Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
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811 S. First St., Artesia, NM 88210
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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

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-48081

5. Indicate Type of Lease STATE ☐ FEE ■

6. State Oil & Gas Lease No.

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: INDEPENDENCE AGI

1. Type of Well: Oil Well ☐ Gas Well ☐ Other ■ ACID GAS INJECTION

8. Well Number: 1

2. Name of Operator: Piñon Midstream, LLC

9. OGRID Number: 330718

3. Address of Operator: 465 W NM Highway 128; Jal, NM 88252

10. Pool name or Wildcat: AGI: Devonian/Fusselman

4. Well Location
Unit Letter C : 829 feet from the NORTH line and 1,443 feet from the WEST line
Section 20 Township 25S Range 36E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3,103' (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.

INDEPENDENCE AGI #1 - Quarterly Report (Q4) from October 1, 2022 through December 31, 2022
(MAOP 4,779 PSIG, NMOCC ORDER R-21455-A)

This report includes the data and analysis of surface injection pressure, treated acid gas (TAG) temperature, tubing annular pressure, as well as down-hole injection pressure and temperature (i.e., "injection parameters") for the Independence AGI #1 for Q4 2022. Injection parameter trends over this period demonstrate continued operational stability, excellent mechanical integrity of the AGI well, and reliable storage capacity within the approved injection interval. During the Q4 period, TAG has been injected at an average rate of approximately 4.47 MMSCFD, which reflects an increase of approximately 25% over the prior Q3 reporting period.

Detailed analysis of all injection parameter trends demonstrates the AGI #1 well continues to operate normally. These injection parameter data are plotted in detail in the attached Figures 1-6 and the following average values represent the operational conditions for the well (including shutdowns).

Surface Measurements: Avg. TAG Inj. Pressure: 2,118 psig, Avg. Annular Pressure: 557 psig, Avg. Pressure Differential: 1,562 psig, Avg. TAG Temperature: 132 °F, Avg. TAG Injection Rate: 2,243 barrels per day (Approx. 4.47 MMSCF at STP).
Down-hole Measurements: Average Bottom-hole Pressure: 7,670 psig, Average Bottom-hole Temperature: 179 °F.

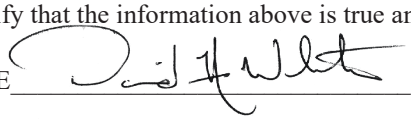
During the Q4 period of operation, a replacement surface control panel for the bottom-hole pressure and temperature sensors was installed, as the previous panel was irreparably damaged by a lightning strike in the Q3 2022 period. The replacement panel was installed in late October 2022, however, communication and data recording issues persisted. Following continued configuration by Piñon and Halliburton personnel, all communication issues were resolved on November 4, 2022, and all bottom-hole data were accurately recorded for the remainder of the Q4 reporting period.

Generally, the Independence AGI #1 well continues to demonstrate excellent performance, as demonstrated by all injection parameter trends (Figures 1-6). Data collected over the period of Q4 operation exhibits the expected correlative behavior of annular pressure with the flow rate, injection pressure and temperature, which confirms that the well has good integrity and is functioning appropriately within the requirements of the NMOCC Order.

At the time of this report, the AGI well and all associated AGI well equipment are operating normally. In July 2022, a successful mechanical integrity test and bradenhead test were completed. In accordance with the requirements of NMOCC Order R-21455, the next MIT and bradenhead test will be completed in July of calendar year 2023.

In summary, Q4 2022 injection parameter data demonstrates excellent operation and mechanical integrity of the AGI well and clearly indicates that Siluro-Devonian reservoir conditions are adequate in accommodating the current TAG disposal needs of the Piñon facility.

