

Office
 District I - (575) 393-6161
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 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

WELL API NO.	30-025-48081
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
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	
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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> 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 <u>C</u> : <u>829</u> feet from the <u>NORTH</u> line and <u>1,443</u> feet from the <u>WEST</u> line Section <u>20</u> Township <u>25S</u> Range <u>36E</u> NMPM County <u>LEA</u>	
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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Quarterly Injection Data Reports <input checked="" type="checkbox"/>	
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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, 2023 through March 31, 2023 (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 2023. 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 Q1 period, TAG has been injected at an average rate of approximately 5.82 MMSCFD, which reflects an increase of approximately 30% over the prior Q4 (2022) reporting period.

Detailed analysis of all injection parameter trends demonstrates the AGI #1 well continues to operate normally. Total TAG volume sequestered via the AGI #1 continues to increase (approx. 30% over the prior Q4 2022 period) and all AGI operating parameters continue to exhibit trends and behavior anticipated in response to increased injection rates. These data are plotted in detail in the attached Figures 1-6 and clearly demonstrate the adequacy of the Siluro-Devonian injection reservoir to accommodate the disposal needs of Piñon. The following average values represent the operational conditions for the well (including shutdowns).

Surface Measurements: Avg. TAG Inj. Pressure: 2,188 psig, Avg. Annular Pressure: 481 psig, Avg. Pressure Differential: 1,708 psig, Avg. TAG Temperature: 126 °F, Avg. TAG Injection Rate: 2,726 barrels per day (approx. 5.82 MMSCFD at STP).

Down-hole Measurements: Average Bottom-hole Pressure: 7,756 psig, Average Bottom-hole Temperature: 175 °F.

During the Q1 period of operation, all AGI injection parameter data continued to be successfully monitored and recorded and all raw (hourly) data have been submitted with this report (via electronic mail). This includes all bottom-hole temperature and pressure data, which had experienced a brief outage during 2022 due to the failure of the Halliburton surface control panel after a nearby lightning strike. Since replacement in Q4 2022, there have been no additional issues with the monitoring and recording of bottom-hole data.

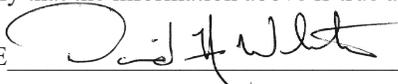
Generally, the Independence AGI #1 well continues to demonstrate excellent performance, as demonstrated by all injection parameter trends (Figures 1-6). Data collected over the period of Q1 operation exhibits the expected correlative behavior of annular pressure with the flow rate, injection pressure, 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, Q1 2023 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.

Please note that over the Q1 period, Piñon completed all remaining facility activities necessary to commence injection into the approved Independence AGI #2 well (e.g., installation and testing of AGI #2 monitoring equipment and flowlines, etc.). Notice was provided of Piñon’s intent to begin injecting via the well, and the AGI #2 was commissioned on April 6, 2023. All required reporting for the AGI #2 well will begin in Q2 2023.

