

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

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.)		WELL API NO. 30-025-48081
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> ACID GAS INJECTION		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Piñon Midstream, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 465 W NM Highway 128; Jal, NM 88252		7. Lease Name or Unit Agreement Name INDEPENDENCE AGI
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		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,103' (GR)		9. OGRID Number 330718
		10. Pool name or Wildcat AGI: Devonian/Fusselman

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Quarterly Injection Data Reports <input checked="" type="checkbox"/>

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 (Q1) from January 1, 2022 through March 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 Q1 2022. Over the Q1 period, excellent mechanical integrity is demonstrated in the relationship between surface injection and surface annular pressure, which includes the persistence of a sufficient pressure differential reflecting isolation between the two subsurface environments. TAG flow rates for the Q1 injection period have increased approximately 27% from those recorded during the previous reporting period (Q4 2021). Given this, increased rates have remained generally consistent throughout the quarter. During this period, TAG has been injected at an average rate of approximately 3.63 MMSCFD. Average TAG injection rates during the prior Q4 2021 reporting period was 2.85 MMSCFD.

Over the Q1 2022 period, operational stability has improved, as is demonstrated by significant reduction in short-term shutdowns, as well as the increased stability observed in injection parameter data trends. Specifically, these improvements are readily apparent in injection parameter data recorded after approximately January 26, 2022. These injection parameter data are plotted in detail in the attached Figures 1 through 6 and the following average values represent the operational conditions for the well (including shutdowns).

Surface Measurements: Avg. TAG Inj. Pressure: 1,941 psig, Avg. Annular Pressure: 440 psig, Avg. Pressure Differential: 1,499 psig, Avg. TAG Temperature: 120 °F, Avg. TAG Injection Rate: 1,717 barrels per day (Approx. 3.63 MMSCF at STP).

Down-hole Measurements: Average Bottom-hole Pressure: 7,527 psig, Average Bottom-hole Temperature: 183 °F

Data collected over the period of Q1 operation demonstrate 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. Prior to being put in service, the Independence AGI #1 well passed a mechanical integrity and bradenhead test on July 30, 2021. No mechanical changes to the well or wellhead have been made since the last quarterly report and none are currently anticipated. Overall, Q1 injection parameter data demonstrate excellent mechanical integrity of the AGI well and indicate that reservoir conditions are adequate in accommodating the 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 04/25/2022

