

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
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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

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-025-48081
5. Indicate Type of Lease STATE [] FEE [x]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name INDEPENDENCE AGI
8. Well Number 1
9. OGRID Number 330718
10. Pool name or Wildcat AGI: Devonian/Fusselman
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,103' (GR)

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 [x] ACID GAS INJECTION
2. Name of Operator Piñon Midstream, LLC
3. Address of Operator 465 W NM Highway 128; Jal, NM 88252
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:
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: Quarterly Injection Data Reports [x]

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 (Q2) from April 1, 2022 through June 30, 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 Q2 2022. Over the Q2 period, mechanical integrity continues to be clearly demonstrated in the relationship between surface injection and surface annular pressure. Generally, TAG flow rates for the Q2 injection period are observed to be reduced (approximately 14%) from the previous Q1 2022 reporting period. During this period, TAG has been injected at an average rate of approximately 3.14 MMSCFD. Average TAG injection rates during the prior Q1 2022 reporting period were 3.63 MMSCFD.

Over the Q2 period, analysis of all injection parameter trends demonstrates the AGI #1 well continues to operate nominally. 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: 2,033 psig, Avg. Annular Pressure: 716 psig, Avg. Pressure Differential: 1,318 psig, Avg. TAG Temperature: 135 °F, Avg. TAG Injection Rate: 1,692 barrels per day (Approx. 3.14 MMSCF at STP).

Down-hole Measurements: Average Bottom-hole Pressure: 7,525 psig, Average Bottom-hole Temperature: 184 °F

Data collected over the period of Q2 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 (MIT) and bradenhead test on July 30, 2021. In accordance with the requirements of NMOCC Order R-21455-A, an annual MIT and bradenhead test is currently scheduled to be completed on July 14, 2022.

In summary, Q2 2022 injection parameter data demonstrates excellent mechanical integrity of the AGI well and 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 [Signature] TITLE Consultant to Piñon DATE 07/14/2022

