Submit 1 Copy To Appropriate District 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

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-48081

5. Indicate Type of Lease STATE ☐ FEE ■

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: INDEPENDENCE AGI

1. Type of Well: Oil Well ☐ Gas Well ☐ Other ■ ACID GAS INJECTION

8. Well Number: 1

2. Name of Operator: Piñon Midstream, LLC

9. OGRID Number: 330718

3. Address of Operator: 465 W NM Highway 128; Jal, NM 88252

10. Pool name or Wildcat: AGI: Devonian/Fusselman

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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: Quarterly Injection Data Reports ■	

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 (Q3) from July 1, 2022 through September 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 Q3 2022. Over the Q3 period , mechanical integrity continues to be clearly demonstrated in the relationship between surface injection and surface annular pressure, as well as the annual completion of a mechanical integrity pressure test (conducted on July 14, 2022). Generally, TAG flow rates for the Q3 injection period have increased (approximately 10%) from the previous Q2 2022 reporting period. During this period, TAG has been injected at an average rate of approximately 3.59 MMSCFD. Average TAG injection rates during the prior Q2 2022 reporting period were 3.14 MMSCFD.

Over the Q3 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: 2,083 psig, Avg. Annular Pressure: 646 psig, Avg. Pressure Differential: 1,437 psig, Avg. TAG Temperature: 141 °F, Avg. TAG Injection Rate: 1,887 barrels per day (Approx. 3.59 MMSCF at STP).
Down-hole Measurements: Average Bottom-hole Pressure: 7,569 psig, Average Bottom-hole Temperature: 182 °F

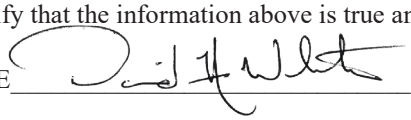
During the Q3 period of operation, a lightning strike of the facility occurred which resulted in a plant shutdown on August 29 and September 3, 2022. Following this event, it was determined that the surface control panel for the AGI #1 bottom-hole sensors was damaged beyond repair and down-hole data from July 5-17, 2022 and August 18 - 29, 2022 were not recoverable. To assure bottom-hole monitoring capability is re-established, Piñon and Geolex have secured a new surface control panel, which will be installed in October 2022.

While monitoring capability of down-hole conditions has been lost temporarily, the AGI well continues to demonstrate excellent performance, as demonstrated by all other injection parameter trends and the period in which bottom-hole data are recorded (Figures 1-6). Data collected over the period of Q3 operation exhibit 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.

On July 14, 2022, a successful mechanical integrity test and bradenhead test was completed for the Independence AGI #1 well. Completion of these operations fulfills the annual testing requirements to confirm the mechanical integrity of the AGI well. **In accordance with the requirements of NMOCC Order R-21455-A, the next MIT and bradenhead test will be completed in July of calendar year 2023.**

In summary, Q3 2022 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.

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 10/14/2022

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_____

Conditions of Approval (if any):