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 04/14/2023

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

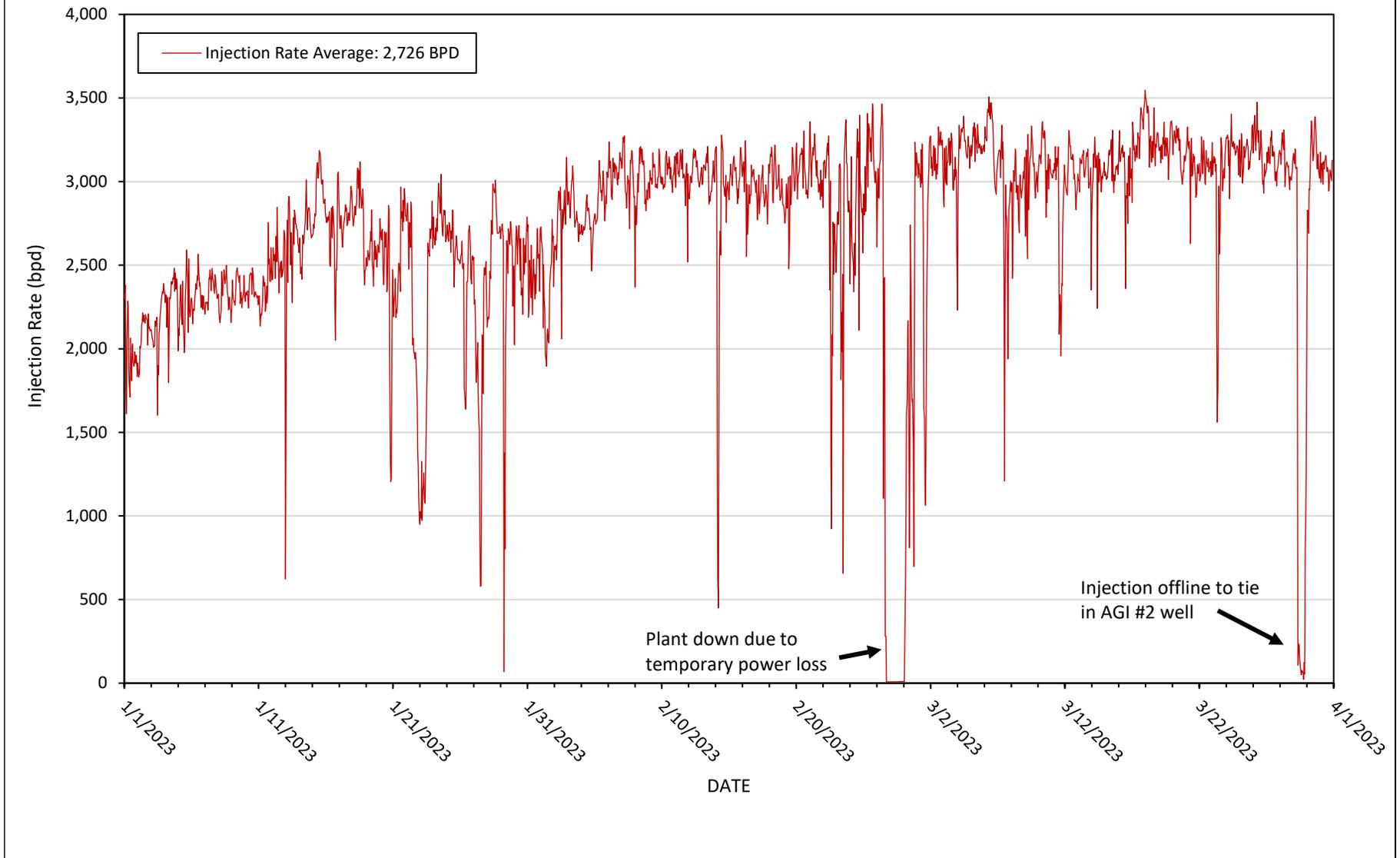




FIGURE 2. INDEPENDENCE AGI #2 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE

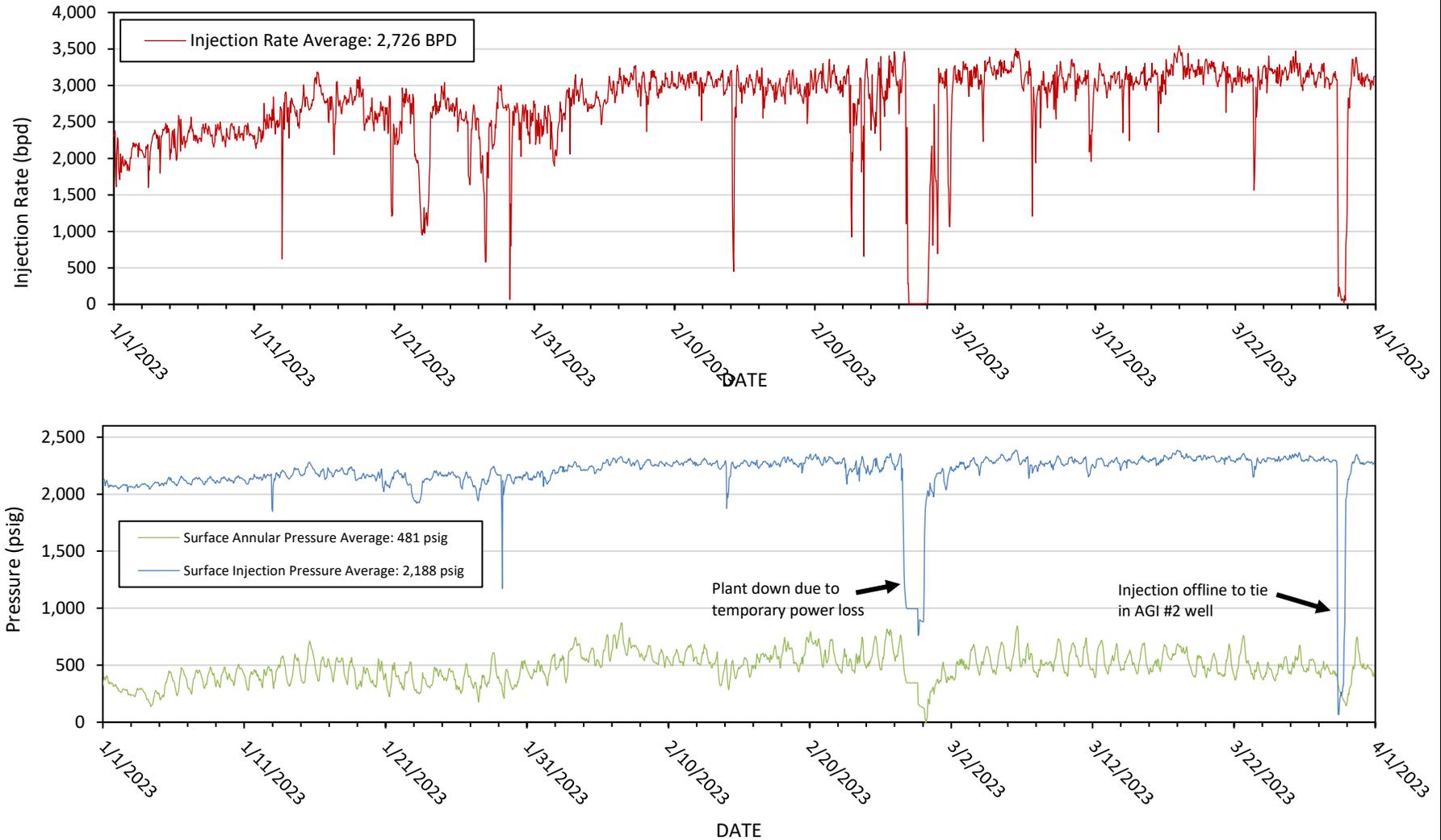




FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

