

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

Form C-103
Revised July 18, 2013

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

WELL API NO.
30-025-42207

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
NM 0149956

7. Lease Name or Unit Agreement Name
N/A

8. Well Number
D2

9. OGRID Number
025575

10. Pool name or Wildcat
DEVONIAN EXPL.

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 L : 1893 feet from the South 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.)
3548 ft. Ground Level

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 ☒

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 current well completion schematic with proposed tubing is provided as an attachment. Major components of the well completion, including formation testing will proceed as follows:

- 1) Install 5,000 psi WP double ram hydraulic BOP as shown on attached BOP schematic
- 2) Drill out bridge plug and push to TD
- 3) Set temporary bridge plug on 3.5-inch work tubing at 10,000 feet, hang tubing, and install rental tree at the surface
- 4) While under static conditions, run fiber optic slick line and bottom-hole pressure gauges to record static BHP and temperature profile
- 5) Swab approximately 500 bbls of fluid into the swab tanks while monitoring for recoverable hydrocarbons and recover appropriate formation water samples for laboratory analysis
- 6) Acidize injection zone (open hole) with 40,000 gallons of double inhibited NE Fe 20% HCl, flush with fresh water, and leave shut in overnight
- 7) Install BHP memory gauges on slick line, leave hanging as deep as possible, and allow 2 hours for BHP to stabilize.
- 8) Conduct an Step-Rate Test (SRT) with fresh water over the injection zone in accordance with attached BLM SRT form
- 9) Following the SRT, shut in the well for a 10 day fall-off test
- 10) Upon completion of the fall-off test and evaluation of the results, the temporary packer will be unseated and removed on the work string tubing.
- 11) A bit and casing scrapper will be run on the work string to approximately 13,600 feet. The work string will then be removed and laid down.
- 12) A wire line junk basket/gauge ring/dummy packer will be run to approximately 13,600 feet

- 13) The Incoloy 925 permanent packer assembly will be set on a wire line packer setting tool/GR/CCL at approximately 13,550 feet (approximately 70 feet above the casing shoe depth)
- 14) Assemble and install Incoloy 925 packer seats and pressure sensors with approximately 300 feet of 3.5-inch, 9.2 lb/ft, Inconel G-3, VAM Top injection tubing and 3.5-inch 9.2 lb/ft L-80 BTS-8 tubing as needed to approximately 250 feet below the surface
- 15) Assemble, test, and install subsurface safety valve on 3.5-inch 9.2 lb/ft L-80 BTS-8 tubing as needed to surface
- 16) Prior to stinging into the packer, the tubing and annulus will be filled with diesel and corrosion inhibitor biocide.
- 17) The tubing will be seated into the packer and the injection tree/tubing hanger will be installed and pressure tested up to 250 psi for 10 minutes followed by 5000 psi for 10 minutes.
- 18) A Mechanical Integrity Test (MIT) will be performed to verify that all components are properly installed and working.

Twenty-four hours prior to conducting the SRT and the MIT, notice will be provided to both the BLM and NMOCD so that these procedures can be witnessed. Well completion activities are tentatively scheduled to begin in on December 8, 2016.

Spud Date:

November 2, 2016

Rig Release Date:

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

SIGNATURE  TITLE CONSULTANT TO DCP MIDSTREM LP DATE 12/14/2016

Type or print name JARED R. SMITH E-mail address: JSMITH@GEOLEX.COM PHONE: 505-842-8000

