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

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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 July 18, 2013

WELL API NO. 30-025-42139	
5. Indicate Type of Lease STATE ☐ FEE ☒	
6. State Oil & Gas Lease No. N/A	
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 ☒	7. Lease Name or Unit Agreement Name Monument AGI D 8. Well Number #2
2. Name of Operator Targa Midstream Services LLC	9. OGRID Number 24650
3. Address of Operator 1000 Louisiana, Houston, TX 77002	10. Pool name or Wildcat Devonian-AGI
4. Well Location Unit Letter O : 685 feet from the South line and 2362 feet from the East line Section 36 Township 19S Range 36E NMPM Lea County	
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3384 GL	

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: Informational C-103 for Intermediate Borehole/Casing ☒		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.

Targa Midstream Services, LLC (Targa) is respectfully submitting this C-103 form to inform the NMOCD of lost circulation and remedies to address the lost circulation prior to setting the 9 5/8-inch casing within the 12 ¼-inch intermediate borehole at Monument AGI D #2. Please see attachment 1 for a chronological list of steps that have occurred concerning this issue and Targa's rigorous attempts to address them.

Targa intends to drill out the first cement plug to TD (8,310 feet) and run a final temperature survey to help pick the optimal stage tool (DVT) setting depth. Currently these are estimated to be 3,950' and 5,950'. After depths for the DV tools are confirmed, Targa will run the 9 5/8" casing string to TD. Then Targa is planning a 3 stage cement job and expandable packers will be utilized for each stage as follows:

1. Stage 1
   a. Mix and pump 50 bbl Halliburton/Baroid N-SQUEEZE STOPPIT high loss LCM pill
   b. Displace below csg shoe
   c. Mix and pump 50 bbl DiamondSeal swellable Polymer LCM
   d. Mix and pump WellLock Resin and circulate above DVT at 5950'.
2. Stage 2
   a. Mix and pump 50 bbl DiamondSeal swellable Polymer LCM
   b. Pump lead Class C cmt
   c. Pump tail Class C cmt and circulate above DVT at 3950'.
3. Stage 3
   a. Mix and pump 50 bbl DiamondSeal swellable Polymer LCM
   b. Pump lead Class C cmt
   c. Pump tail Class C cmt and circulate to surface

This cementing plan is designed to minimize any potential losses of cement to surrounding formations, while ensuring a good cement bond with the 9 5/8-inch casing is obtained. The final job will result in WellLock resin cement from TD to about 5950' and conventional cement above that to surface in two stages. We will then drill to the setting-depth for the injection string (approximately 8350') and set the 7" injection string with 300' of CRA casing at the base and WellLock resin cement from TD to about 1500' inside the 9 5/8" string with lead class C cement to surface. The 7-inch injection casing, within the 9 5/8-inch intermediate casing, includes CRA casing and WellLock resin cement that will help ensure the long term performance, functionality and effectiveness of this replacement AGI well.

Spud Date: November 23, 2016 Rig Release Date:

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

SIGNATURE Jack Smith TITLE Consultant to Targa Midstream Services, LLC DATE 12/20/2016

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: _____ TITLE Petroleum Engineer DATE 12/21/16

Conditions of Approval (if any):

ATTACHMENT 1

LOST RETURNS CHRONLOGY AND FUTURE STEPS OF TARGA MONUMENT AGI –D#2

REPORT DAY	EVENT	COMMENTS
Day 9	1st Lost Circ event @ 3715'	Losing 65 bbl/hr. (5-10% losses) Healed Healed w/40 #/bbl LCM sweeps On trips we spotted LCM sweep across @ 3715'
Day 16	2nd Lost Circ event	Drilling break @ 7868', instantly lost total returns, pumping 50 bbl pills. No response to 4 - 15 ppg LCM sweeps.
Day 18		Pumped 25 ppb and 45 ppb sweeps. No returns. Dry drill f/ 7910' – 8115'.
Day 20	TD'ed hole @ 8310.	**TD'ed @ 8310'**
Day 22	**1st Cmt. Plug** 500 sks Class H neat	RU HOWCO & pumped cement plug From open ended DP @ 7797'. WOC 12 hrs. Tag TOC @ 7343' Drilled bridges f/ 7343' to 7426'. Still losing complete returns.
Day 23-24		Temp Survey identified Leak @ 5969'. No other losses identified. Still no returns when pumping.
	2nd Cmt plug Gravity Squeeze W/500 sk Class H	HOWCO pumped gravity squeeze from 5413' w/ open ended DP. WOC 12 hrs.
Day 25		Tag TOC @ 5831' Wash & ream cmt. bridges F/ 5831' to 5969'. TIH to 6200'.
	3rd Cmt Plug SentinalCEM THIXATROPIC Cement	HOWCO pumped gravity squeeze from open ended DP @ 5413'. WOC 6 hrs. Tag TOC @ 5927', Wash thru cmt bridges f/ 5927' to 6001". TIH to 6200' w/no returns. Can get 10% returns by pumping @ 12 BPM. No returns at 8 BPM.
Day 27	**4th cmt. Plug** Diamondseal Polymer & Class C neat	HOWCO pumped 50 bbl Diamondseal swellable Polymer LCM lead & 500 sk (117 bbl) Class C neat thru open ended DP @ 5871'
Day 28		Tagged TOC @ 5191', drilled 564' of hard cement f/ 5191 to 5375'. Run Temp survey and shows losses at

4010'.
Drill cmt w/o returns from 5375' to 5898'.
Wash thru polymer from 5900' to 5970'

TIH to 6216. Pump 30#/bbl LCM sweep.
Started getting 3-10% flowline returns
pumping 8 BPM. RIH & tag fill at 7285'.
Wash through fill & tag cmt at 7426'.
Drill plug from 7426' to 7470'.