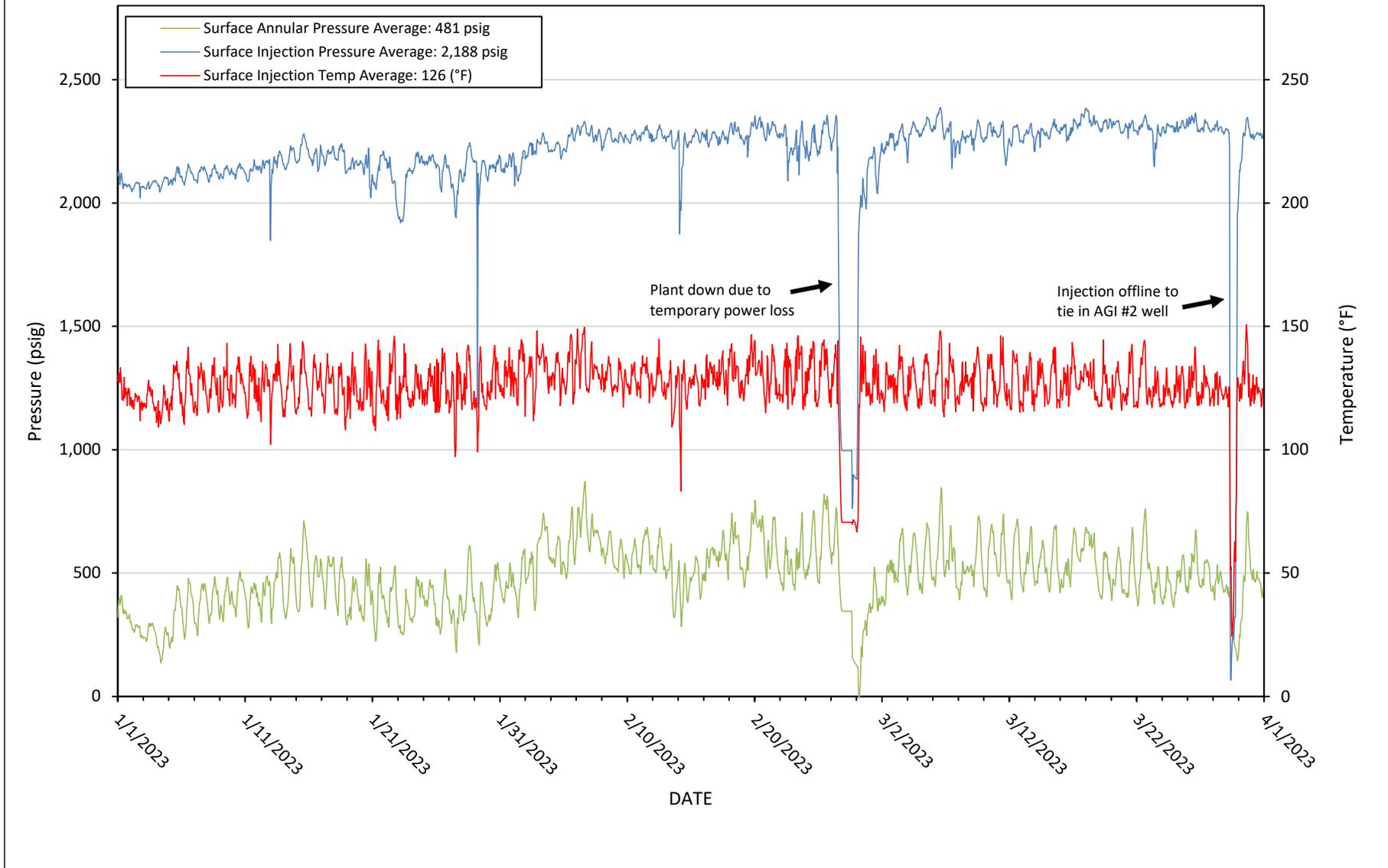




FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