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 _____

FIGURE 1 - INDEPENDENCE AGI #1 INJECTION RATES WHILE OPERATING

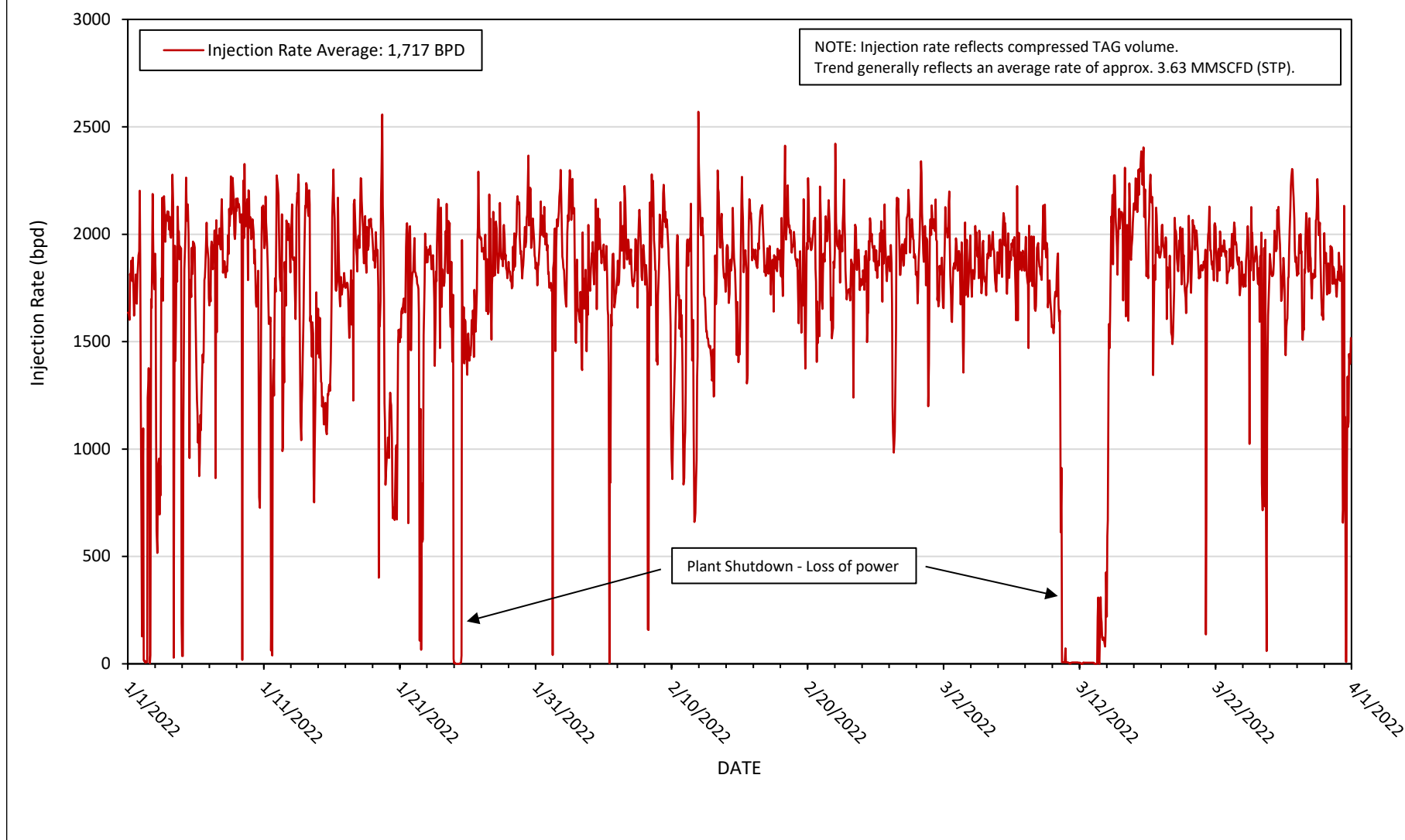


FIGURE 2. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE

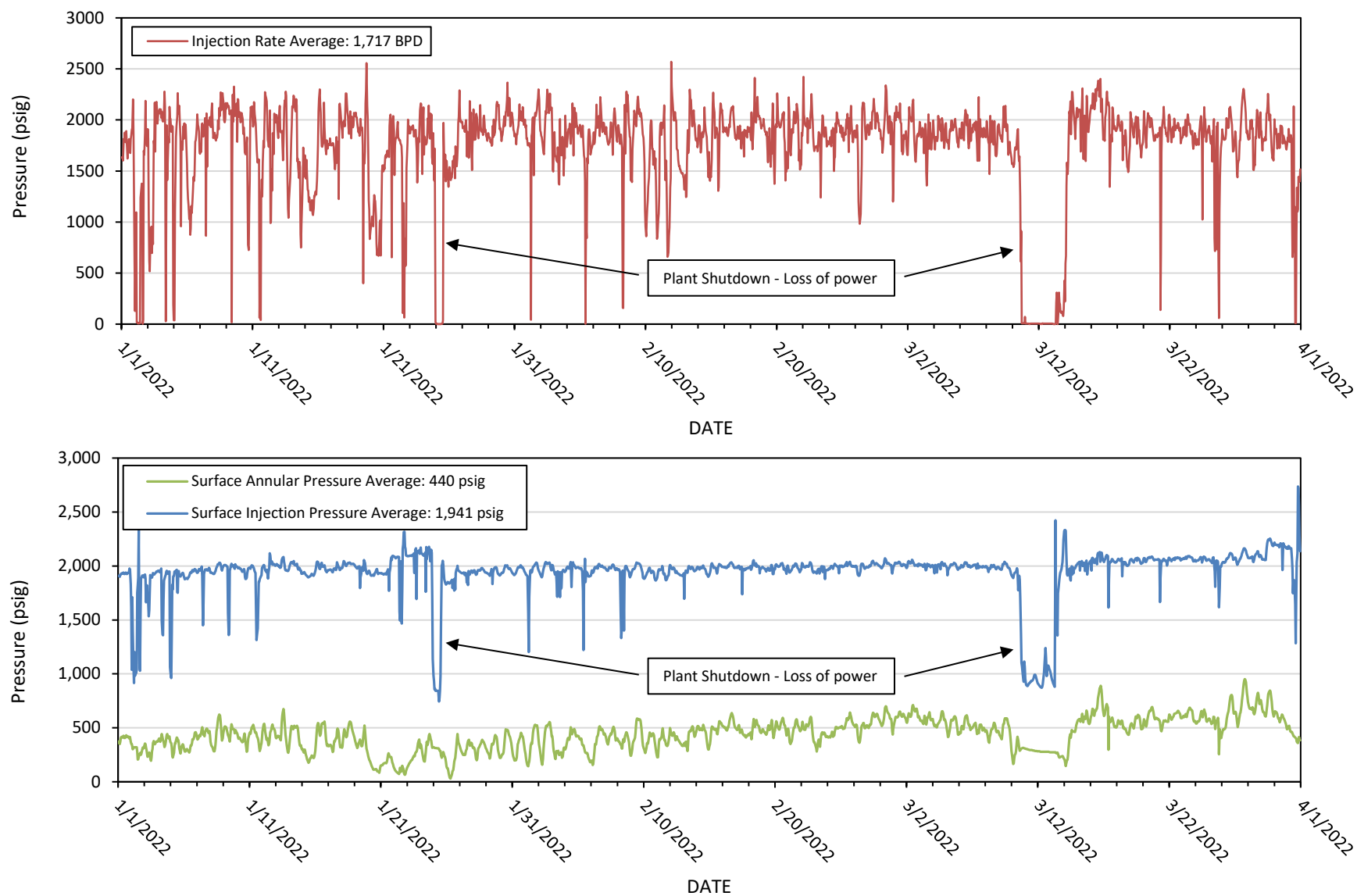


FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

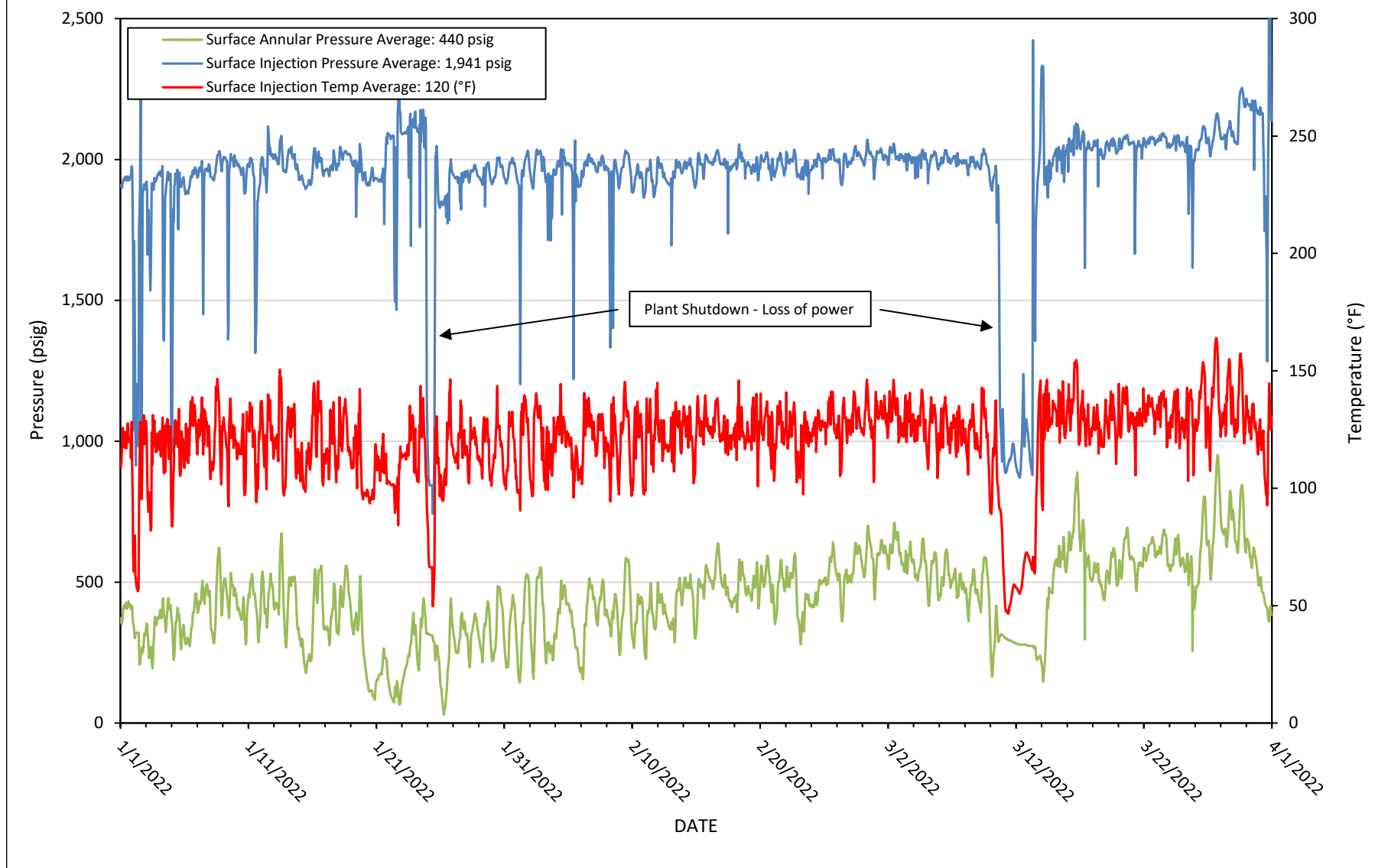


FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE
AND BOTTOM-HOLE PRESSURE

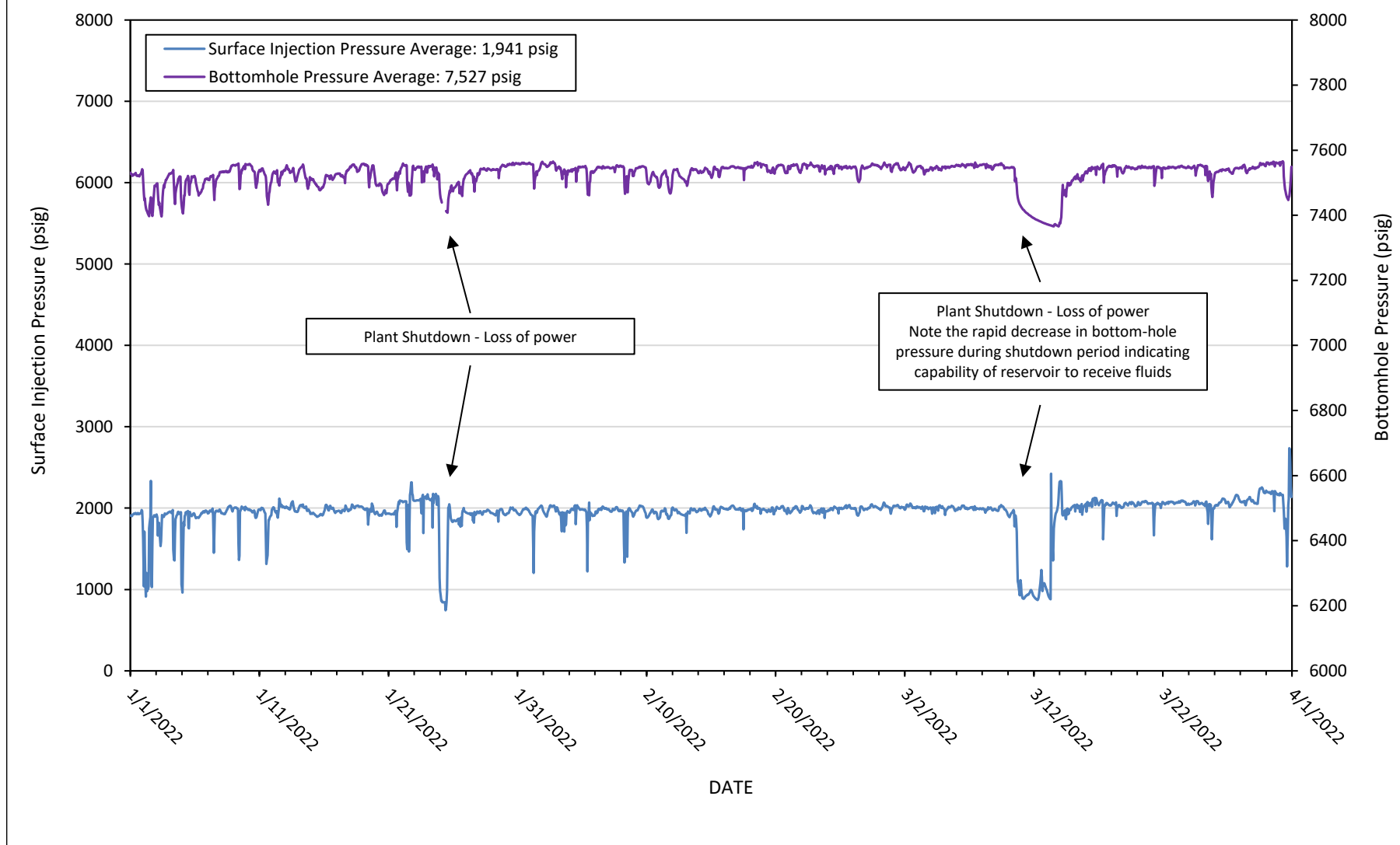


FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

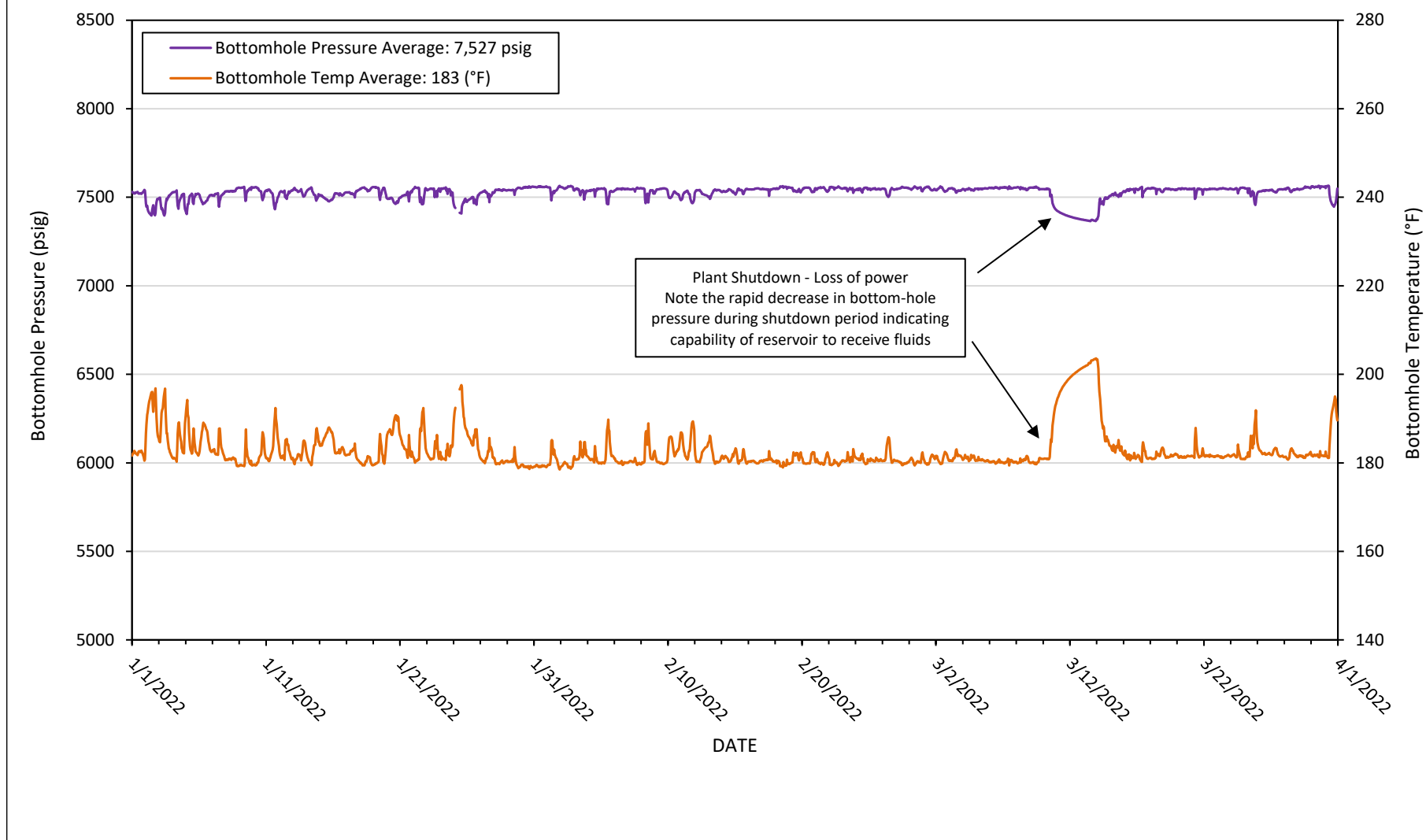
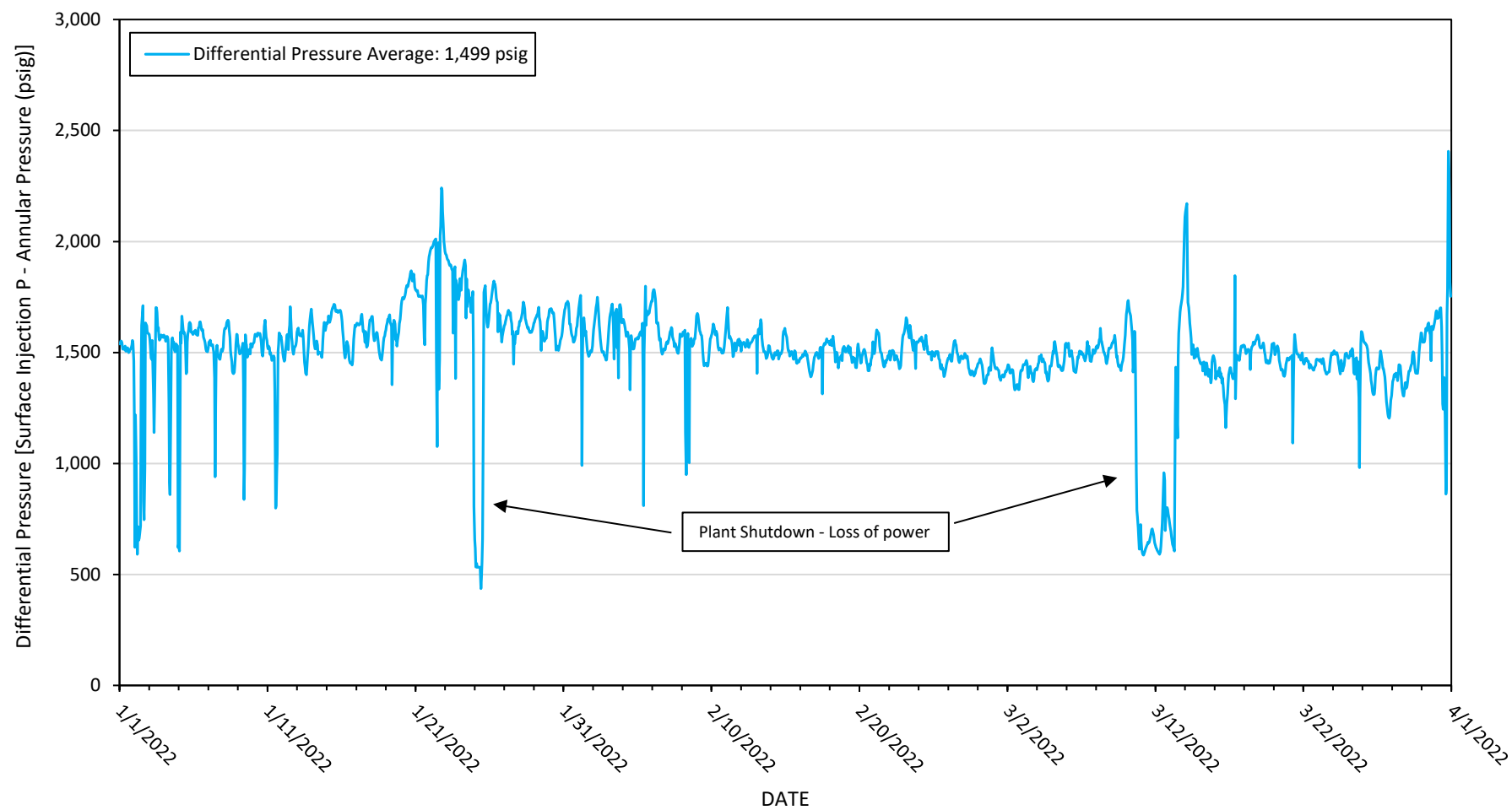