FIGURE 1 - INDEPENDENCE AGI #1 INJECTION RATES WHILE OPERATING

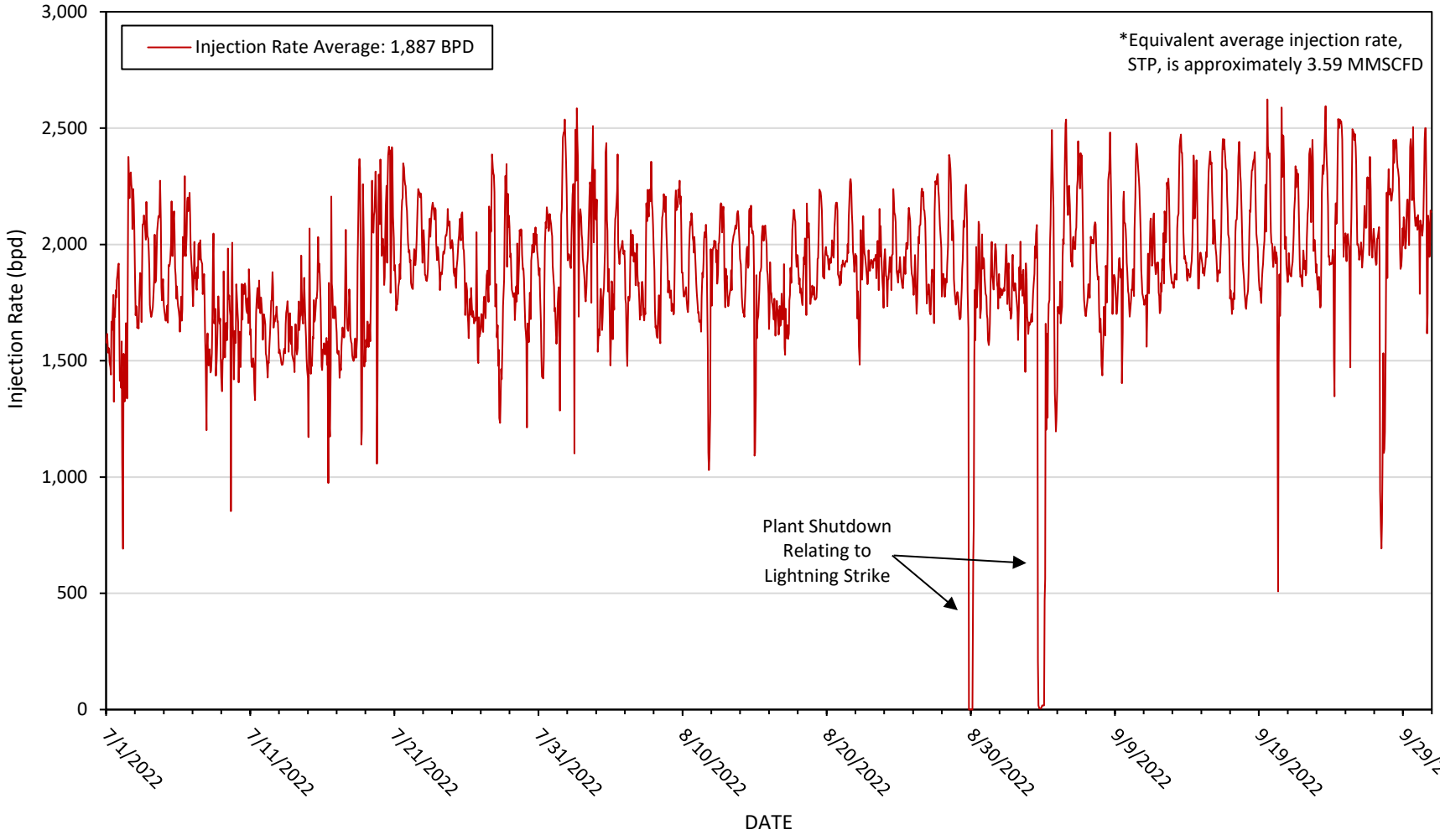