For State Use Only

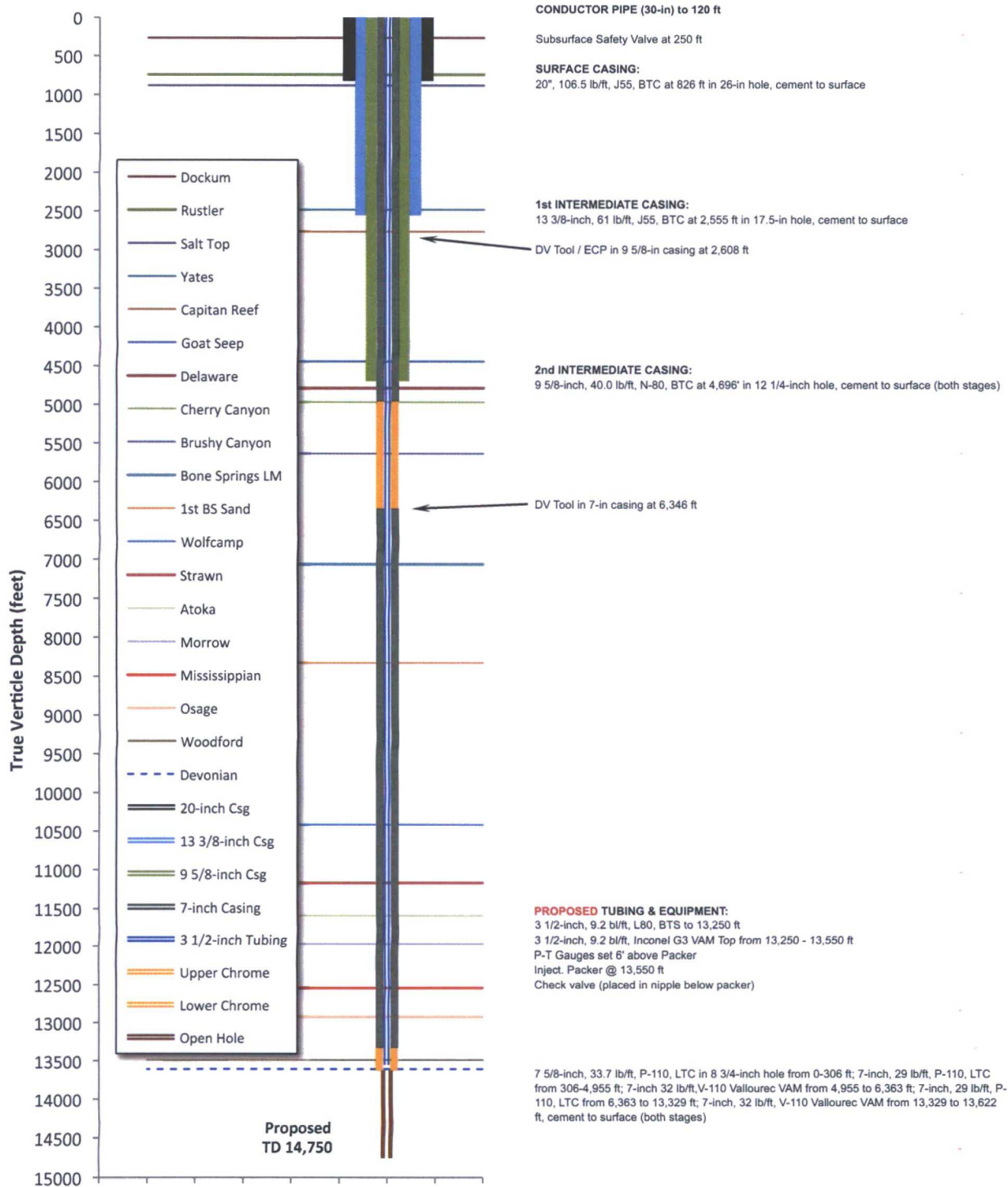
APPROVED BY:  TITLE Petroleum Engineer DATE 12/16/16

Conditions of Approval (if any):

Well Name: DCP AGI #D2 (API: 30-025-42207)

Surface Location: Section 19(L), T19S-R32E, (1893' FSL & 950' FWL)
Lea County, New Mexico