FIGURE 6 - INDEPENDENCE AGI #1 DIFFERENTIAL PRESSURE

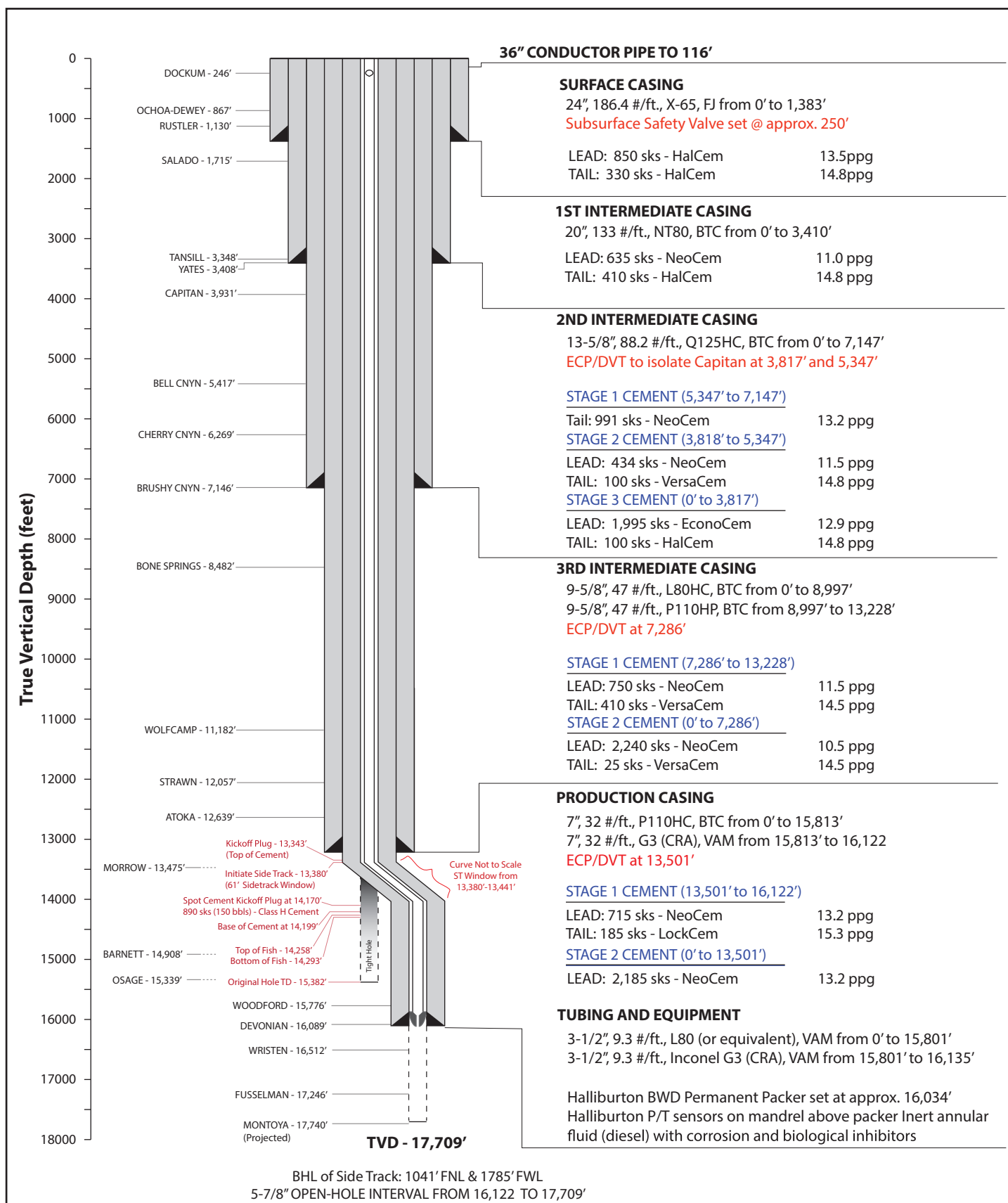


**INDEPENDENCE AGI #1**

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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CONDITIONS

Action 101183

CONDITIONS

Operator: Pinon Midstream LLC 465 W. NM Highway 128 Jal, NM 88252	OGRID: 330718
	Action Number: 101183
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	1/11/2023