FIGURE 2. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE

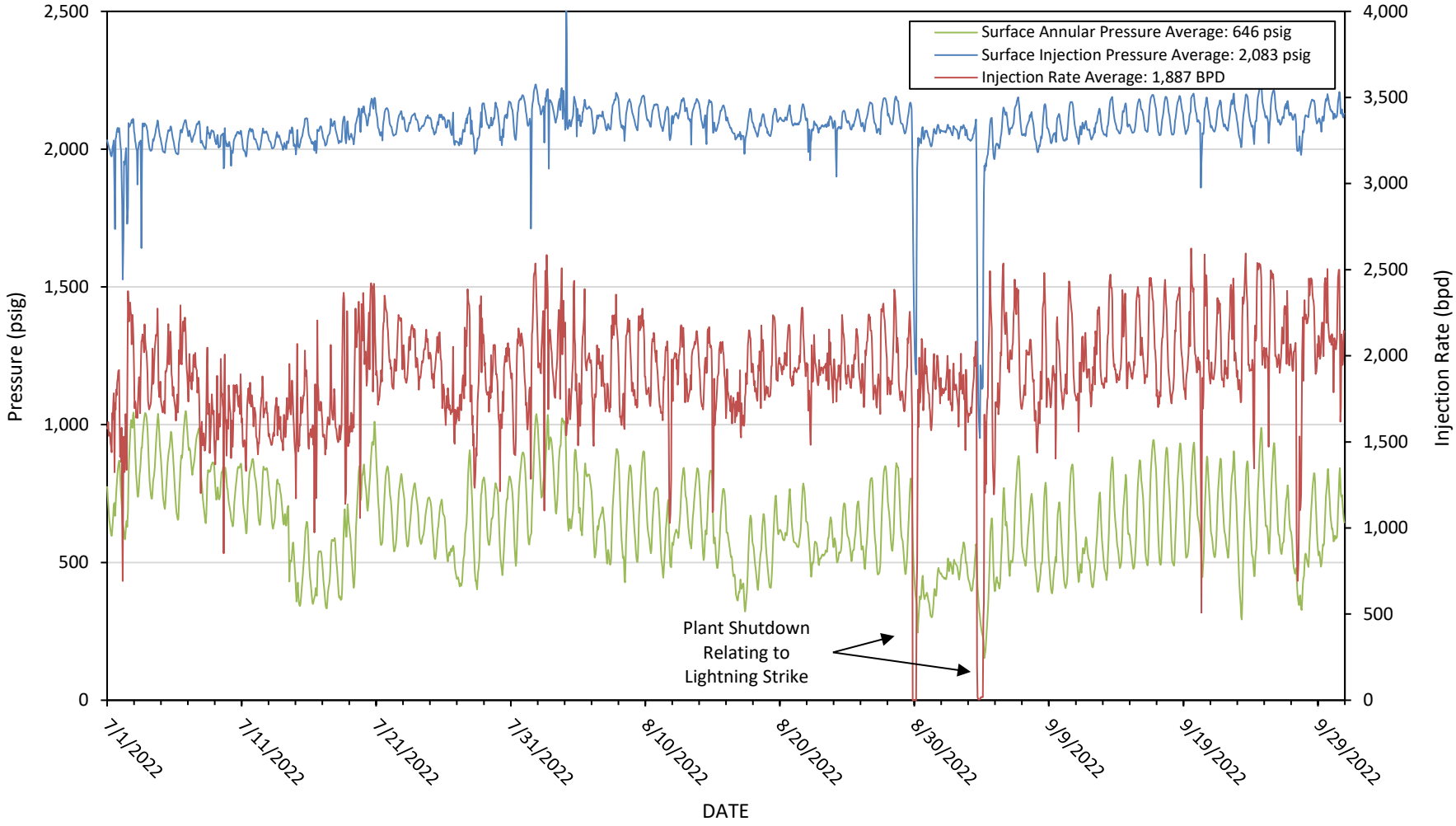


FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

