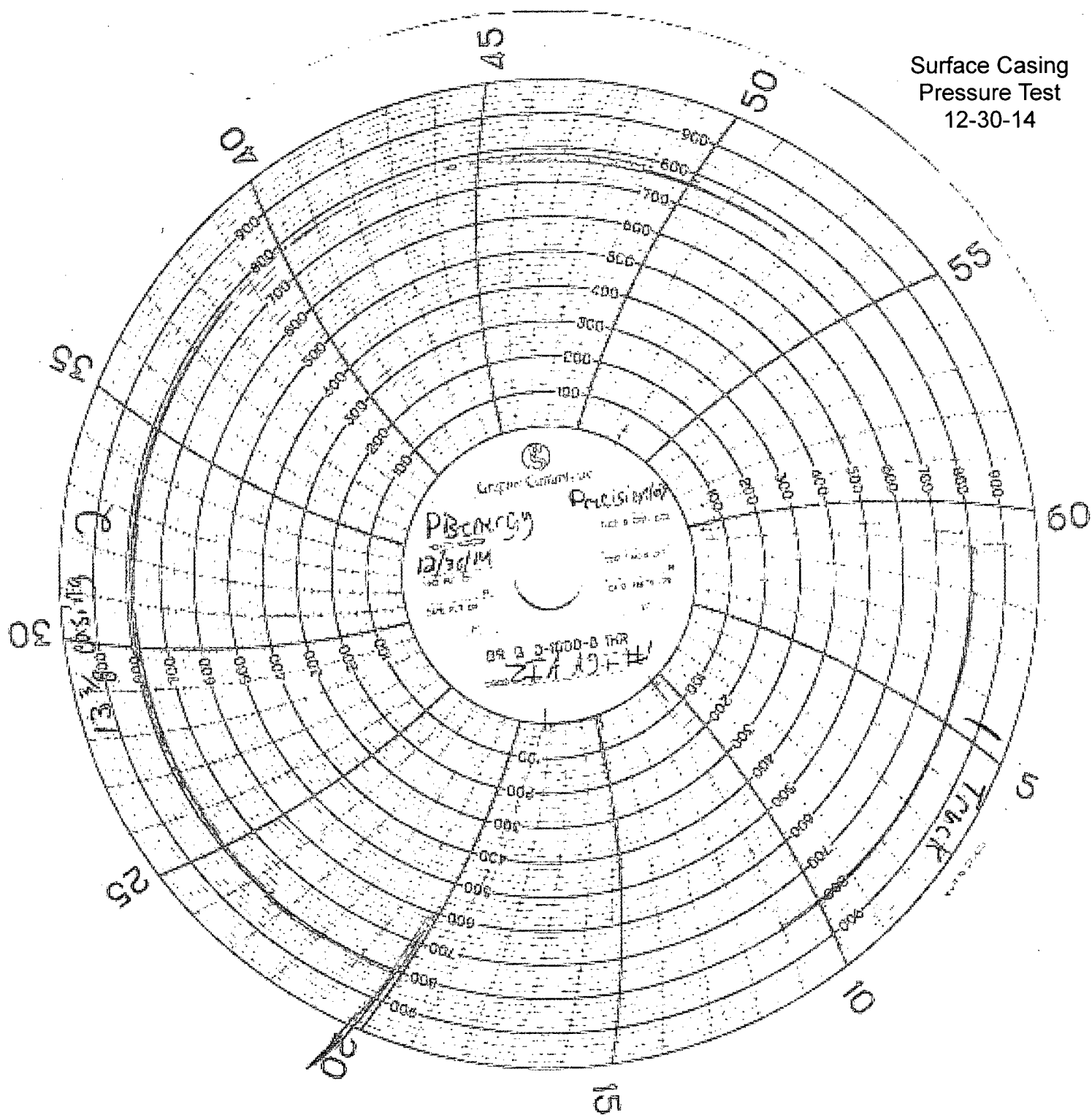


Photo of Cement Returns



Surface Casing
Pressure Test
12-30-14



Surface Casing
FIT 12-30-14

