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

HOBBS OCD
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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
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 17th Street, Suite 2500, Denver, CO 80202

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 ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: Quarterly Injection Data Reports ☒	

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.

Initial Start-up and Quarterly Report for the period from August 24, 2015 through December 31, 2015 Pursuant to NMOCC Order 13809 for Zia AGI #1

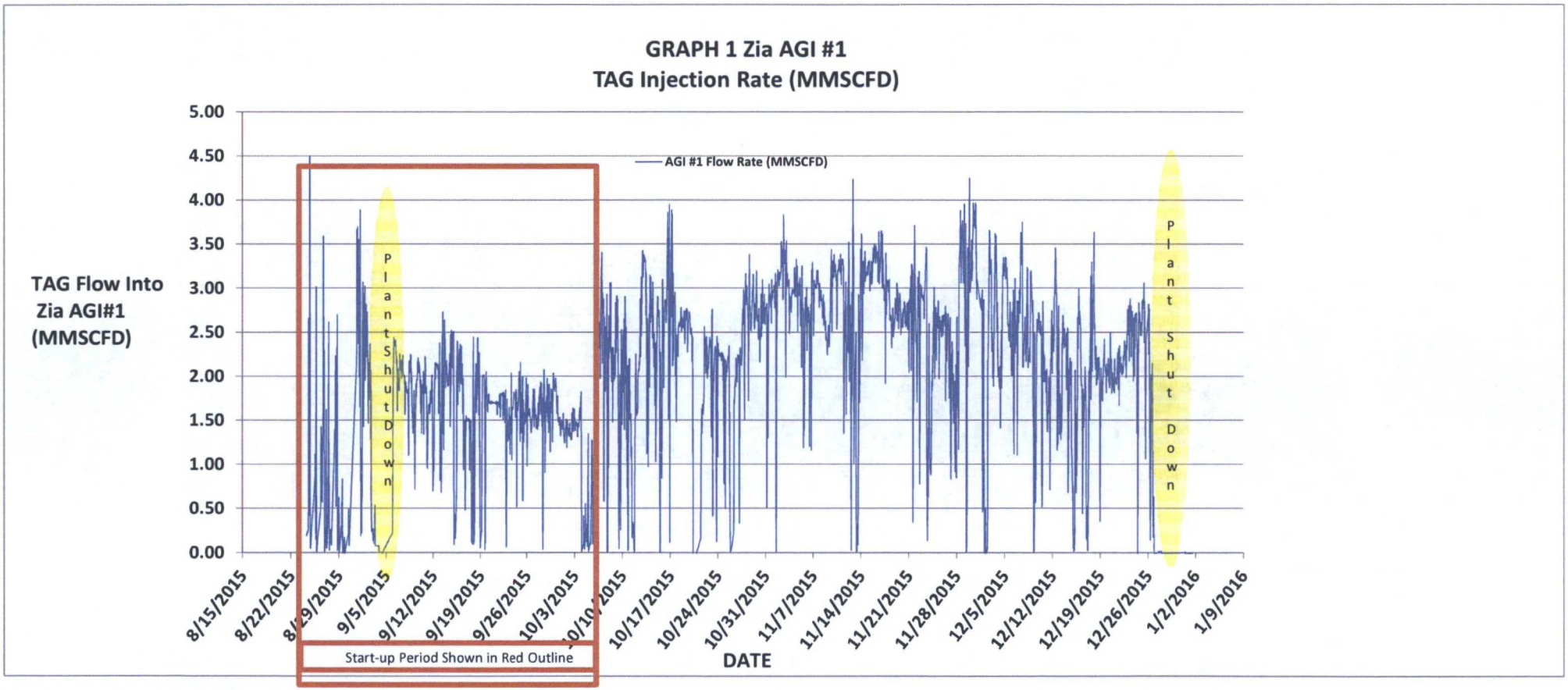
This initial report includes the entire startup period in August and September and the initial quarterly report of normal operations from October 2015 - December 2015. Going forward DCP will submit reports following every quarter pursuant to the requirements of the NMOCC order. These reports cover the analysis and reporting of surface injection pressure, TAG temperature, casing annular pressure as well as downhole injection pressure, temperature and annular pressure. The Zia AGI #1 was brought on-line on 8/24/15 and the initial start-up period from 8-24-15 through 10-5-15 is characterized by wide variances in Surface Injection Pressure, Annular Pressure and Injection Temperature as DCP (shown on Graphs 2 and 3) as well as low and variable flow rates as DCP went through the process of starting up the new Zia Gas Plant and shake out of plant operating conditions as reflected in the injection data for this period shown in the graphs which present and analyze these initial data. The plant was shut down once during the initial start-up period from 9-2-15 to 9-5-15. As part of the startup adjustments, corrosion-inhibited diesel was bled from the annular space in mid-September and then again in late September as shown on Graph 3. After the initial start-up period surface injection pressure as well as annular pressure stabilized as demonstrated on Graphs 2 and 3 until December 26th when the plant was shut down again due to weather delivery issues and frozen wells in the field. In addition, DCP has experienced and is continuing to experience technical and communication difficulties between the well's downhole sensors and the PLC at the plant which gathers the data submitted as part of this report. During the months of October and December, DCP has been attempting to resolve these issues resulting in some data gaps which are shown on and explained on Graph 5. These actions have been addressing some hardware modifications, reprogramming and software updates relative to its PLC system in order to address some technical issues related to downhole sensors and their communication with the surface PLC unit.