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

SIGNATURE  TITLE Consultant to Piñon DATE 01/14/2023

Type or print name David A. White, P.G. E-mail address: dwhite@geolex.com PHONE: 505-842-8000

For State Use Only

APPROVED BY:_____ TITLE_____ DATE_____

Conditions of Approval (if any):

FIGURE 1 - INDEPENDENCE AGI #1 INJECTION RATES WHILE OPERATING

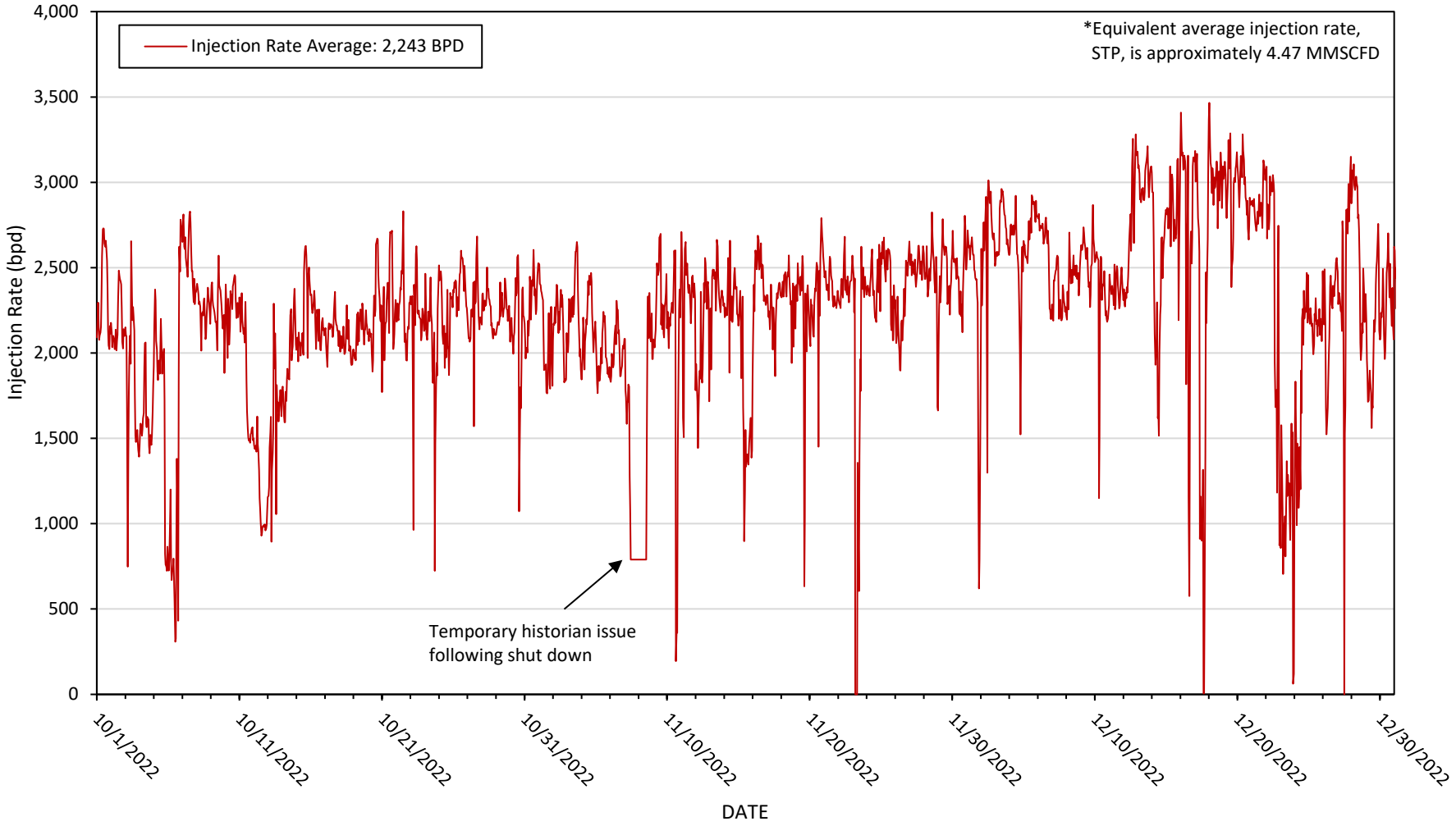
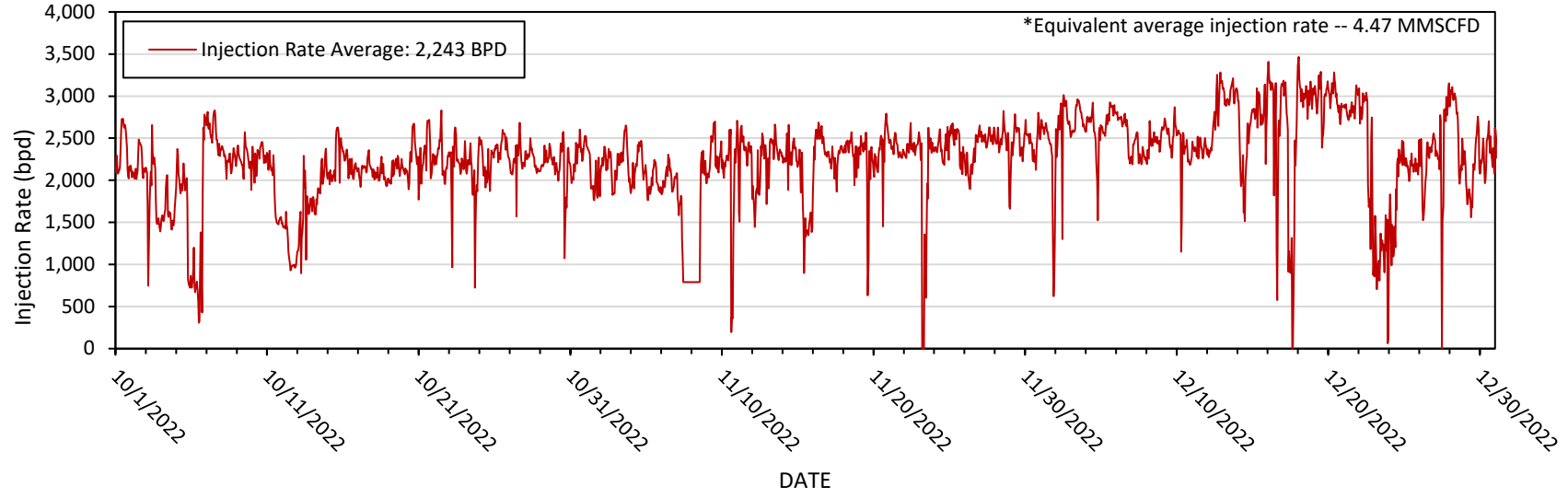