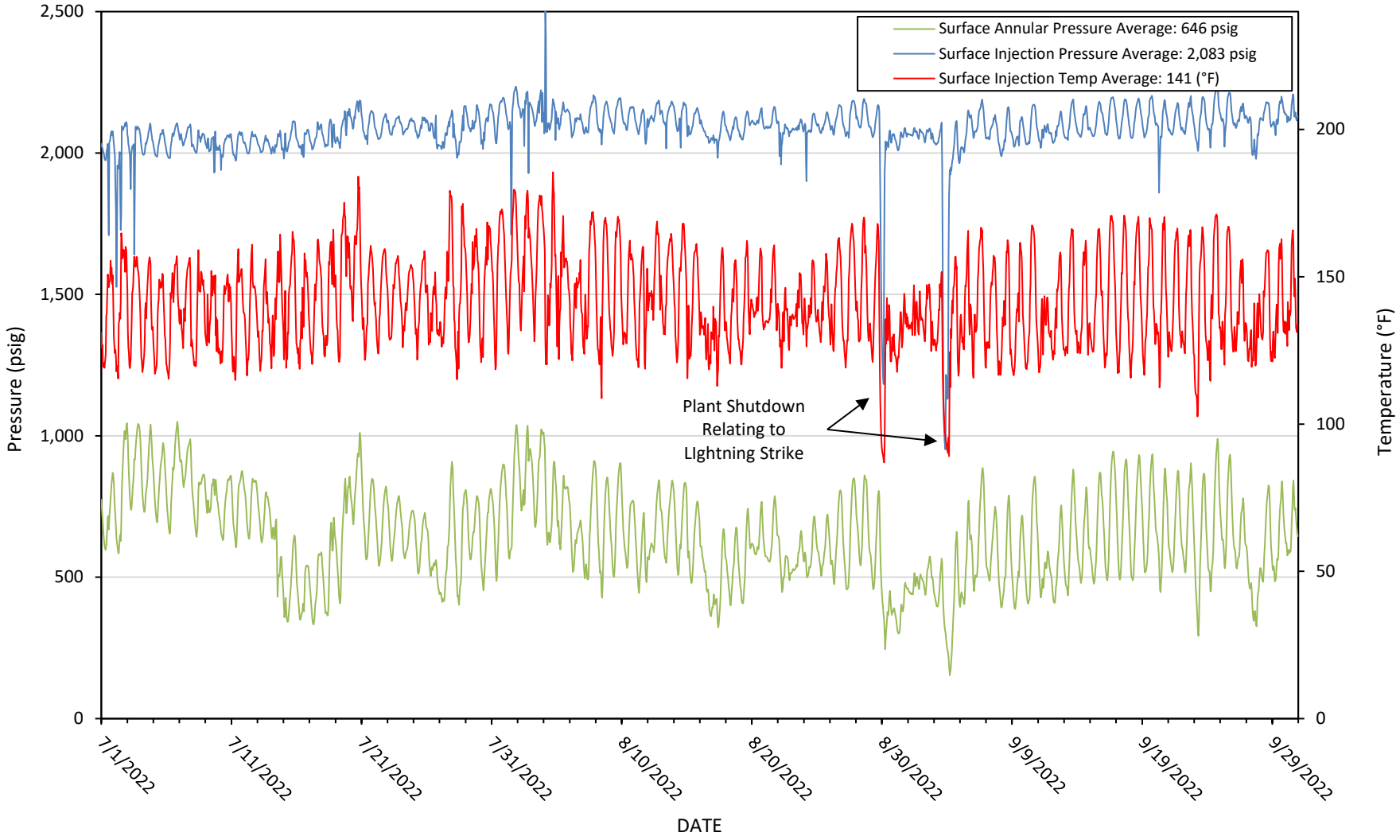


FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