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

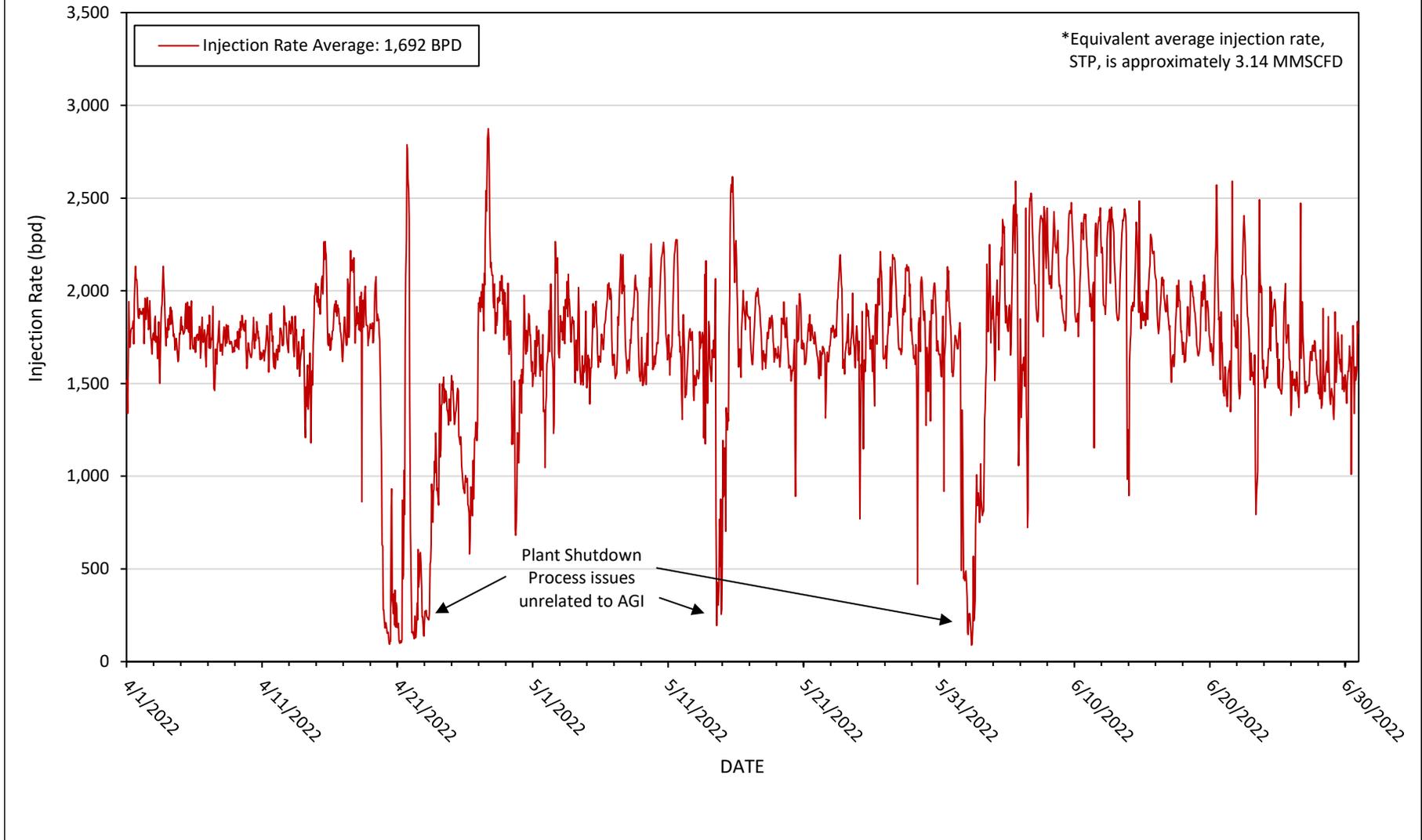


