

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

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|--|--|---|
| 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. 30-025-49600 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator MILESTONE ENVIRONMENTAL SERVICES LLC | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 15721 PARK ROW, SUITE 150 | | 7. Lease Name or Unit Agreement Name BEAZA SWD |
| 4. Well Location Unit Letter H : 2480 feet from the N line and 160 feet from the E line Section 25 Township 24S Range 34E NMPM County LEA | | 8. Well Number 1 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3360.1 | | 9. OGRID Number 328435 |
| | | 10. Pool name or Wildcat SWD; BELL CANYON-CHERRY CANYON |

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: Proposed Injection profile Test Procedures <input checked="" type="checkbox"/> | OTHER: <input 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.

Milestone is submitting a proposed injection profile test procedure for the Beaza SWD No. 1. This test is being performed to meet the permit conditions as described in Order No. R-21441, as amended per the attached letter from 4/17/2024.

Spud Date:

12/16/2021

Rig Release Date:

3/19/2022

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

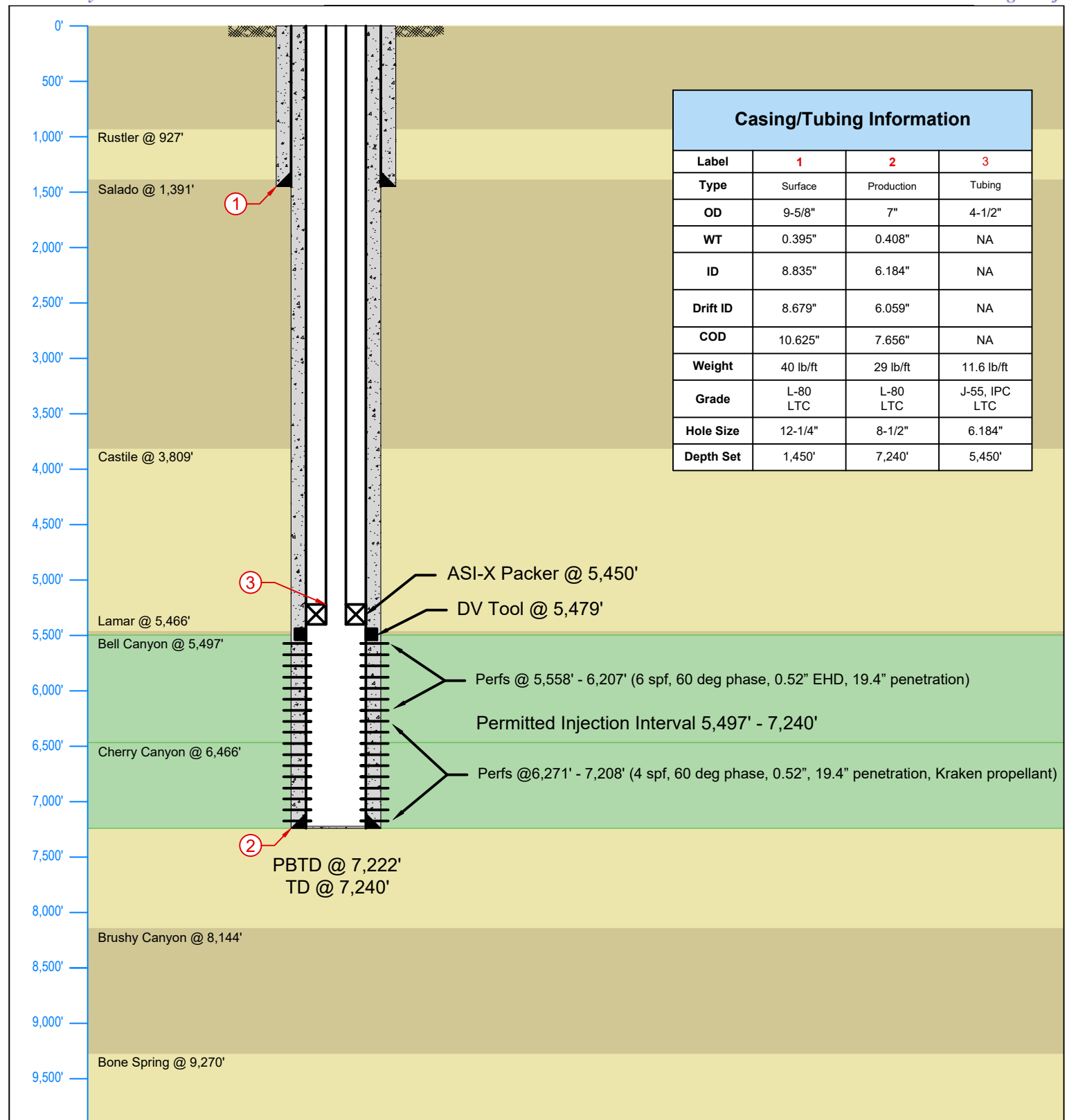
SIGNATURE Ramona K. Hovey TITLE Consulting Engineer DATE 7/2/2024