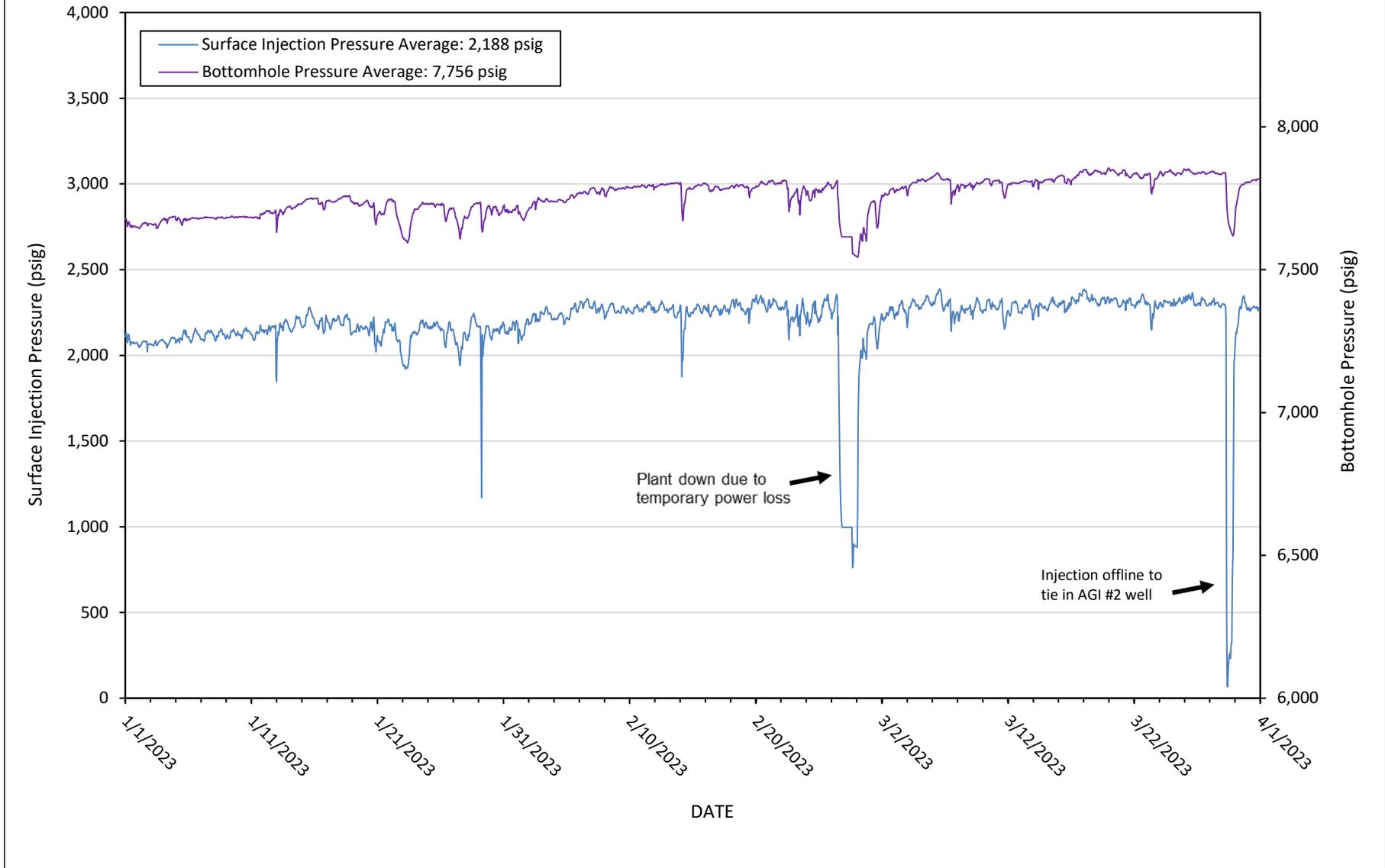




FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