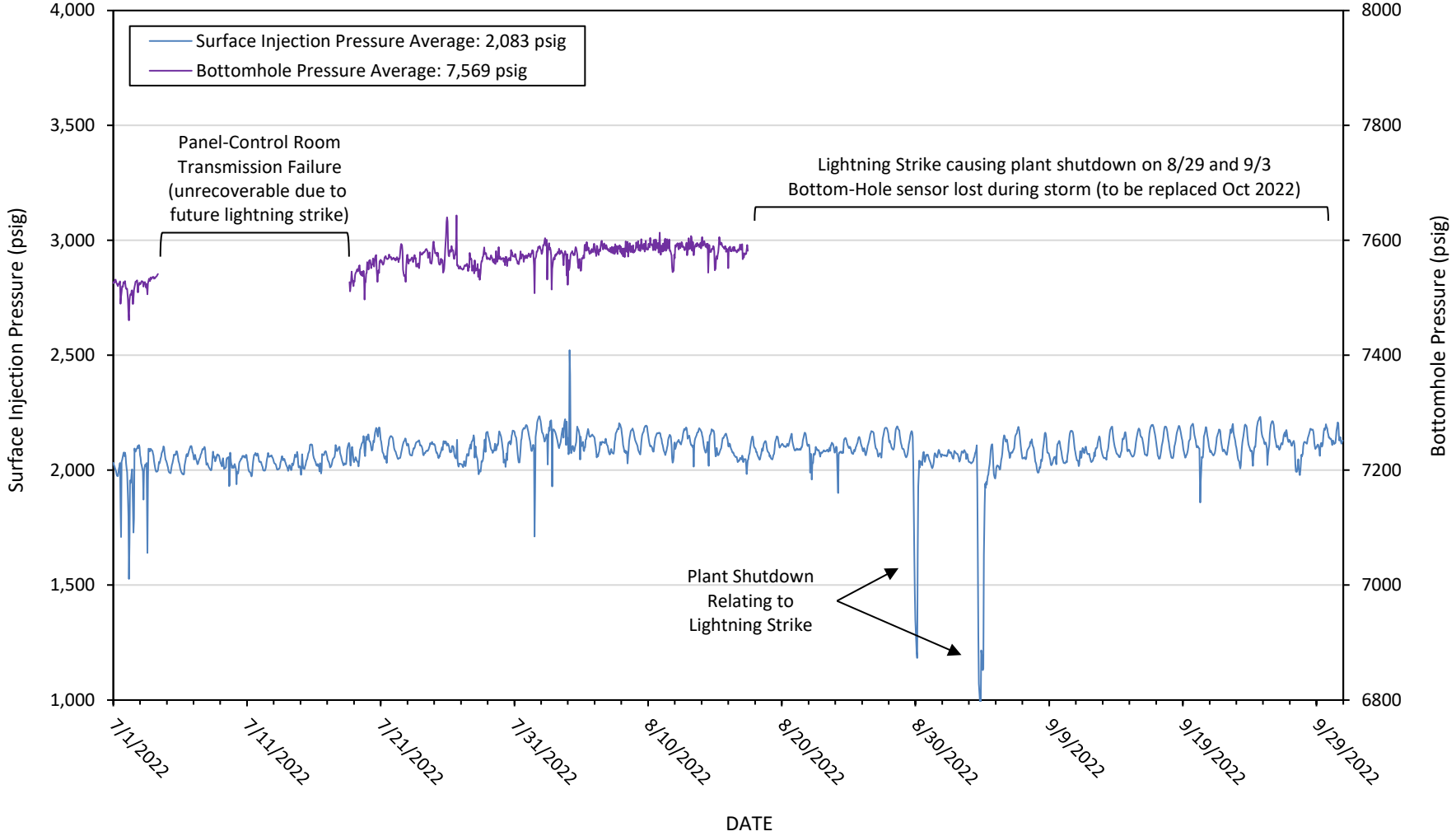


FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