Type or print name Ramona K. Hovey E-mail address: ramona@lonquist.com PHONE: 512-600-1777

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



Casing/Tubing Information

| Label | 1 | 2 | 3 |
|-----------|-------------|-------------|------------------|
| Type | Surface | Production | Tubing |
| OD | 9-5/8" | 7" | 4-1/2" |
| WT | 0.395" | 0.408" | NA |
| ID | 8.835" | 6.184" | NA |
| Drift ID | 8.679" | 6.059" | NA |
| COD | 10.625" | 7.656" | NA |
| Weight | 40 lb/ft | 29 lb/ft | 11.6 lb/ft |
| Grade | L-80 LTC | L-80 LTC | J-55, IPC LTC |
| Hole Size | 12-1/4" | 8-1/2" | 6.184" |
| Depth Set | 1,450' | 7,240' | 5,450' |

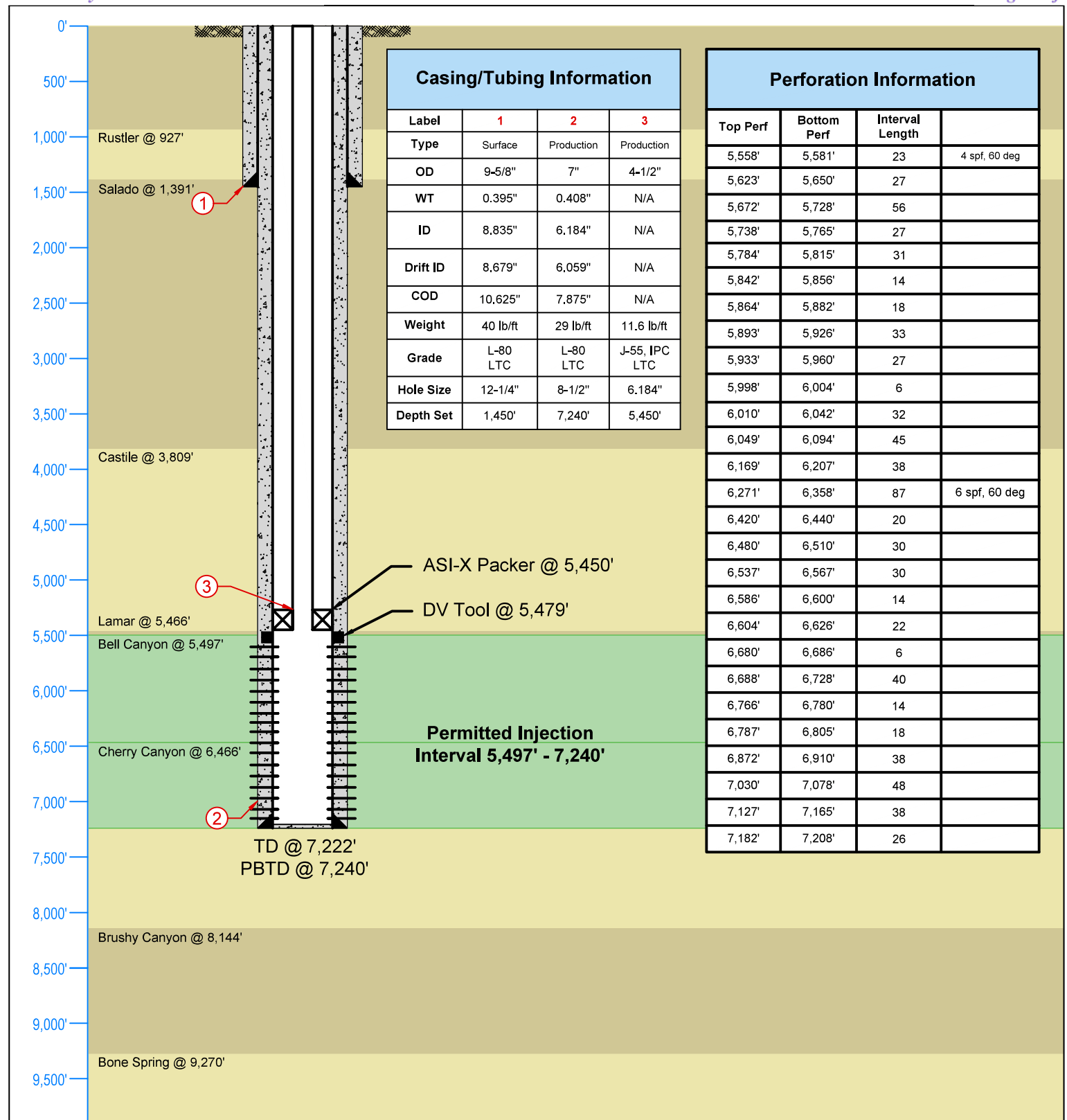
| | | | |
|---|--|----------------------------|--|
| <div>LONQUIST & CO. LLC</div> <div><div>PETROLEUM ENGINEERS</div><div>ENERGY ADVISORS</div></div> | Milestone Environmental | Beaza SWD No. 1 | |
| | Country: USA | State/Province: New Mexico | County/Parish: Lea |
| | Location: 160' FEL & 2,480' FNL of Unit H, Section 25, Township 24S, Range 34E | | District: 1 (Hobbs) |
| | API No: 30-025-49600 | Field: | Well Type/Status: Disposal / New Drill |
| | Texas License F-9147 | State ID No: | Project No: 1761 |
| 12912 Hill Country Blvd. Ste F-200 Austin, Texas 78738 Tel: 512.732.9812 Fax: 512.732.9816 | Drawn: WHG | Reviewed: RH | Approved: RSC |
| | Rev No: 3 | Notes: | |