FIGURE 2. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE

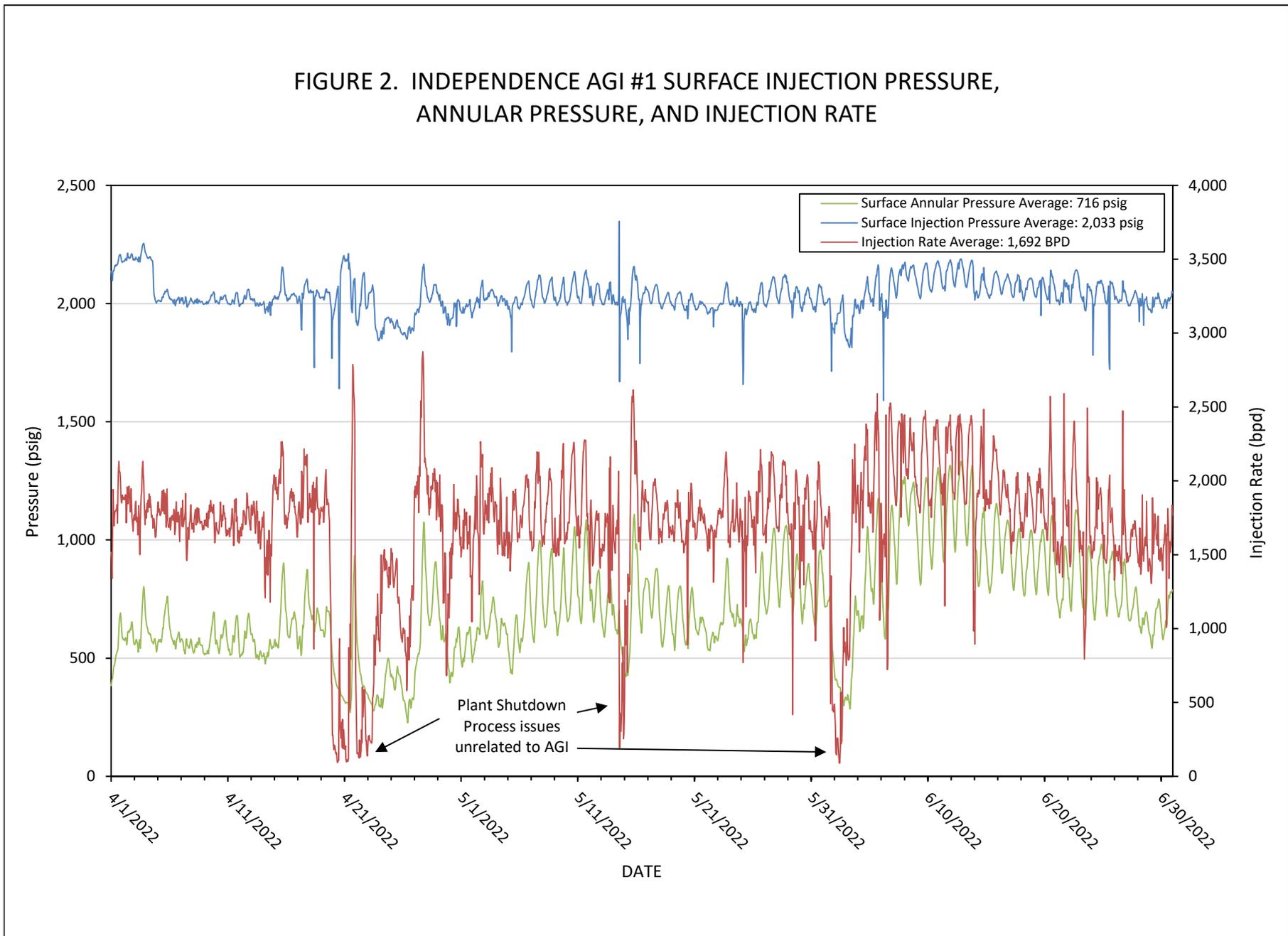


FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

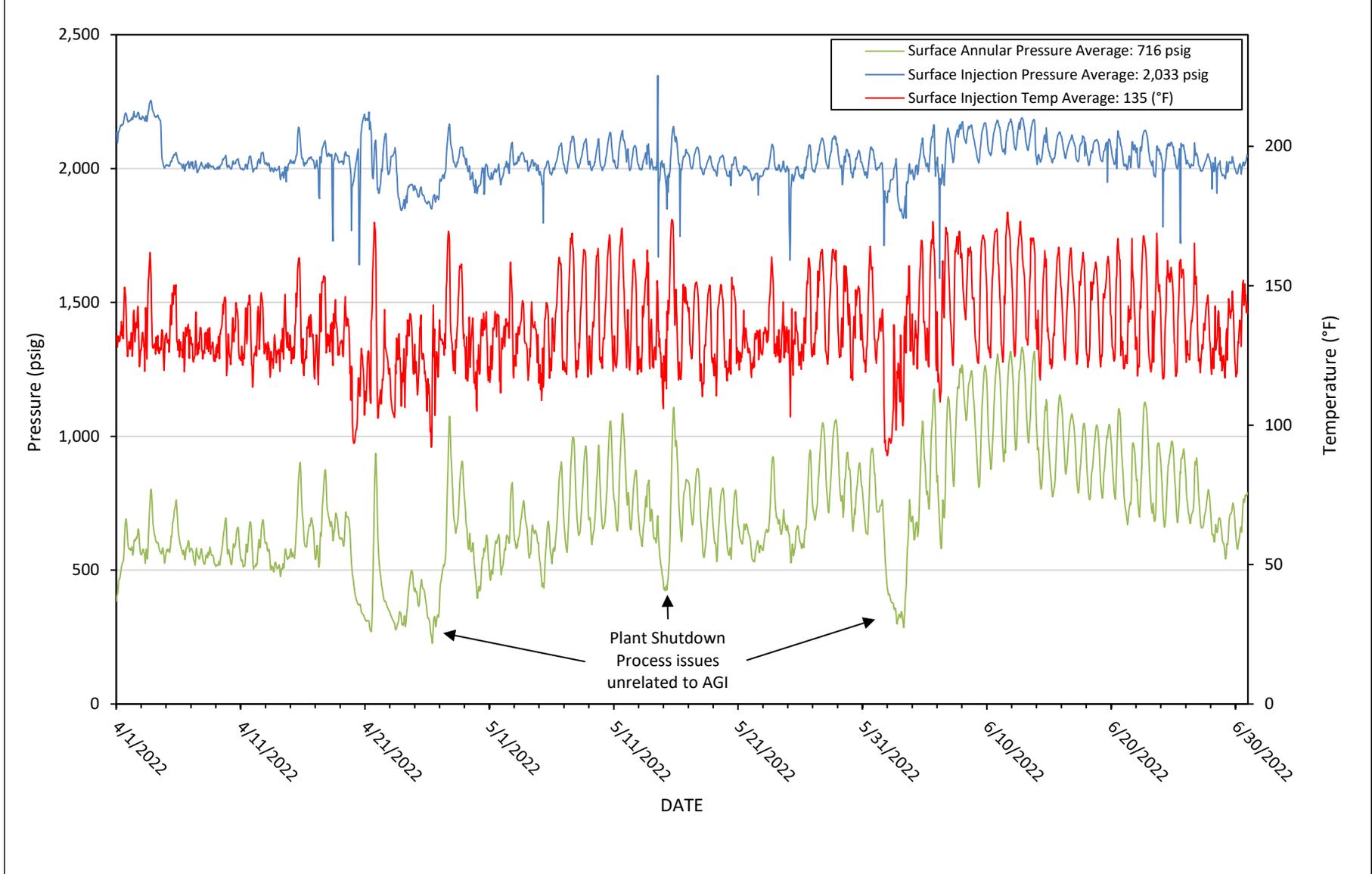


FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

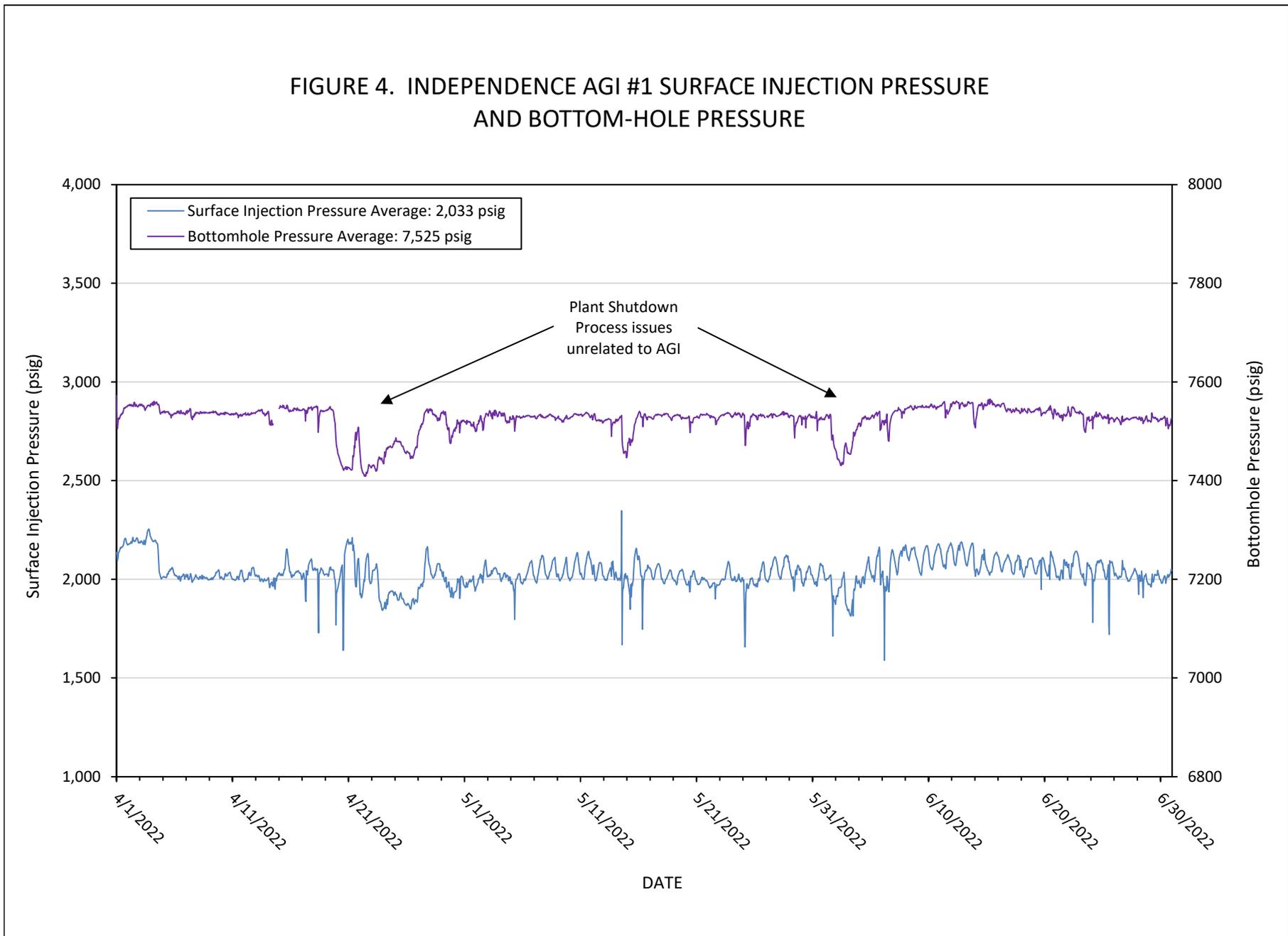


FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