GEOLEX
INCORPORATED



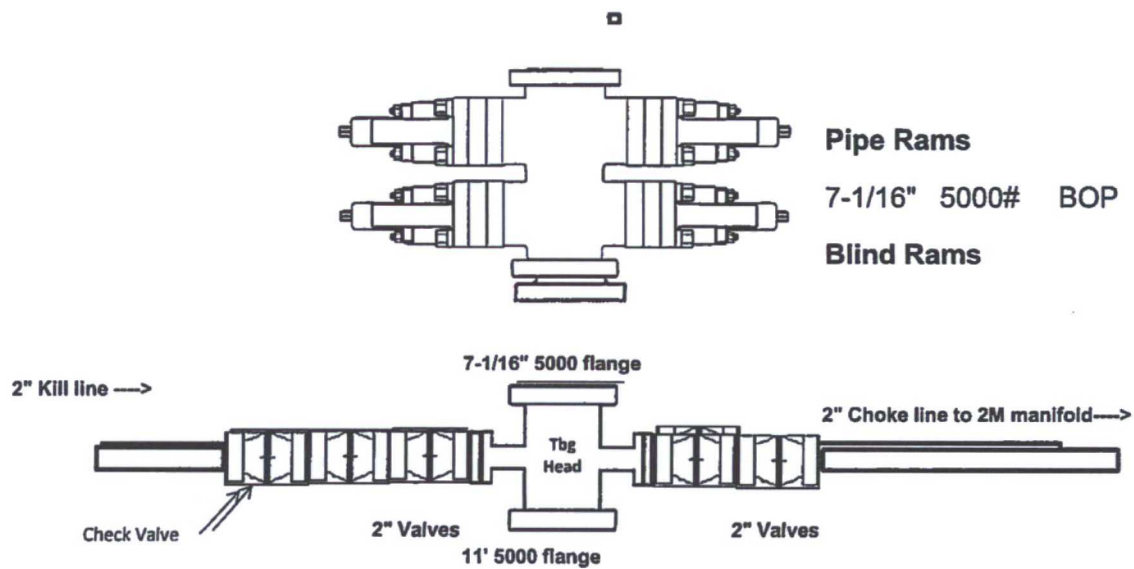
DCP
Midstream

DCP Midstream Zia AGI #D2
Wellbore Completion Schematic

Proposed Final

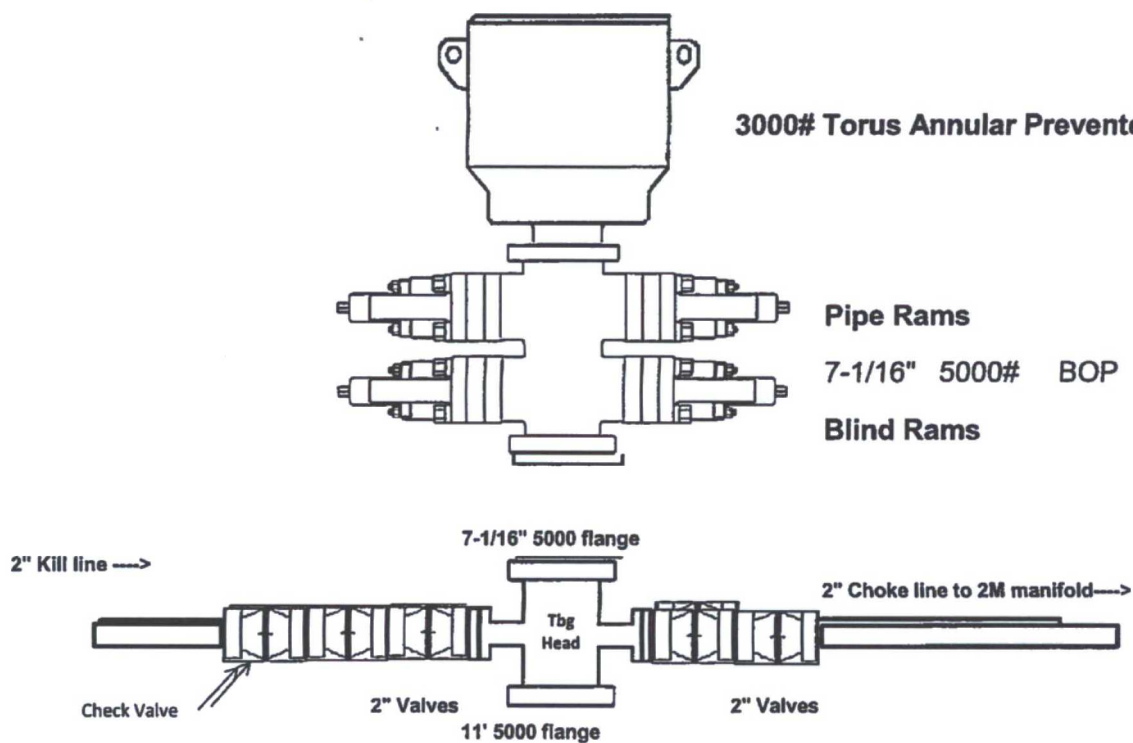
Attachment 1

BOP Schematic--When Running Work String Tubing



Note: Kill line and choke manifold will use BLM 2M configuration with 5000 psi WP components