| | | | | | | |
|---|----------|---|-------------|-------------------|-------------------------------------|------------------|
| LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS | | Injection Profile Procedure | | | Project No.: F2434 | |
| | | Milestone Environmental Services LLC | | | Date: June 21, 2024 Page: 1 of 4 | |
| Well: Beaza SWD No. 1 | | State: NM | County: Lea | API: 30-025-49600 | District: 1 (Hobbs) | |
| INTRODUCTION: <p>Milestone Environmental Services LLC ("Milestone") has requested Lonquist & Co, LLC ("LCO") prepare procedures for a Injection Profile Test on Beaza SWD No. 1. This test is being performed as required according to permit conditions.</p> <p>The general scope of the work is as follows:</p> <ul style="list-style-type: none"> Spot and fill tanks with clean brine water from a client facility or third-party source MIRU pumps and iron MIRU WL unit and perform gauge ring run TIH with spinner tool to the top-perf depth Pump at 3 bpm while conducting injectivity log across perforated interval Conclude test and RDMO pumps and WL unit <p>The test procedure includes the following information:</p> <ul style="list-style-type: none"> Wellbore Schematic | | | | | | |
| REGULATORY INFORMATION: <p>Well No. 1 is regulated by the New Mexico Oil Conservation Division ("OCD"). All notifications will be reported to the Hobbs office.</p> <p>OCD Hobbs 1625 N French Drive Hobbs, NM 88240 (505) 629-6116</p> | | | | | | |
| SAFETY INFORMATION: <p>LFS believes that all accidents and incidents are preventable. Our corporate goal is to have zero incidents, accidents, or near misses. To further our commitment to safety, LFS has staffed a Safety Director, whose sole purpose is to identify and mediate possible safety concerns and to be a resource for advice on such safety issues. He will be involved in work safety plans, managing JSAs, and offering oversight on our daily safety meeting program. We require that all of our employees and subcontractors accept that philosophy and uphold the standards of LFS. Our field supervisors are well-control certified, with both site specific and industry required safety qualifications related to new well drilling and well workovers. LFS supervisors are responsible to complete pre-job meetings with the contractors and clients, obtain daily work permits, complete JSAs, safety meetings, review Emergency Response Plans, identify any unsafe practices or potential hazards, and implement corrective actions to minimize employee exposure. LFS implements a site specific safety plan that defines the scope of work and identifies the appropriate safety standards and responsibilities for applicable parties for each project performed. LFS will implement a complete HSE plan for all phases of the operation. Our goal is always to ensure compliance with all client needs, as well as all local, State, and Federal safety and environmental regulations.</p> <p>Well site safety meetings will be conducted at the beginning of each day and at the beginning of critical operations by the LFS supervisor prior to commencing any well work. All contractors involved during the day or critical operations will be</p> | | | | | | |
| PREPARED BY | DATE | REVIEWED BY | DATE | APPROVED BY | DATE | Client Signature |
| ECS | 06/14/24 | WHG | 06/14/24 | | | |

