

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**HOBBS OCD**  
NOV 23 2017  
**RECEIVED**

**OPERATORS COPY**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No. **LC065863**  
~~NMNM0149956~~  
6. If Indian, Allottee or Tribe Name  
7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		8. Well Name and No. ZIA AGI D 2
2. Name of Operator DCP MIDSTREAM, LP Contact: ALBERTO A GUTIERREZ E-Mail: aag@geolex.com		9. API Well No. 30-025-42207
3a. Address 370 17TH STREET SUITE 2500 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 505-842-8000	10. Field and Pool or Exploratory Area DEVONIAN EXPL.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T19S R32E Mer NMP NWSW 1893FSL 950FWL 32.643951 N Lat, 103.811116 W Lon		11. County or Parish, State LEA COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Hydraulic Fracturing
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

**Well Completion Notice of Intent**

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

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE  
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #359790 verified by the BLM Well Information System  
For DCP MIDSTREAM, LP, sent to the Hobbs  
Committed to AFMSS for processing by PAUL SWARTZ on 12/12/2016 ()**

Name (Printed/Typed) ALBERTO A GUTIERREZ	Title CONSULTANT TO DCP MIDSTREM, LP
Signature (Electronic Submission)	Date 12/02/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**APPROVED**

DEC 15 2016

*Paul Swartz*

**BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE**

*[Handwritten signature]*

## **Additional data for EC transaction #359790 that would not fit on the form**

### **32. Additional remarks, continued**

- 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 on December 8, 2016.

## Conditions of Approval

**DCP Midstream, LP  
Zia AGI – D2, API 3002542207x  
T19S-R32E, Sec 19, 1893FSL & 950FWL  
December 15, 2015**

- 1. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.**
2. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Surface disturbance beyond the existing pad shall have prior BLM approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. Functional H<sub>2</sub>S monitoring equipment shall be on location.
6. 5000 (5M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 8. The subsequent report is to include workover stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures (psig).**
- 9. The well is considered a commercial hydrocarbon producer until proven otherwise. Provide statements with evidence that paying quantities of hydrocarbons cannot be produced. An electronic copy of the well's mudlog, and an estimated insitu water salinity based on copies of open hole logs are to be offered as evidence.**
- 10. A minimum of 500 barrels is to be withdrawn from the proposed disposal formation after any recent stimulation load volumes have been recovered. A composite report of ten samples from the last 100bbls analyzed for hydrocarbons and insitu salinity by a reputable laboratory. The procedure is to be witnessed by BLM. Notify [pswartz@blm.gov](mailto:pswartz@blm.gov), 575-200-7902 24 hours prior to the 10 samples being taken.**

11. **Operator will provide BLM a summary report of all documented evidence demonstrating the presence of commercial recoverable hydrocarbons volumes that are present in the targeted disposal formation prior to disposal of fluid into the well.**
12. **The proposed Step 8 (Step Rate Test) is to be conducted as an "Injection Potential Test" to provide data to the operator and NMOCD. The data collected by Step 8. is not be used to request a pressure increase.**
13. **Step 8 is to be BLM witnessed and conducted with a fluid of consistent density. The peak rate is to be selected to achieve the peak formation pressure anticipated to meet the well's acid gas disposal volume requirements.**
14. **The Step Rate Test flow rates of the fluid (fresh water or brine) are to be controlled with a constant flow regulator and measured with a turbine flow meter calibrated within 0.1 bbl/min.**
15. **A down hole transmitting pressure device and a surface pressure device with accuracies of  $\pm 10$ psig are required for the Step Rate Test.**
16. **Step Rate Test formation and surface pressures are to be synchronized with BLM approved rate changes.**
17. Record the indicated information of a "STEP RATE TEST DATA for BLM, CFO" data sheet. Provide BLM with the tabulated data and supporting documentation.
18. **The proposed Mechanical Integrity Test of the NOI Step 18 is to be conducted after the wellbore equipment intended for acid gas injection/disposal is installed.** Notify [pswartz@blm.gov](mailto:pswartz@blm.gov), 575-200-7902 24 hours prior to the MIT.
19. The minimum test pressure is 500 psig for 30 minutes with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test.
20. Document the pressure test on a one hour full rotation chart recorder (calibrated within the last 6 months) registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
21. Submit a (BLM Form 3160-5 subsequent report via BLM's Well Information System; <https://www.blm.gov/wispermits/wis/SP> (email [pswartz@blm.gov](mailto:pswartz@blm.gov) for instructions) describing (dated daily) all wellbore activity and the Mechanical Integrity Test. Include descriptions of and the setting depths of all installed equipment. File intermediate Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
22. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.