For the first quarter (including the start-up period), the values for injection parameters being monitored were as follows.

Surface Measurements: Average TAG Injection Pressure : 1826 psig, Average Annular Pressure: 206 psig, Average Pressure Differential: 1620 psig, Average Tag Temperature: 96°F, Average TAG injection rate: 1.92 MMSCFD.

Downhole Measurements: Average TAG injection pressure 3655 psig, Average Annular Pressure: 2255 psig, Average TAG Temperature: 96°F, Average Downhole Pressure Differential 1400 psig.

Accepted for Record Only
MAR 02 2016


GRAPH 1 Zia AGI #1
TAG Injection Rate (MMSCFD)
TAG Flow Into Zia AGI#1 (MMSCFD)
AGI #1 Flow Rate (MMSCFD)
Plant Shut Down
Plant Shut Down
Start-up Period Shown in Red Outline
DATE
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
8/15/2015
8/22/2015
8/29/2015
9/5/2015
9/12/2015
9/19/2015
9/26/2015
10/3/2015
10/17/2015
10/24/2015
10/31/2015
11/7/2015
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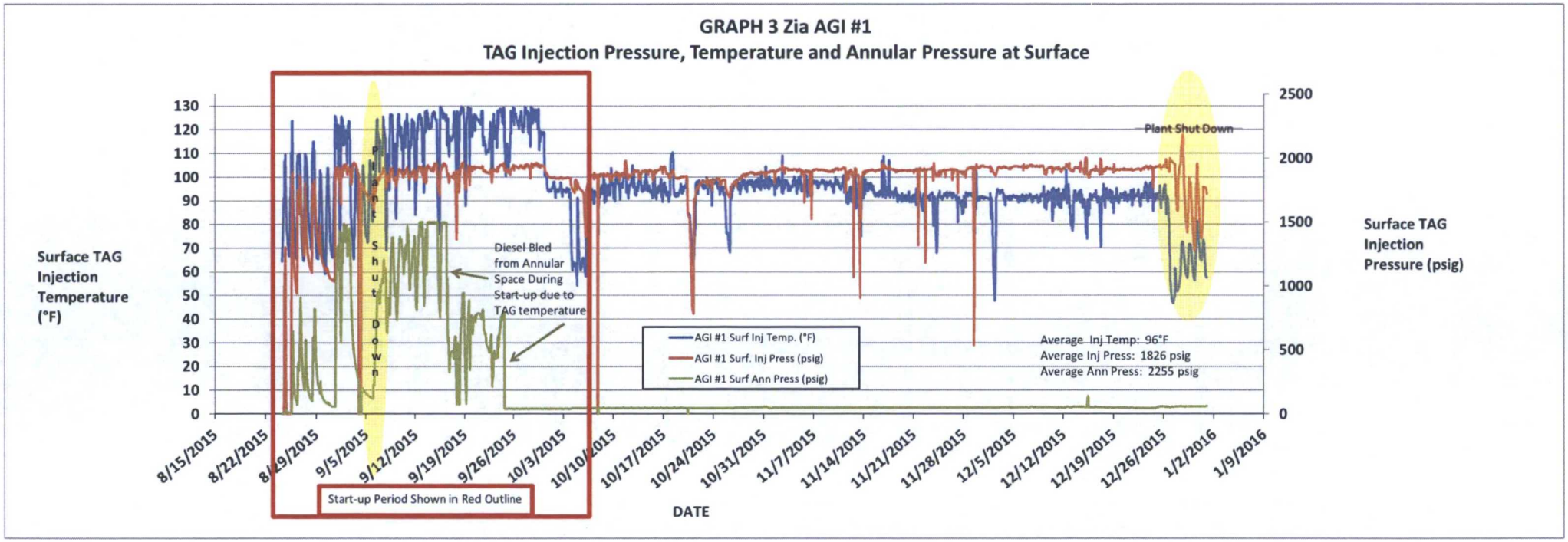
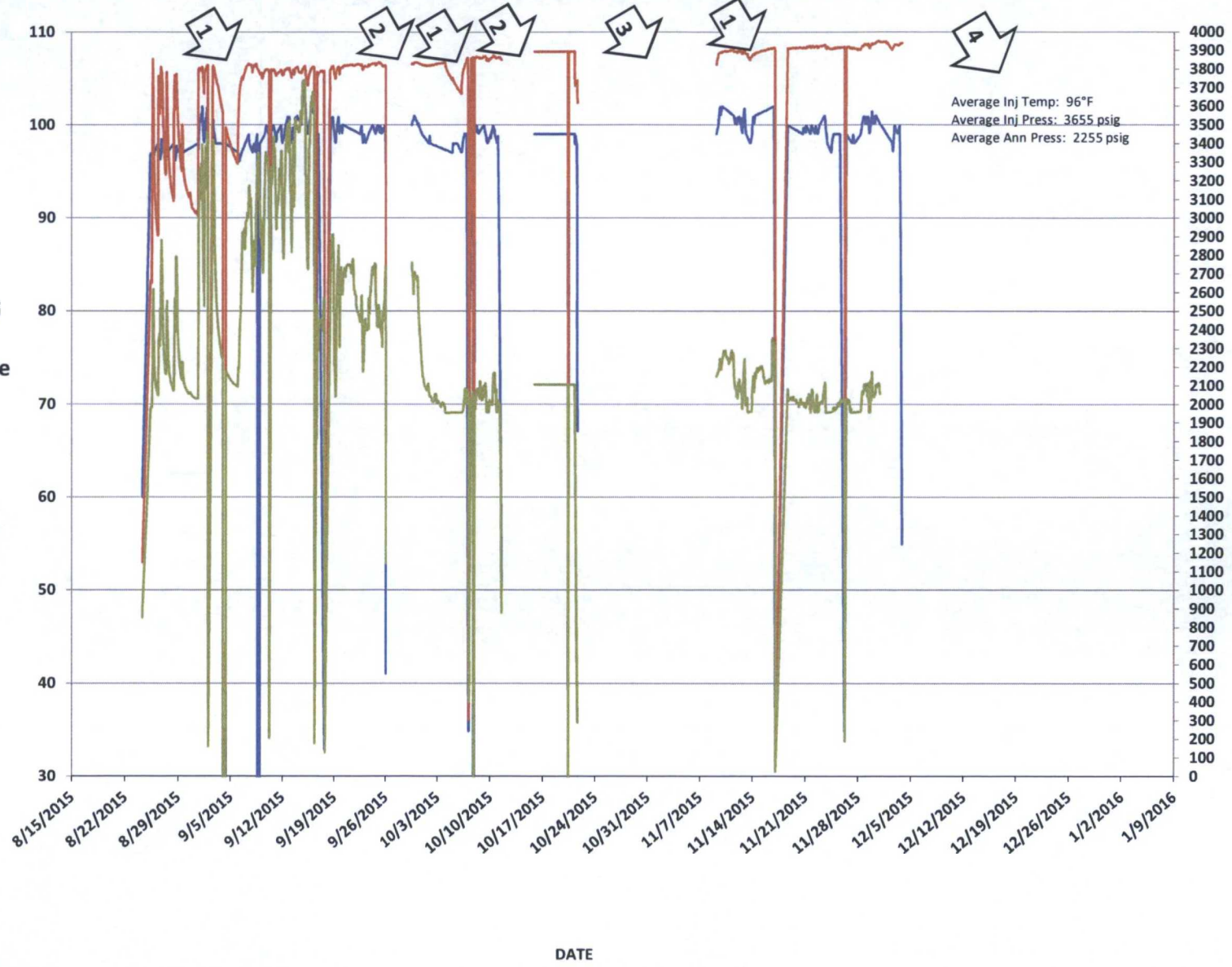
12/26/2015
1/2/2016
1/9/2016


GRAPH 3 Zia AGI #1
TAG Injection Pressure, Temperature and Annular Pressure at Surface
Surface TAG Injection Temperature (°F)
Surface TAG Injection Pressure (psig)
Plant Shut Down
Diesel Bled from Annular Space During Start-up due to TAG temperature
AGI #1 Surf Inj Temp. (°F)
AGI #1 Surf. Inj Press (psig)
AGI #1 Surf Ann Press (psig)
Average Inj Temp: 96°F
Average Inj Press: 1826 psig
Average Ann Press: 2255 psig
Start-up Period Shown in Red Outline
DATE

GRAPH 5 Zia AGI #1 Downhole TAG Injection Pressure, Temperature and Annular Pressure



Explanation of Data Gaps

1 - Low or No Flow (plant shutdowns)
2 - Sensor Failure
3 - PLC Reprogramming and Repair
4 - PLC Reprogramming and Software Updates