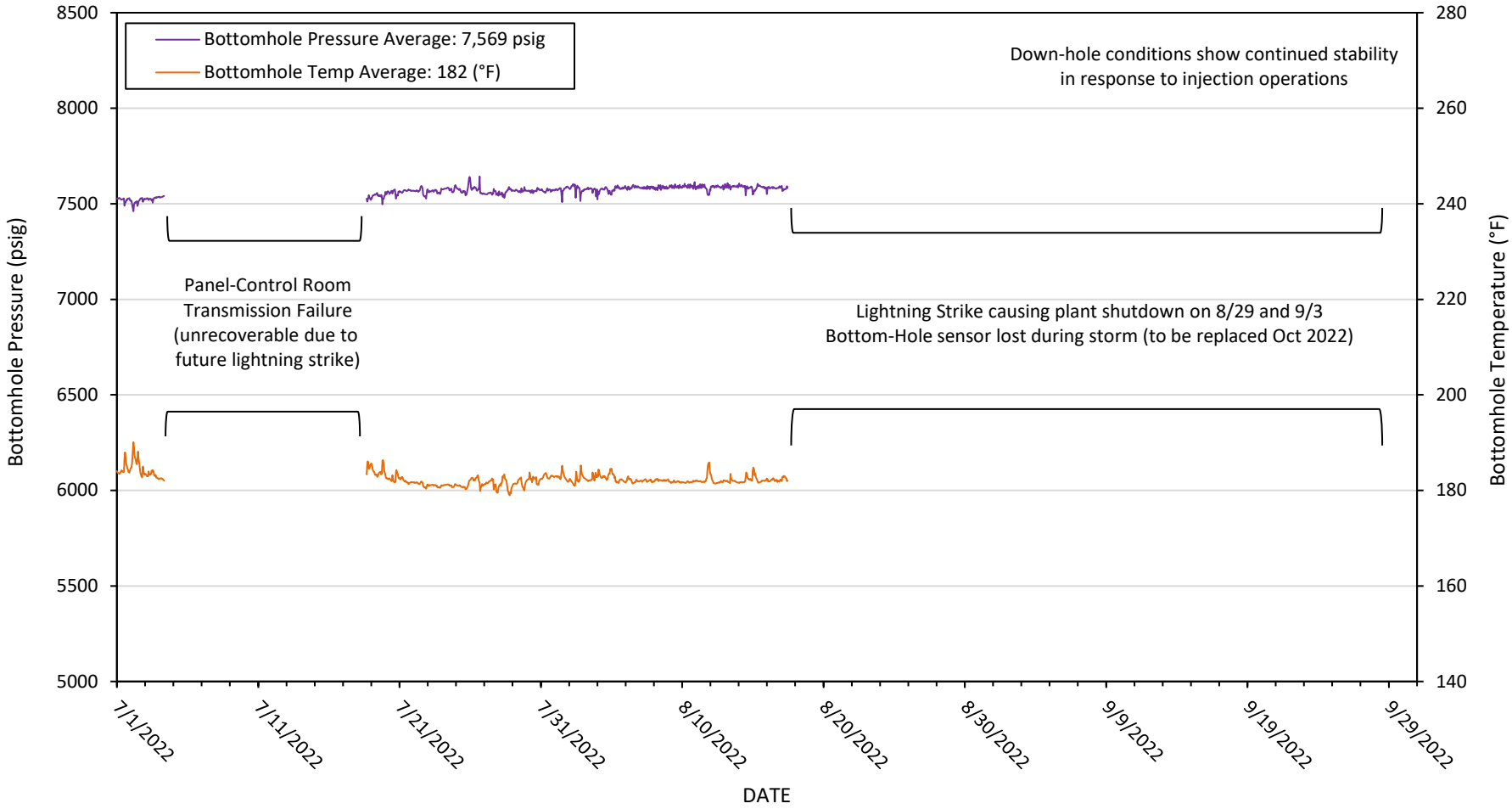
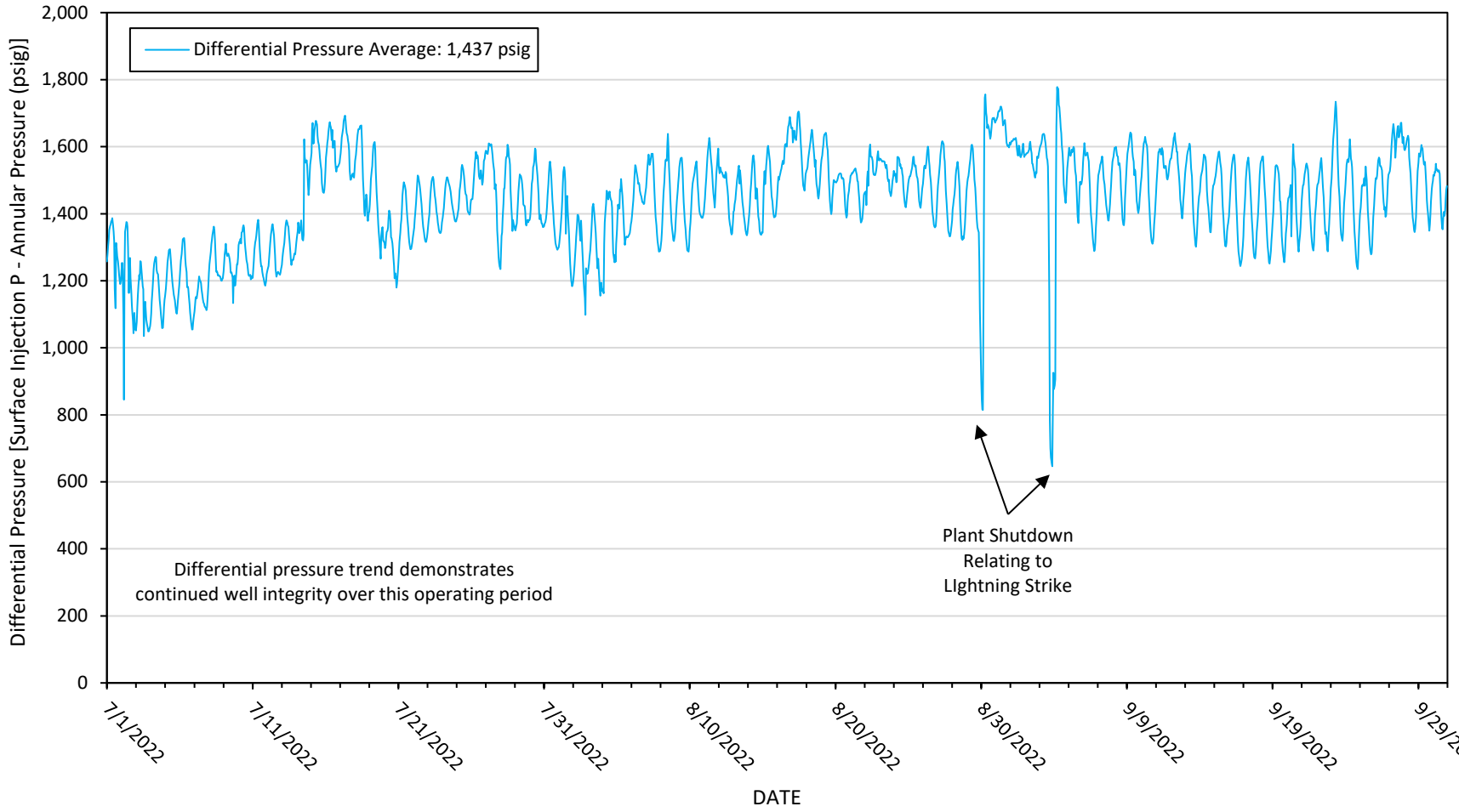