FIGURE 2. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE



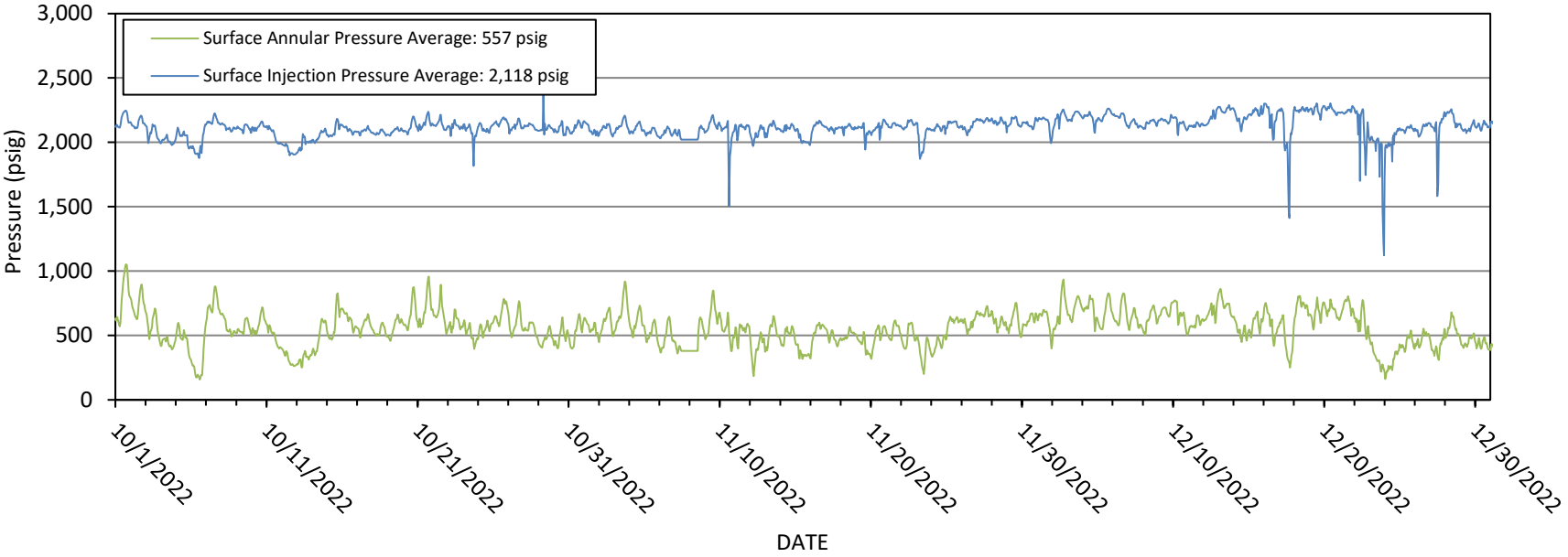


FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

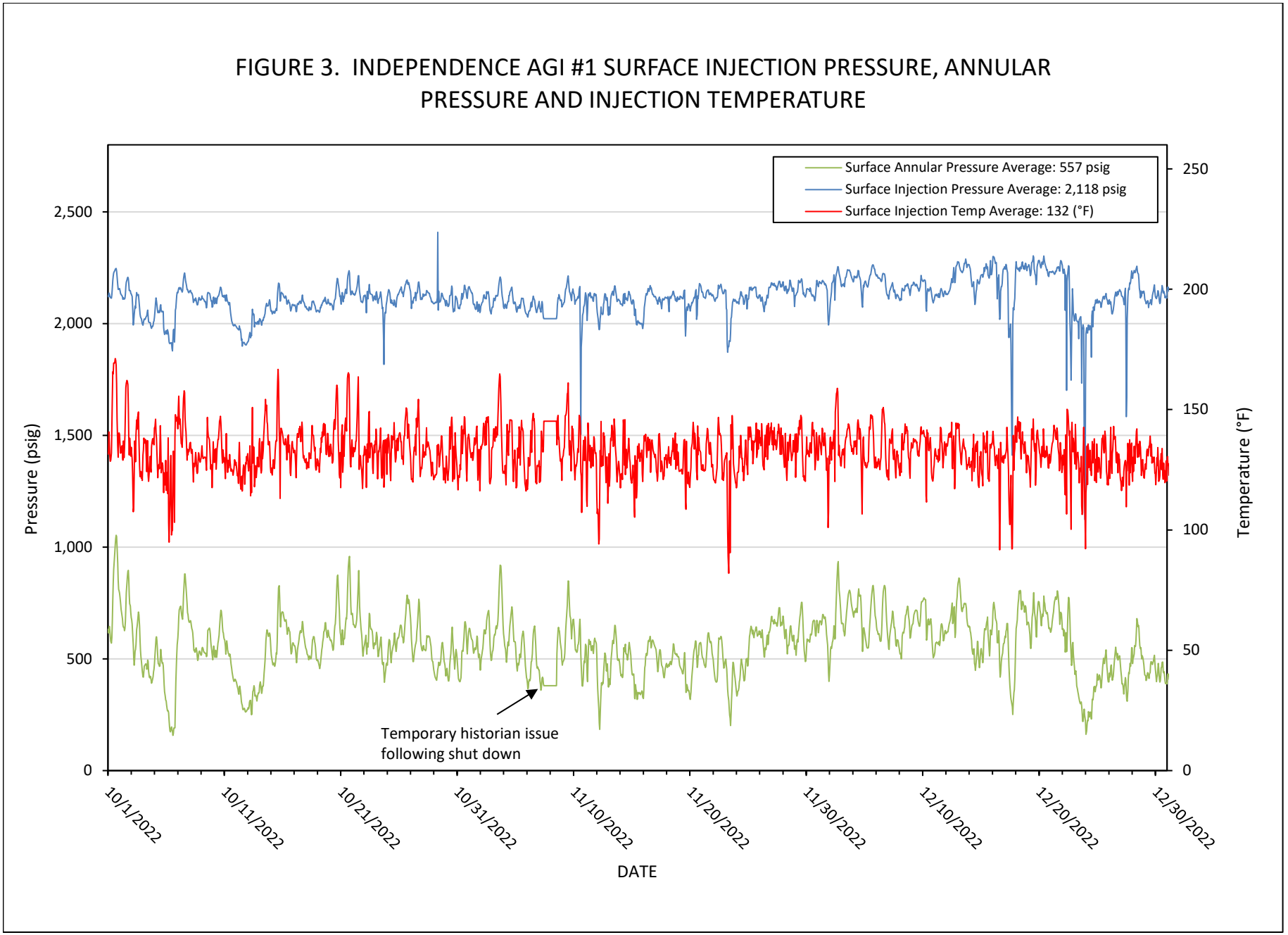


FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

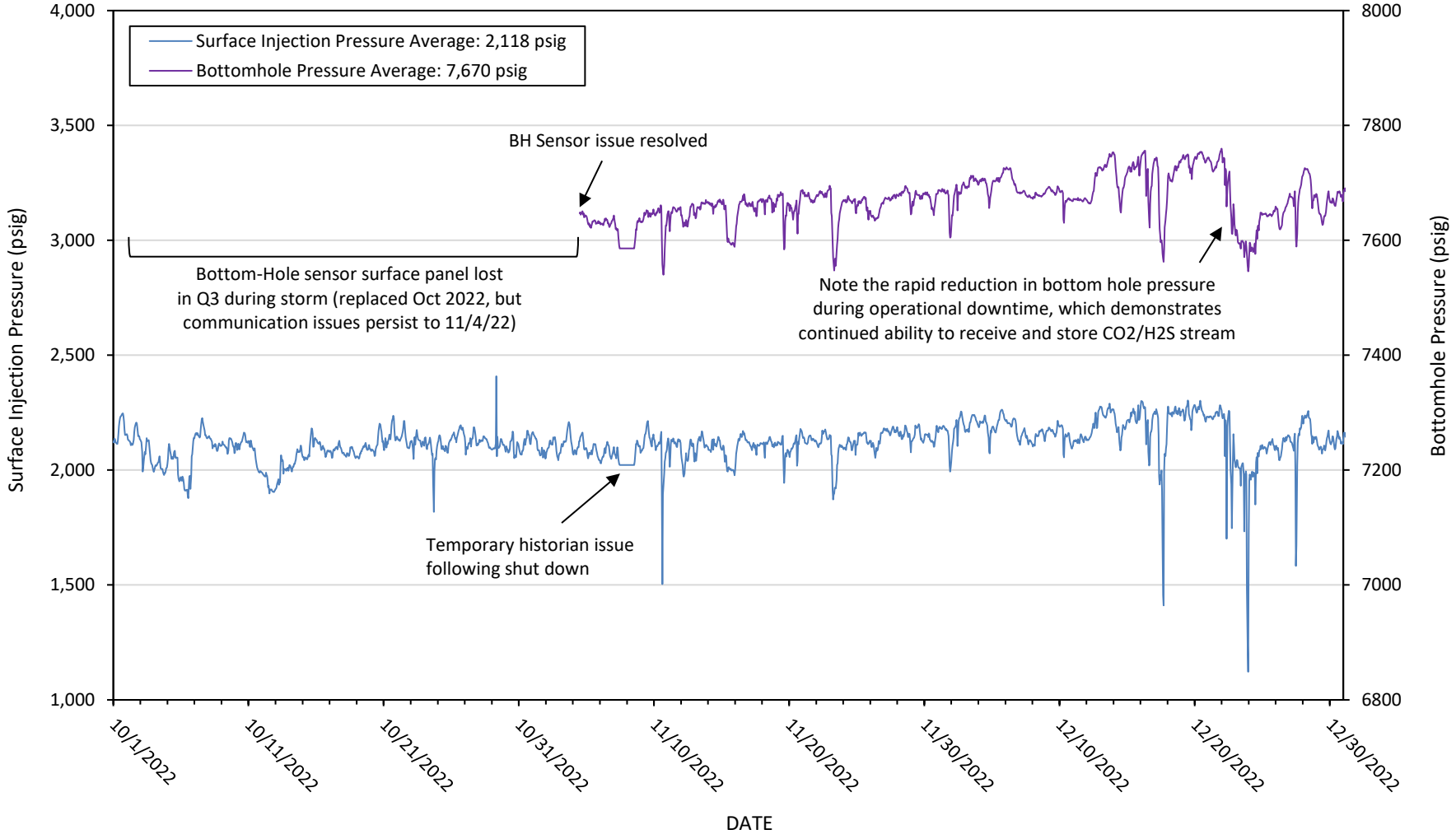


FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