BOP Schematic--When Running Injection Tubing



Note: Kill line and choke manifold will use BLM 2M configuration with 5000 psi WP components

STEP RATE TEST DATA for BLM, CFO

Operator: DCP Midstream

Well: Zia AGI D #2

API#: 3002542207

Lease: NMNM0149956

Data Collection Date: 12/XX/2016

Sfc Loc: Sec. 19, T-19-S, R-32-E, Lea Co., NM

Tbg O.D.: 3.500 Tbg Wt.: 9.20 Grade: L-80 Pipe I.D.: 7.0" TVD Packer: 10000
 Top Inj. Depth (TVD): 13,607 X 0.20 psig/ft = Generic Surface Injection psig: 2721
 Beginning Wellhead psig: Msrd No Flow Formation psig: BHP TVD: 14700
 Testing Wtr measured with Mud Wt Scale - lbs/gal: 8.5 Calc Production Water - lbs/gal: 8.5
 Target Maximum Rate bpd (barrels per day): 5750

Minimum Bbls of Disposal Production Water to be on Location for S. R. T.: 547

1. Take a charted record of shut in psig for no less than 48 hours. If the wellhead shut in psig is not less than the approved injection pressure, bled the wellhead pressure below 0.2psig/ft x depth at top of injection before beginning the Step Rate Test.

2. Perform a minimum of seven steps, recording rate to $\pm 1/10$ bpm, surface and down hole pressures to ± 10 psig in five minute intervals. The first two psig(s) must be below 0.2psig/ft x top injection depth.

3. The last two five minute surface pressure readings of each (minimum 30 minute) step are to be within 15psig of each other. And the last two five minute formation pressure readings of each (minimum 30 minute) step are to be within 15psig of each other. If either are not, continue 5 minute readings. Record the (surface pressure, formation pressure, & rate) of the last reading as the Data Point for that Step.

Step 1							Target Test Rate (5% of maximum) = 0.25 bpm for Step 1	
Step 1 data at:	5 min	10 min	15 min	20 min	25 min	30 min	Start Time:	10:00
Surface (psig):							Corr. For FW in Tubing target bpd: 359 Data Point #1 @ bpd: 360 Sfc psig: #DIV/0! F psig: #DIV/0! @ bpm: 0.25	
Formation (psig):								
bpm:	0.25	0.25	0.25	0.25	0.25			
Step 1 data at:	35 min	40 min	45 min	50 min	25 min	60 min		
Surface (psig):								
Formation (psig):								
bpm:								

Step 2							Target Test Rate (10% of maximum) = 0.50 bpm for Step 2	
Step 2 data at:	5 min	10 min	15 min	20 min	25 min	30 min	Start Time:	
Surface (psig):							Corr. For FW in Tubing target bpd: 719 Data Point #2 @ bpd: 720 Sfc psig: #DIV/0! F psig: #DIV/0! bpm: 0.50	
Formation (psig):								
bpm:	0.5	0.5	0.5	0.5				
At bpm Rate:	35 min	40 min	45 min	50 min	25 min	60 min		
Surface (psig):								
Formation (psig):								
bpm:								

Step 3							Target Test Rate (20% of maximum) = 1.00 bpm for Step 3	
Step 3 data at:	5 min	10 min	15 min	20 min	25 min	30 min	Start Time:	
Surface (psig):							Corr. For FW in Tubing target bpd: 1438 Data Point #3 @ bpd: 1440 Sfc psig: #DIV/0! F psig: #DIV/0! bpm: 1.00	
Formation (psig):								
bpm:	1.0	1.0	1.0	1.0				
Step 3 data at:	35 min	40 min	45 min	50 min	25 min	60 min		
Surface (psig):								
Formation (psig):								
bpm:								

STEP RATE TEST DATA for BLM, CFO

Operator: DCP Midstream

Well: Zia AGI D #2

API#: 3002542207

Lease: NMNM0149956

Data Collection Date: 12/XX/2016

Sfc Loc: Sec. 19, T-19-S, R-32-E, Lea Co., NM

Step 4							
Target Test Rate (37.5% of maximum) = 1.50 bpm for Step 4							
Step 4 data at:	5 min	10 min	15 min	20 min	25 min	30 min	Corr. For FW in Tubing target bpd: 2156 Data Point #4 @ bpd: 2160 Sfc psig: #DIV/0! F psig: #DIV/0! bpm: 1.5
Surface (psig):							
Formation (psig):							
Rate bbl/min:	1.50	1.50	1.50	1.50			
Step 4 data at:	35 min	40 min	45 min	50 min	25 min	60 min	
Surface (psig):							
Formation (psig):							
bpm:							