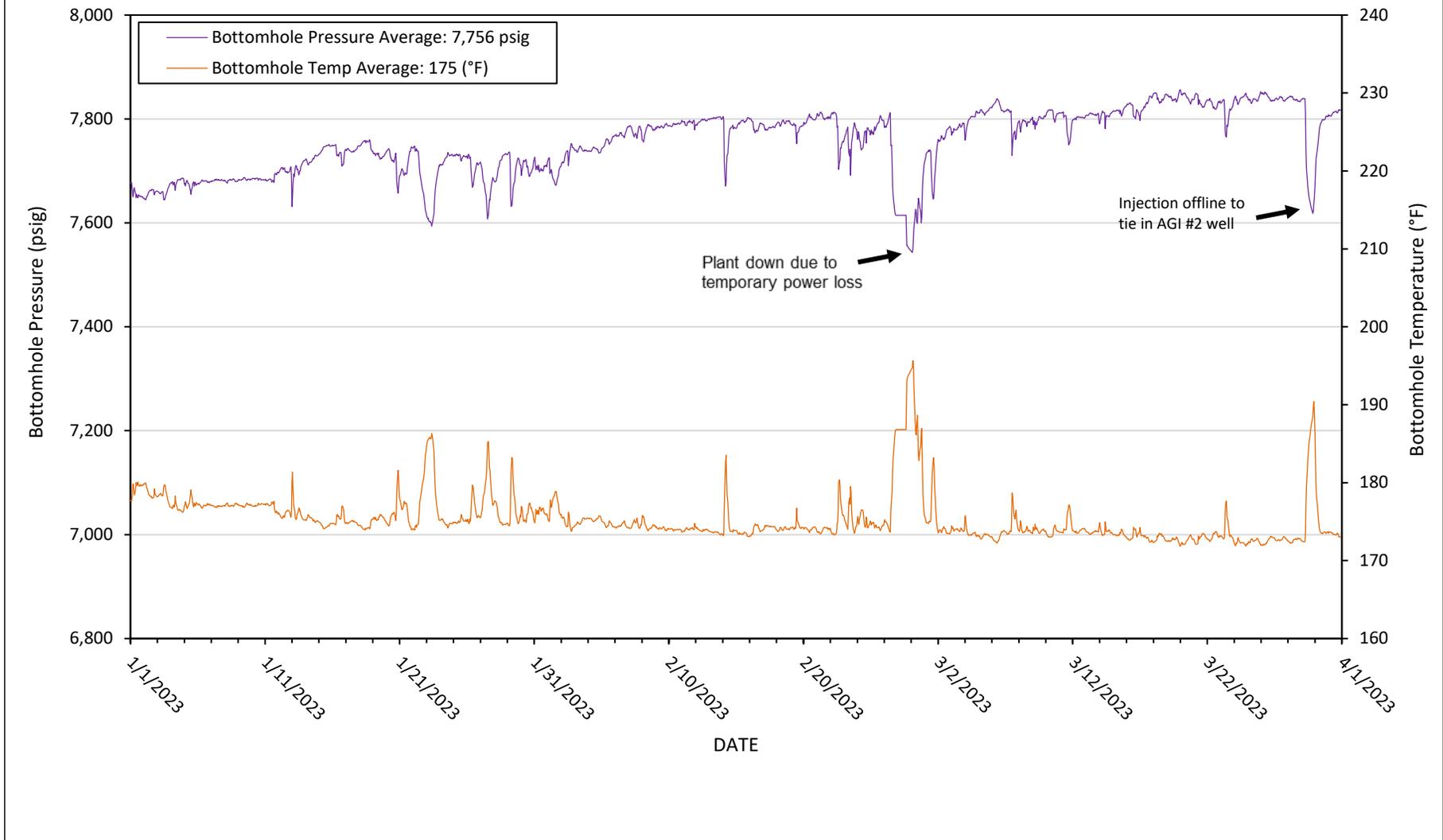
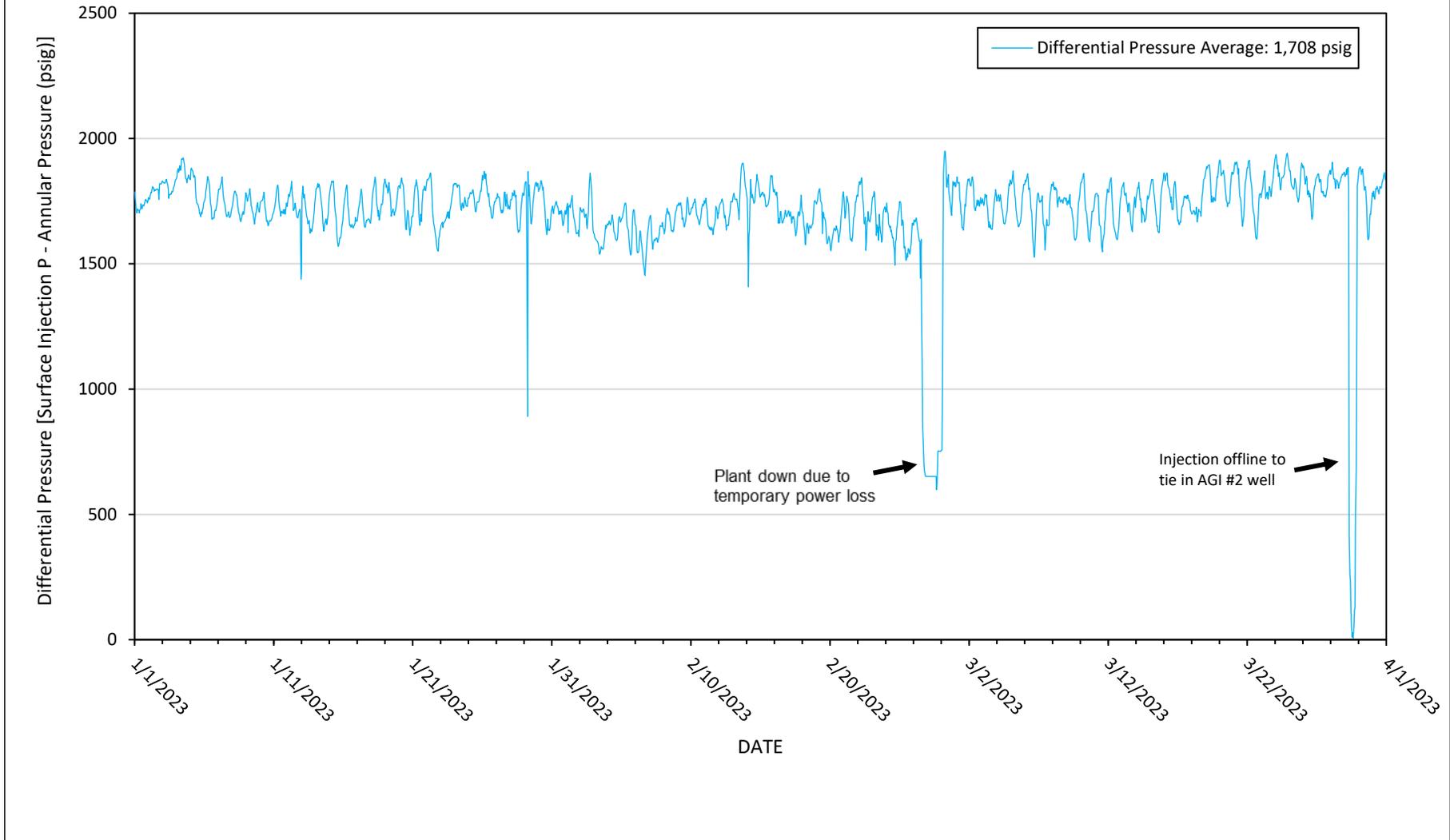