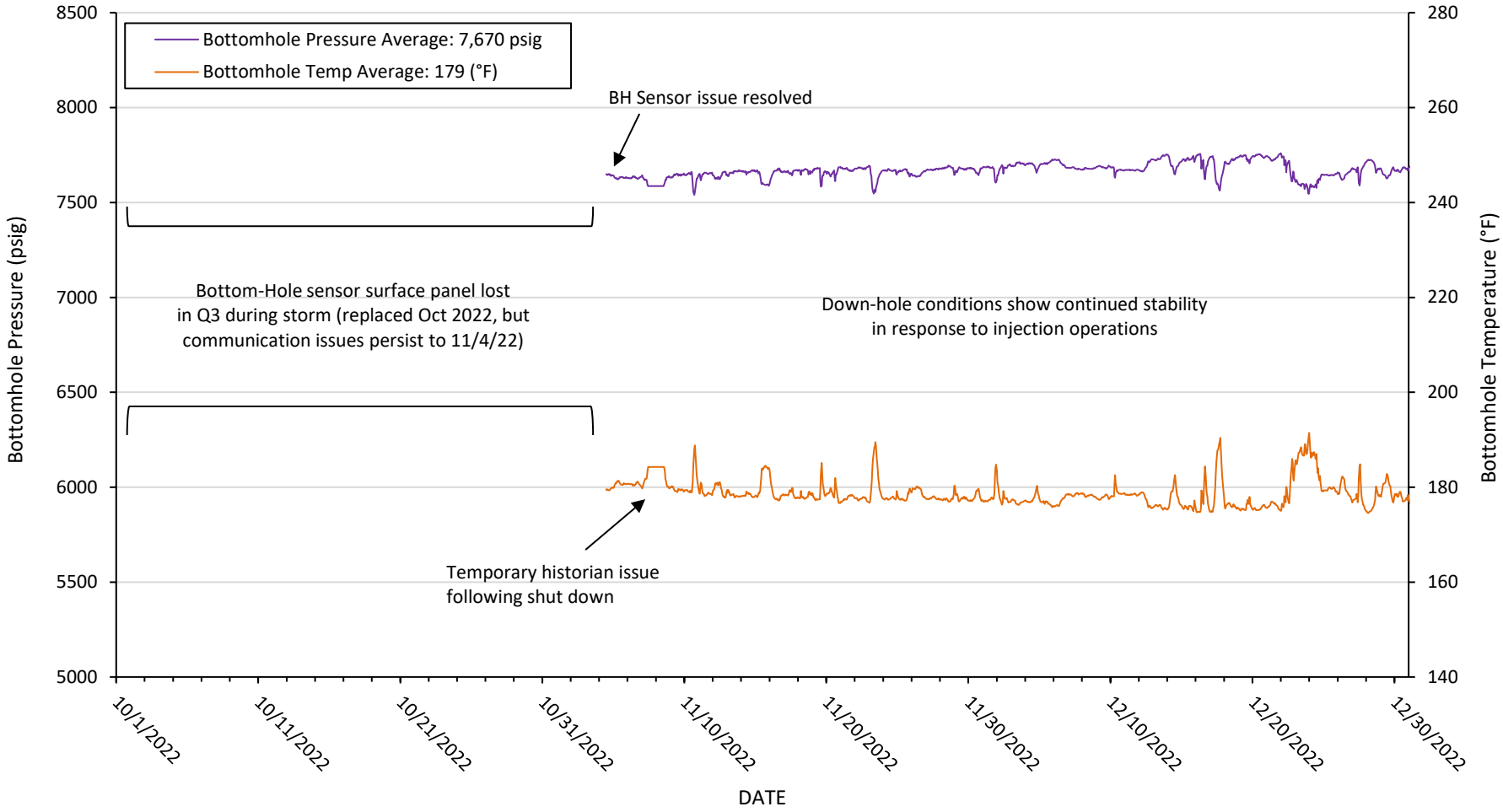
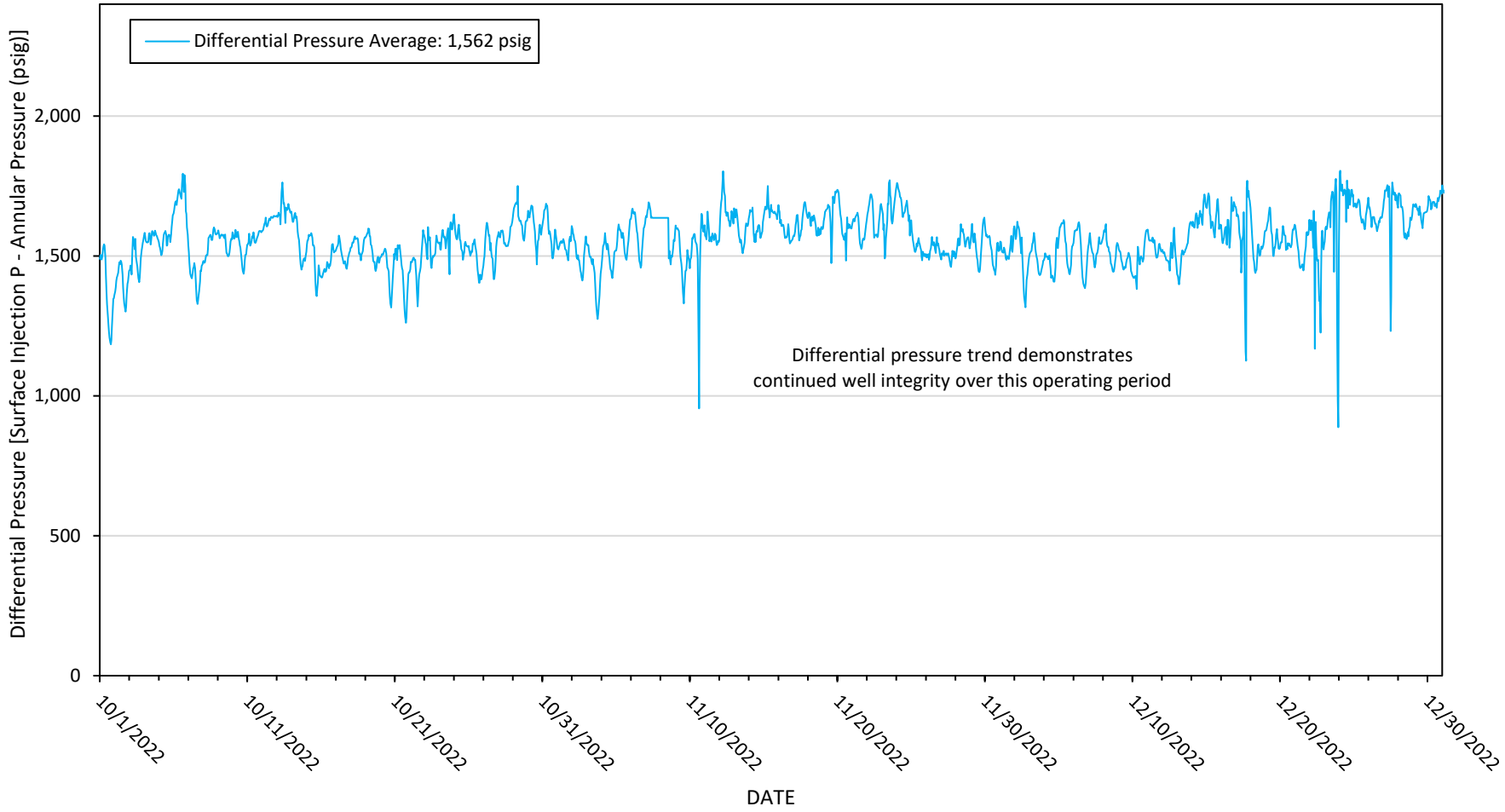