Step 5							
Target Test Rate (50% of maximum) = 2.00 bpm for Step 5							
Step 5 data at:	5 min	10 min	15 min	20 min	25 min	30 min	target bpd: 3594 Data Point #5 @ bpd: 2880
Surface (psig):							
Formation (psig):							
bpm:	2.00	2.00	2.00	2.00			
Step 5 data at:	35 min	40 min	45 min	50 min	25 min	60 min	
Surface (psig):							Sfc psig: #DIV/0!
Formation (psig):							F psig: #DIV/0!
bpm:							bpm: 2.0

Step 6						
Target Test Rate (62.5% of maximum) = 3.00 bpm for Step 6						
Step 6 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):						
Formation (psig):						
Rate bbl/min:	3.00	3.00	3.00	3.00		
Step 6 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						

target bpd: 3594
 Data Point #6
 @ bpd: 4320
 Sfc psig: #DIV/0!
 F psig: #DIV/0!
 bpm: 3.0

Step 7							
Target Test Rate (75% of maximum) = 4.00 bpm for Step 7							
Step 7 data at:	5 min	10 min	15 min	20 min	25 min	30 min	target bpd: 4313 Data Point #7 @ bpd: 5760
Surface (psig):							
Formation (psig):							
bpm:	4.00	4.00	4.00	4.00			
Step 7 data at:	35 min	40 min	45 min	50 min	25 min	60 min	Sfc psig: #DIV/0! F psig: #DIV/0! bpm: 4.0
Surface (psig):							
Formation (psig):							
bpm:							

STEP RATE TEST DATA for BLM, CFO

Operator: DCP Midstream

Well: Zia AGI D #2

API#: 3002542207

Lease: NMNM0149956

Data Collection Date: 12/XX/2016

Sfc Loc: Sec. 19, T-19-S, R-32-E, Lea Co., NM

Step 8						
Target Test Rate (87.5% of maximum) = 5.00 bpm for Step 8						
Step 8 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):						
Formation (psig):						
bpm:	5.00	5.00	5.00	5.00	5.00	
Step 8 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						target bpd: 5031
						Data Point #8
						@ bpd: 7200
						Sfc psig: #DIV/0!
						F psig: #DIV/0!
						bpm: 5.0

Step 9						
Target Test Rate (100% of maximum) = 6.0 bpm for Step 9						
Step 9 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):						
Formation (psig):						
bpm:	6.00	6.00	6.00	6.00		
Step 9 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						target bpd: 5750
						Data Point #9
						@ bpd: 8640
						Sfc psig: #DIV/0!
						F psig: #DIV/0!
						bpm: 6.0

Step 10						
Target Test Rate (112.5% of maximum) = 7.0 bpm for Step 10						
Step 9 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):						
Formation (psig):						
bpm:	7.00	7.00	7.00	7.00		
Step 9 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						target bpd: 5750
						Data Point #10
						@ bpd: 10080
						Sfc psig: #DIV/0!
						F psig: #DIV/0!
						bpm: 7.0

Step 11						
Target Test Rate (125% of maximum) = 8.0 bpm for Step 11						
Step 9 data at:	5 min	10 min	15 min	20 min	25 min	30 min
Surface (psig):						
Formation (psig):						
bpm:	8.00	8.00	8.00			
Step 9 data at:	35 min	40 min	45 min	50 min	25 min	60 min
Surface (psig):						
Formation (psig):						
bpm:						
						End Time: 18:39
						target bpd: 5750
						Data Point #11
						@ bpd: 11520
						Sfc psig: #DIV/0!
						F psig: #DIV/0!
						bpm: 8.0

Instant Shut In Pressure:
 5 minute Shut In Pressure:
 10 minute Shut In Pressure:
 15 minute Shut In Pressure:

Surface	Formation	
		psig
		psig
		psig
		psig