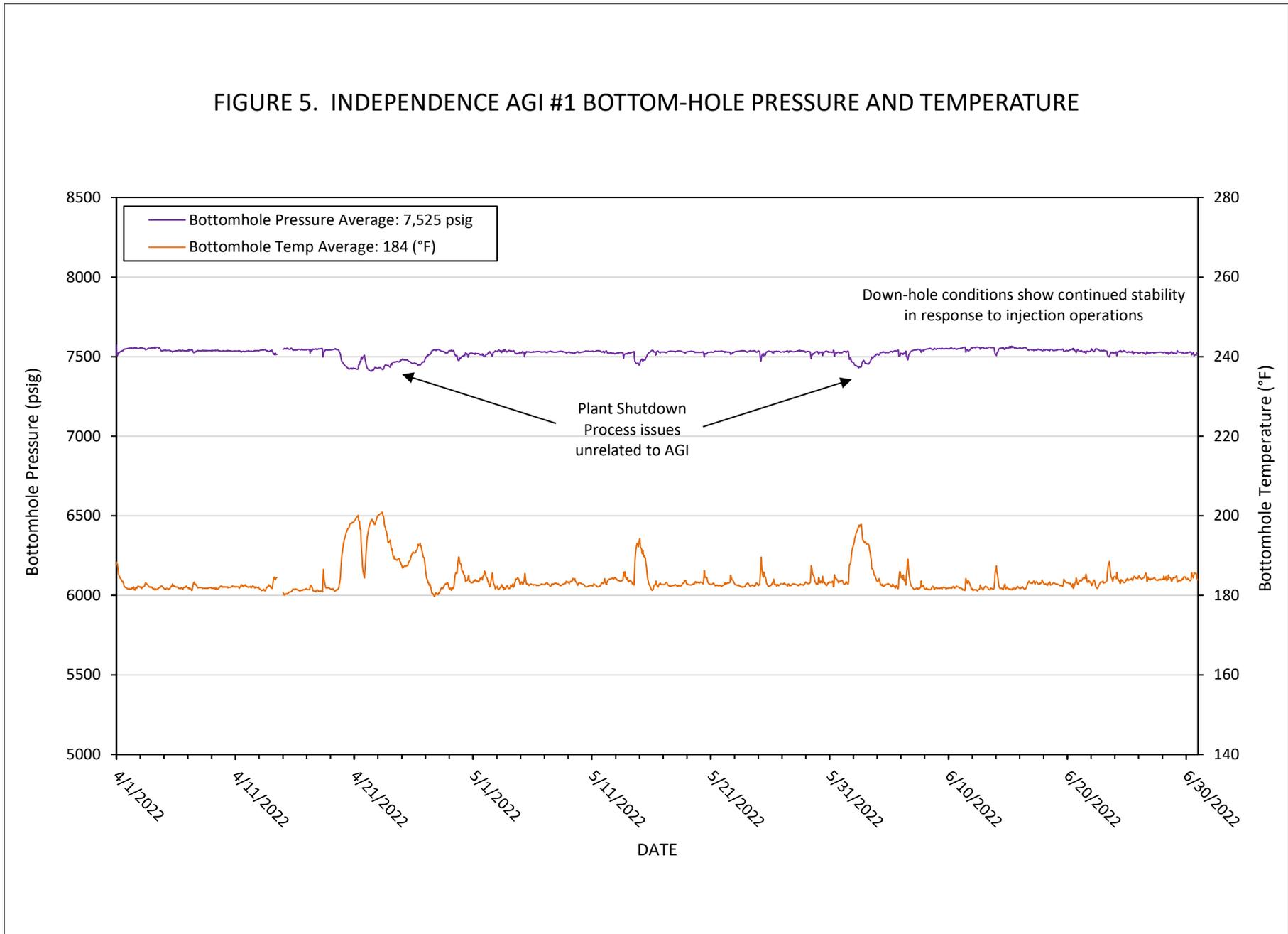
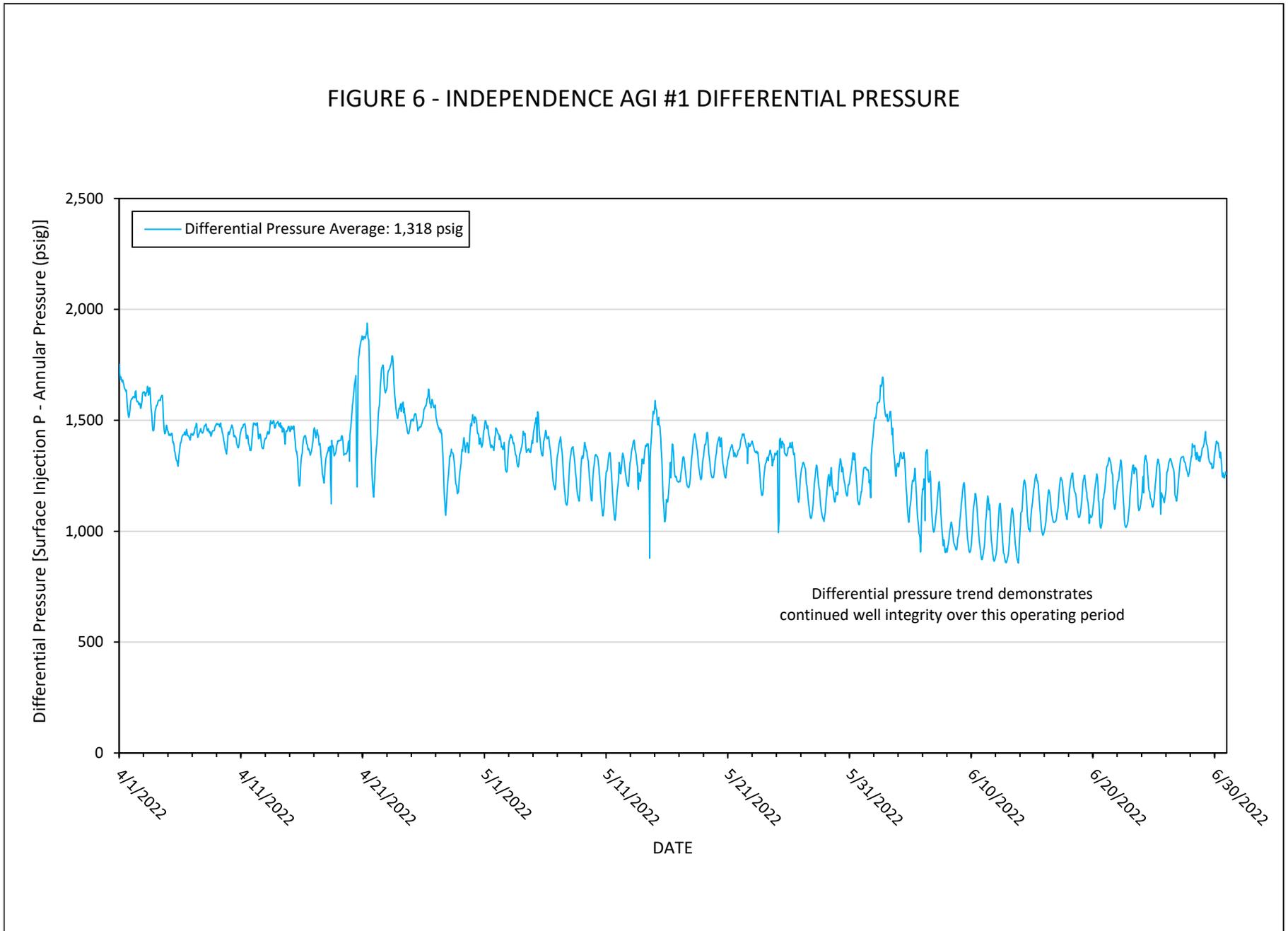