FIGURE 6 - INDEPENDENCE AGI #1 DIFFERENTIAL PRESSURE

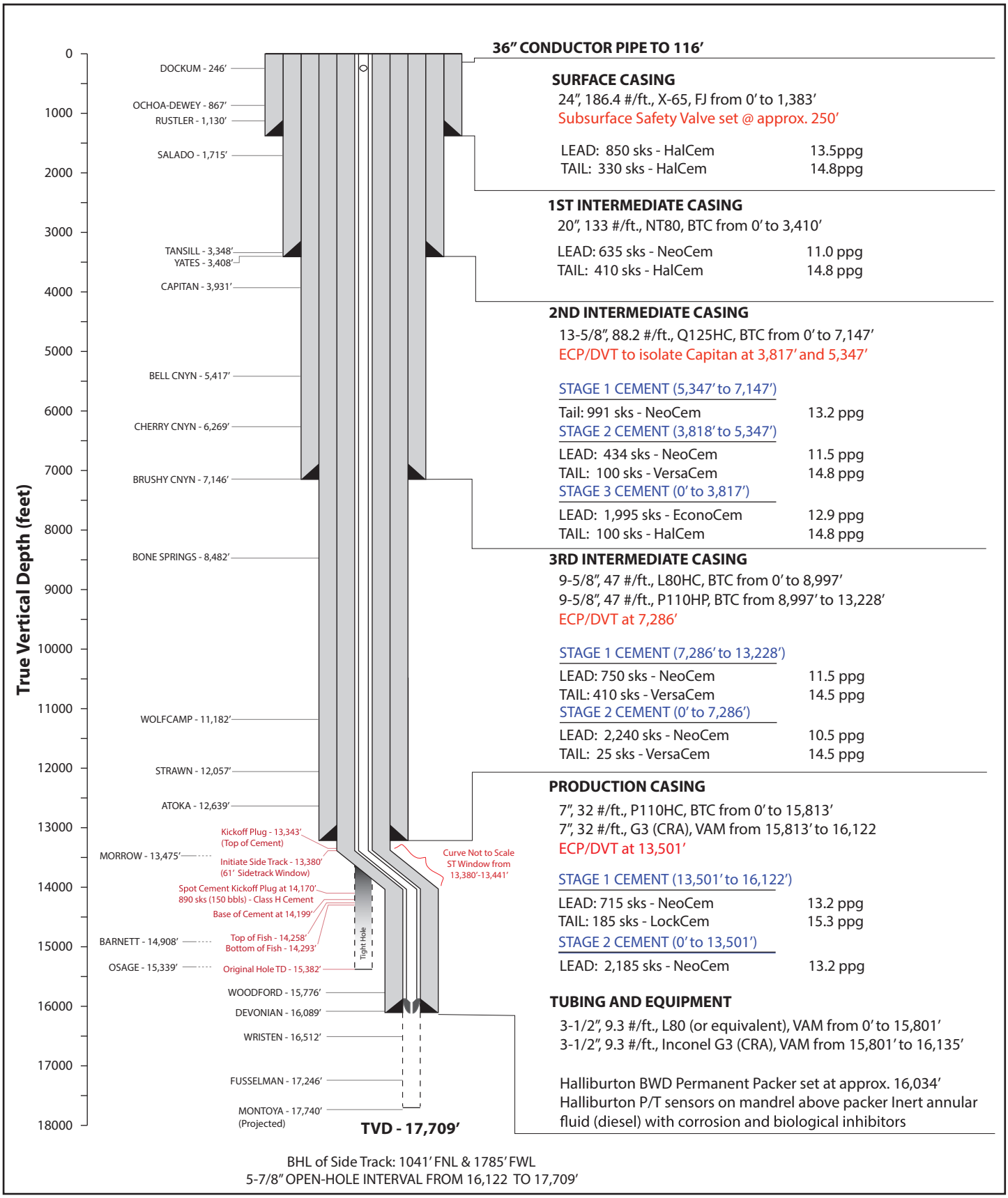


PIÑON MIDSTREAM

INDEPENDENCE AGI #1

UL C - S20 - T25S - R36E
API: 30-025-48081
Lat: 32.120855, Long: -103.291021

GEOLEX INCORPORATED



As-drilled well schematic consisting of a surface string of casing, three intermediate strings , and a production string with associating tubing/equipment and cement types. Original hole and sidetrack are shown.

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1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 178210

CONDITIONS

Operator: Pinon Midstream LLC 465 W. NM Highway 128 Jal, NM 88252	OGRID: 330718
	Action Number: 178210
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	1/25/2023