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|---|----------|--------------------------------------|-------------|-------------------|---------------------|------------------|
| <div>LONQUIST & CO. LLC</div> <div><div>PETROLEUM ENGINEERS</div><div>ENERGY ADVISORS</div></div> | | Injection Profile Procedure | | | Project No.: F2434 | |
| | | Milestone Environmental Services LLC | | | Date: June 21, 2024 | |
| | | | | | Page: 2 of 4 | |
| Well: Beaza SWD No. 1 | | State: NM | County: Lea | API: 30-025-49600 | District: 1 (Hobbs) | |
| <p>required to attend the safety meeting, and all will be required to participate in the JSA process.</p> <p>The following safety gear and personal protective equipment are required:</p> <ul style="list-style-type: none">• Hard Hat• Safety Glasses• Fire Retardant Coveralls• Safety Shoes w/Ankle Support – Leather or Rubber• Gloves• Fall protection required – 4’ or above• Any additional required safety equipment• Daily Safety Meeting• JSA Form – Completed Daily <p>Additional safety and housekeeping items include:</p> <ul style="list-style-type: none">• All personnel will be required to complete the site specific safety orientation required by Milestone• Zero tolerance for any fluid release• Spills and releases to be reported to LFS and Milestone• Any Injuries and Near Misses are to be reported and investigated to/by LFS and Milestone• Hot work will require a hot work permit issued by Milestone• Vehicles to have company placards or logos• Good housekeeping standards | | | | | | |
| PREPARED BY | DATE | REVIEWED BY | DATE | APPROVED BY | DATE | Client Signature |
| ECS | 06/14/24 | WHG | 06/14/24 | | | |

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|---|----------|---|-------------|-------------------|-------------------------------------|------------------|
| LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS | | Injection Profile Procedure | | | Project No.: F2434 | |
| | | Milestone Environmental Services LLC | | | Date: June 21, 2024 Page: 3 of 4 | |
| Well: Beaza SWD No. 1 | | State: NM | County: Lea | API: 30-025-49600 | District: 1 (Hobbs) | |
| INJECTION PROFILE TEST DETAILED PROCEDURE: <ol style="list-style-type: none"> Spot (2) 500-bbl frac tank (Enough to complete the planned test with contingency brine) <ol style="list-style-type: none"> Est. fluid needed for test is ~800 bbl Milestone to provide clean brine water from a client facility or third-party source RU pumps and iron <ol style="list-style-type: none"> MIRU kill trucks or frac pumps and lay iron or hose to side outlet 3 bpm @ 1,200 psi expected If not already present, install flow meter(s) and surface pressure gauge capable of digitally recording injection rates and pressures <ol style="list-style-type: none"> Recording frequency of one second or less is ideal Pressure gauges and flow meters should have continuous readout for observation throughout test Ensure pressure gauges are recently calibrated and able to accommodate the full range of expected rates and pressures MIRU WL Perform gauge ring run <ol style="list-style-type: none"> Make note of top of fill (if any) MU flow rate spinner tool with temperature tool RIH logging temperature from surface to TD PU to 200' above top perforation (5,358') Begin pumping at 3 bpm and conduct injectivity profile test <ol style="list-style-type: none"> Maintain continuous flowrate Conduct dynamic injectivity analysis <ol style="list-style-type: none"> RIH @ 30'/min down to PBTD and log the same speed back to 200' above the top perf RIH @ 60'/min down to PBTD and log the same speed back to 200' above the top perf RIH @ 90'/min down to PBTD and log the same speed back to 200' above the top perf RIH @ 120'/min down to PBTD and log the same speed back to 200' above the top perf <ol style="list-style-type: none"> If well has fill, log to top off fill and back Use information from dynamic passes and conduct stops at flow change depths Shut in surface pumps and POOH with wireline RDMO WL and surface pumps The completed Injection Profile results are to be submitted to the NMOCD via form C-103 and should include the following information: <ol style="list-style-type: none"> Administrative application checklist (available on OCD website under Unnumbered Forms on Form webpage). Cover letter with contact information, general description of test and pressure increase being proposed. Injection Profile well logs and interpretation Current well completion diagram. Copy of the order authorizing the injection into the well. | | | | | | |
| PREPARED BY | DATE | REVIEWED BY | DATE | APPROVED BY | DATE | Client Signature |
| ECS | 06/14/24 | WHG | 06/14/24 | | | |