FIGURE 6 - INDEPENDENCE AGI #1 DIFFERENTIAL PRESSURE



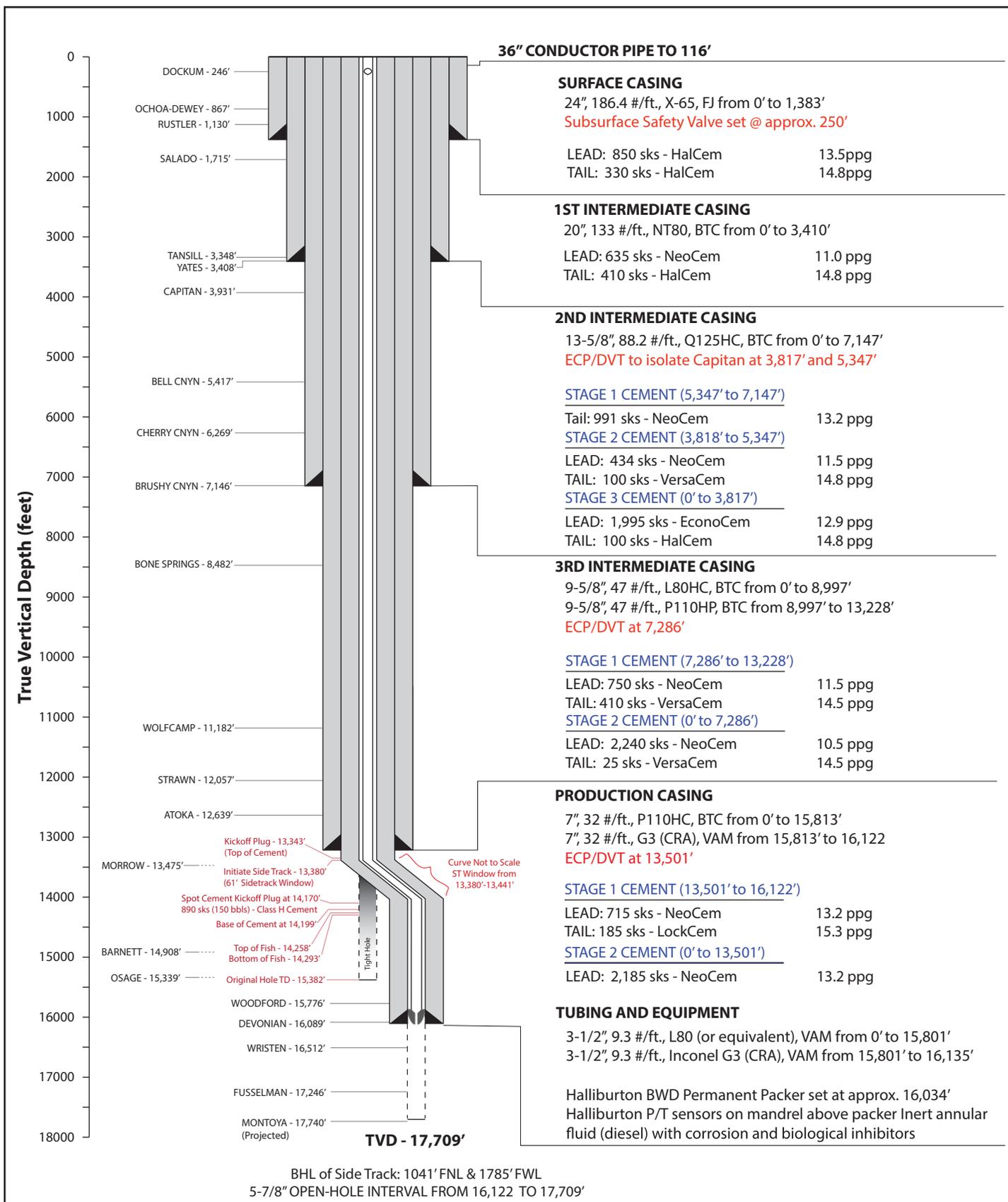


INDEPENDENCE AGI #1

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 208070

CONDITIONS

Operator: Pinon Midstream LLC 465 W. NM Highway 128 Jal, NM 88252	OGRID: 330718
	Action Number: 208070
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	4/24/2023