FIGURE 6 - INDEPENDENCE AGI #1 DIFFERENTIAL PRESSURE



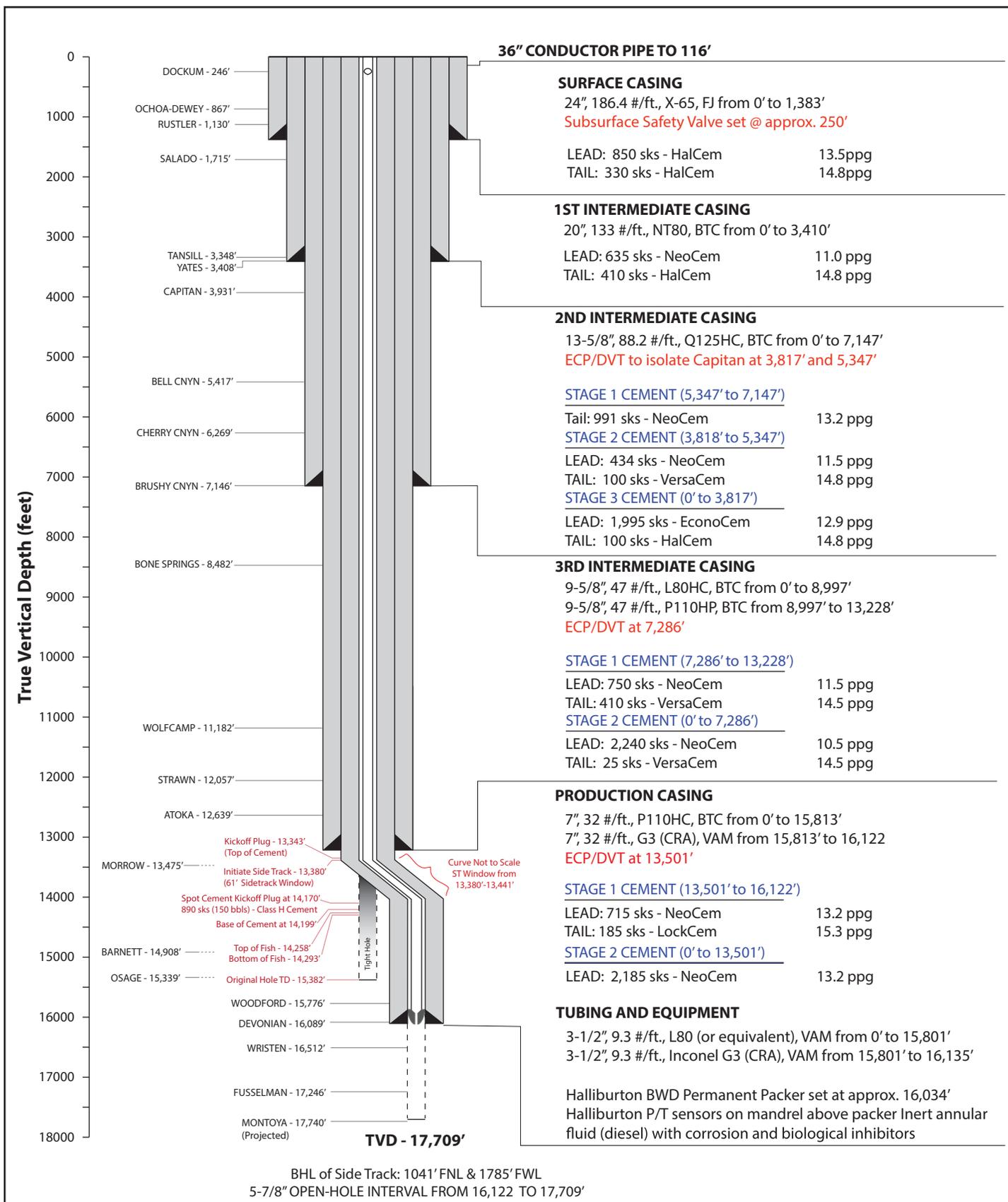


INDEPENDENCE AGI #1

UL C - S20 - T25S - R36E

API: 30-025-48081

Lat: 32.120855, Long: -103.291021



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 125426

CONDITIONS

Operator: Pinon Midstream LLC 465 W. NM Highway 128 Jal, NM 88252	OGRID: 330718
	Action Number: 125426
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

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