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

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-42208

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No. NMLC065863

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: Zia AGI

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

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: AGI: Cherry Canyon/Brushy Canyon

4. Well Location
Unit Letter L : ~~2,305~~ 2100 feet from the NORTH line and 950 feet from the WEST line
Section 19 Township 19S Range 32E NMPM County Lea

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:				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	☐			Final OH Logs, Inj. Casing, CBL, and Csg Press Test			
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			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 Zia AGI #1 injection borehole was drilled from below the 9.625-inch intermediate casing TD at 4,950 ft (4,857 TVD) to the well TD of 6,360 feet (6,192 TVD). Drilling was terminated in the Brushy Canyon Formation on January 25, 2015. Several small isolated H_2S detections were encountered during drilling of the injection borehole, as the drill bit cut through the proposed injection zone and during circulation prior to casing installation. None of the H_2S concentrations exceeded 3.75 ppm, which is below the mud logging instrumentation (Bloodhound) error limit (+/- 5.0 ppm). H_2S concentrations are shown on the mud log.

The injection open-hole was logged from the intermediate casing at 4,889 ft (4,799 TVD) to TD on January 26, 2015. Caliper logs for the injection (8 ½-inch) borehole indicates a clean hole with no significant washouts from 4,950 ft to TD. The top of the injection zone at the bottom portion of the Cherry Canyon Formation was determined to be at a depth of 5,540 ft (5,412 TVD) and the Brushy Canyon Formation was determined to be 5,775 ft (5,635 TVD) based on open-hole geophysical logs and the mud log.

The open-hole geophysical logs and mud log were also used to determine the best locations for perforation intervals in the proposed injection zone. Sixty of the locations between 5,550 and 6,254 ft (5,422 - 6,090 TVD) were selected for sidewall coring, which was performed immediately following the completion of the open-hole logging.

The Zia AGI #1 production casing was installed on January 29, 2015. The injection-casing shoe was set at 6,344 ft (6,176 TVD) in the Brushy Canyon Formation.

The injection casing for the Zia AGI #1 was cemented in two stages. A diverter valve tool (DVT) was placed at a depth of 4,578 ft (4,503 TVD) to allow uniform cement placement (Cement Reports Attached). The first stage, from 6,342 ft (6,174 TVD) to the DVT required extra EverCreteTM cement so additional testing was performed prior to cementing. Cementing was started with 16 bbl of 13.2 ppg cement followed by 42 bbls of EverCreteTM cement (16.1 ppg). The DVT dart was dropped which opened the DV tool and pushed mud to the surface with no cement returns to the surface. Wait on cement time for the first stage was more than 24 hours while continuously circulating fluid through DVT to surface to clean out second stage annulus space.

The second stage (DVT - surface) was composed of 144 bbls of 12.6 ppg lead cement followed by 16 bbls of tail cement with a yield of 1.98 cuft/sack. The DVT was closed and cement was pumped to the surface with 20 bbls returned to the surface. Wait on cement time

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for the second stage was more than 24 hours (more than 30 days). The cement returns were not witnessed by the BLM. Cement did not fall back and the injection casing remained cemented to surface.

The cement bond logs were run on April 19, 2015. They indicate good cement bond from TD to 4,694 ft (4,614 TVD), which is approximately 195 feet above the 9.625-inch intermediate casing shoe depth of 4,889 ft (4,799 TVD). A few areas of isolated questionable bond are present between the 7-inch and 9.625-inch casing at 3,916 to 3,215 ft (3,865 to 3,192 TVD), but they are within areas of very good cement bond behind the 9.625-inch casing.

A pressure test was performed on the 7-inch injection casing on April 20, 2015. The chart indicates that the pressure was increased from 0 to 2,500 psi and held for 30 minutes with no decrease in pressure indicated prior to bleeding off the pressure back to 0 psi.

All of the data associated with this C-103 was submitted to the BLM, the lead regulatory agency, via BLM Form 3160-5 to the BLM website https://www.blm.gov/wispermits/wis/SP/login.do. Geolex will provide any of those attachments to the NMOCD upon request as a separate subsequent C-103.

Spud Date:	December 23, 2014	Rig Release Date:	February 1, 2015

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

SIGNATURE Dale T. Littlejohn TITLE Consultant to DCP Midstream LP DATE 5-7-15

Type or print name Dale T Littlejohn E-mail address: dale@geolex.com PHONE: 505-842-8000

For State Use Only

APPROVED BY: TITLE Petroleum Engineer DATE 05/11/15

Conditions of Approval (if any):

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