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|---|----------|--------------------------------------|-------------|-------------------|---------------------|------------------|
| <div>LONQUIST & CO. LLC</div> <div><div>PETROLEUM ENGINEERS</div><div>ENERGY ADVISORS</div></div> | | Injection Profile Procedure | | | Project No.: F2434 | |
| | | Milestone Environmental Services LLC | | | Date: June 21, 2024 | |
| | | | | | Page: 4 of 4 | |
| Well: Beaza SWD No. 1 | | State: NM | County: Lea | API: 30-025-49600 | District: 1 (Hobbs) | |
| <div>CURRENT WELLBORE SCHEMATIC</div> | | | | | | |
| PREPARED BY | DATE | REVIEWED BY | DATE | APPROVED BY | DATE | Client Signature |
| ECS | 06/14/24 | WHG | 06/14/24 | | | |



| | | | | |
|--|--|--|----------------------------|--|
| LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS <small>AUSTIN - HOUSTON CALGARY - WICHITA DENVER - COLLEGE STATION BATON ROUGE - EDMONTON</small> | Milestone Environmental Services, LLC | | Beaza SWD No. 1 | |
| | Country: USA | | State/Province: New Mexico | County/Parish: Lea |
| | Location: 160' FEL & 2,480' FNL of Unit H, Section 25, Township 24S, Range 34E | | | District: 1 (Hobbs) |
| | API No: 30-025-49600 | | Field: | Well Type/Status: Disposal / New Drill |
| Texas License F-9147 | State ID No: | | Project No: F2422 | Date: 05/13/2024 |
| 12912 Hill Country Blvd. Ste F-200 Austin, Texas 78738 Tel: 512.732.9812 Fax: 512.732.9816 | Drawn: NJP | | Reviewed: WHG | Approved: RSC |
| | Rev No: 1 | | Notes: | |

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan Fuge, Division Director (Acting)
Oil Conservation Division



BY ELECTRONIC MAIL

Ramona Hovey
Lonquist & CO, LLC
12912 Hill Country Blvd.
Austin, TX 78738

RE: Amendment of Division Order Regarding Second Step-Rate Test Requirement
Milestone Environmental Services LLC
Beaza SWD No. 1 (No. 30-025-49600)
Division Order No. R-21441

Greetings Ms. Hovey,

Division Order No. R-21441 ("Order") authorized the Beaza SWD No. 1 well, operated by Milestone Environmental Services LLC, to inject slurry into the Bell Canyon and Cherry Canyon formations through perforations from 5,497 feet to 7,240 feet.

Pursuant to the Order, Milestone was required to conduct a second step-rate test ("SRT") on the subject well prior to commencement of the second year of injection. After reviewing the injection history of the well and recognizing the fact that the well has undergone the initial SRT, the Oil Conservation Division ("OCD") is making the following amendment to the Order:

In lieu of the requirement stated in Ordering Paragraph (14) of the referenced order, the operator shall complete an Injection Survey Log and Temperature Log to determine whether the fluid injected remains confined within prescribed injection interval. The tests shall be completed prior to the end date of the second year of operation. The operator shall submit a Form C-103 Notice of Intent to the OCD describing the work plan for the testing and the opportunity for the tests to be witnessed by an OCD inspector. The requirement for the second SRT is waived.


In addition to conducting the two logs, the operator shall also be required to construct a monthly updated Hall's Plot. As long as the well is in operation, the operator shall compile this information and submit this information every six (6) months using a Form C-103 Subsequent Report.

Milestone Environmental Services LLC
Beaza SWD No. 1 (30-025-49600)
Amending Division Order No. R-21441
Page 2 of 2

The OCD finds that the modification of the well testing will not endanger any freshwater aquifer, the environment, and correlative rights. All other provisions of Order No. R-21441 remain in full force and effect.

If you have any questions, please contact Million Gebremichael at:
million.gebremichael@emnrd.nm.gov

Sincerely,



DYLAN M FUGE
DIRECTOR (Acting)

Date: 4/17/24

DMF/mgm

Cc: Case File No. 20657
Well File 30-025-49600

District I
1625 N. French Dr., Hobbs, NM 88240
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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 360659

CONDITIONS

| | |
|---|---|
| Operator: Milestone Environmental Services, LLC 840 Gessner Road Houston, TX 77024 | OGRID: 328435 |
| | Action Number: 360659 |
| | Action Type: [C-103] NOI General Sundry (C-103X) |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|--|----------------|
| mgebremichael | Step 5 of your injection profile testing procedure, i.e., if the gauge ring indicates a fill-up, the test will stop until the spinner and temperature gauges can be lowered to PBTD. | 7/8/2024 |