

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 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	Form C-103 August 1, 2011 Permit 321705 WELL API NUMBER 30-025-49974 5. Indicate Type of Lease Federal 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name INDEPENDENCE FEE AGI																																																																																																																																																																																																																
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: Acid Gas Injection		8. Well Number 002																																																																																																																																																																																																																
2. Name of Operator Pinon Midstream LLC		9. OGRID Number 330718																																																																																																																																																																																																																
3. Address of Operator 465 W. NM Highway 128, Jal, NM 88252		10. Pool name or Wildcat																																																																																																																																																																																																																
4. Well Location Unit Letter <u>C</u> : <u>1110</u> feet from the <u>N</u> line and feet <u>1443</u> from the <u>W</u> line Section <u>20</u> Township <u>25S</u> Range <u>36E</u> NMPM _____ County <u>Lea</u>																																																																																																																																																																																																																		
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3102 GR																																																																																																																																																																																																																		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____																																																																																																																																																																																																																		
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table style="width:100%;"> <tr> <td colspan="2" style="text-align: center;">NOTICE OF INTENTION TO:</td> <td colspan="2" style="text-align: center;">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>			NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:		PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTER CASING <input type="checkbox"/>	TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE OF PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>		Other: _____		Other: <u>Drilling/Cement</u> <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. See Attached. See Attached 7/2/2022 Spudded well.																																																																																																																																																																																																																		
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I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .																																																																																																																																																																																																																		
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Pinon Midstream LLC
Independence AGI #2
API #30-025-49974

Set & cement 24" surface casing, Description of Work.

7/4/2022 TD 26" hole @ 1241'. Run 24" casing. TIH w/ 5" DP inner string and stinger. Sting into shoe and circ. Cmt Lead w/295 sks ExtendaCem C w/4% Gel, 5% Salt (yld 1.81 cuft/sk @ 13.5 PPG). Tail w/330 sks HalCem C "Neat" (yld 1.33 cuft/sk @ 14.8 PPG). Displaced inner string w/22 bbl FW. Plug down @ 6:30 PM CST 07/5/22. Circ 120 sks to pits. Did not bump plug. Test floats, held OK. WOC 19 hrs. Run wireline CBL. Test casing to 1730 psi for 30 min. Held OK, 16 psi leakoff. Notified Gilbert Cordero, NMOCD Hobbs.

Set & cement 20" 1st intermediate casing, Description of Work.

07/14/2022 TD 22.5" hole @ 3530'. Run 20" casing. TIH w/ 5" DP inner string and stinger. Sting into shoe and circ. Cmt Lead w/1390 sks NeoCem C w/ 3 pps Kol-Seal, 0.125 pps Poly-E Flake (yld 1.81 cuft/sk @ 13.5 PPG). Tail w/665 sks HalCem C "Neat" (yld 1.33 cuft/sk @ 14.8 PPG). Displaced inner string w/72 bbl FW. Plug down @ 00:18 AM CST 07/15/22. Circ 31 sks to surface. Did not bump plug. Test floats, held OK. Cement fallback evident at wellhead. Notified Gilbert Cordero, NMOCD. TOH w/ 5" DP inner string and stinger. WOC time 18 hrs. Run CBL. Run ½" tubing in annulus. TOC found @ 230' RKB. Cmt thru 1/2" Tubing w/ 122 sks Halcem C "Neat" (yld 1.33 cuft/sk @ 14.8 PPG). Circ 33 sks to surface. Set slips. WOC 20 hrs. 7/19/2022 Run CBL, cement confirmed to surface. Test casing to 1900 psi for 30 minutes. Held OK, 180 psi leakoff. Drill out with 17.5" bit.

Set & cement 13.625" 2nd intermediate casing, Description of Work.

07/22/2022 TD 17.5" hole @ 5380'. Run 13.625" casing. DV-ECP tool @ 3540'. Cmt first stage w/1275 sks NeoCem w/0.125 lb/sk Poly-E-Flake, 3 lb/sk Kol-Seal & 0.4% HR-800 (yld 1.35 cuft/sk @ 14.8 ppg). Displaced w/794 bbl mud. Plug down @ 6:30 P.M. 07/23/22. Drop DV tool opening bomb & pressured up to 800 psi. Circ 80 sks cmt off of DV tool. Cmt second stage lead w/2900 sks NeoCem Neat (yld 1.36 cuft/sk @ 13.5 ppg). Tail w/205 sks VersaCem w/0.3% Halad & 0.5 lb/sk D-Air (yld 1.23 cuft/sk @ 14.5 ppg). Displaced w/529 bbl Mud. Plug down @ 10:15 P.M. 07/23/22. Closed DV tool w/2600 psi. Circ 735 sks cmt to surface. WOC 24 hrs. Drill out DV tool. Test casing to 1426 psi for 30 minutes. Held OK, 33 psi leakoff. Run CBL, cement confirmed to surface. Drill out with 12.25" bit.

Set & cement 9.625" 3rd intermediate casing, Description of Work.

08/03/2022 TD 12.25" hole @ 11775'. Run 9.625" casing. DV-ECP tool @ 5450'. Cmt first stage lead w/1000 sks NeoCem (yld 2.23 cuft/sk @ 11.5 ppg). Tail w/325 sks VersaCem w/0.5 lb/sk D-Air 5000, 0.3% Halad-344, 0.3% CFR-3, 0.2% HR-800 (yld 1.2 cuft/sk @ 14.5 ppg). Displaced w/858 bbl FW and cut brine. Plug down @ 3:15 A.M. 08/6/22. Drop DV tool opening bomb & pressured up to 2560 psi. Stop circ cmt off DV tool due to excessive pressure. Troubleshoot blockage in annulus, pump 2nd stage lead 1040 sks NeoCem (12.5 ppg, 1.75 yield). Tail w/ 315 sks Versacem w/0.5lb/sk D-Air 5000, 0.3% Halad-344, 0.3% CFR-3 (yld 1.2 cuft/sk, 14.5 ppg). Displaced w/ 400 bbl FW. Closed tool w/ 3000 psi. Bump plug @ 8:11 am 8/6/22. Floats held. Circ. 192 sks cmt to sfc. WOC 26 hrs. Drill out DV tool. Test casing

to 1500 psi for 30 minutes. Held OK, 0 psi leakoff. Run CBL, cement confirmed to surface. Drill out with 8.5" bit. Gilbert Cordero, NMOCD Hobbs notified.