FIGURE 6 - INDEPENDENCE AGI #1 DIFFERENTIAL PRESSURE

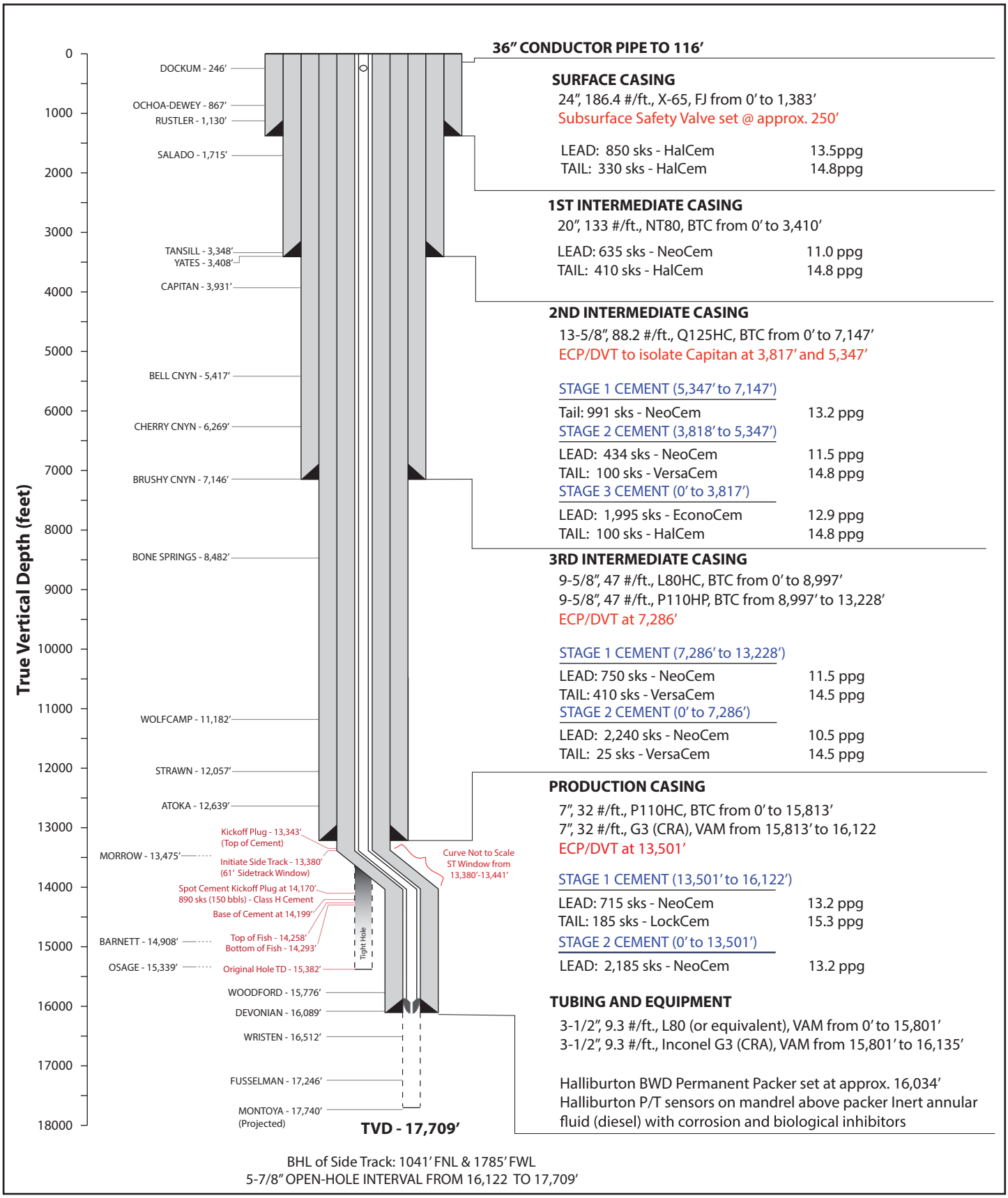


PIÑON MIDSTREAM

INDEPENDENCE AGI #1

UL C - S20 - T25S - R36E
API: 30-025-48081
Lat: 32.120855, Long: -103.291021

GEOLEX INCORPORATED



36" CONDUCTOR PIPE TO 116'

SURFACE CASING
24", 186.4 #/ft., X-65, FJ from 0' to 1,383'
Subsurface Safety Valve set @ approx. 250'

LEAD: 850 sks - HalCem	13.5ppg
TAIL: 330 sks - HalCem	14.8ppg

1ST INTERMEDIATE CASING
20", 133 #/ft., NT80, BTC from 0' to 3,410'

LEAD: 635 sks - NeoCem	11.0 ppg
TAIL: 410 sks - HalCem	14.8 ppg

2ND INTERMEDIATE CASING
13-5/8", 88.2 #/ft., Q125HC, BTC from 0' to 7,147'
ECP/DVT to isolate Capitan at 3,817' and 5,347'

STAGE 1 CEMENT (5,347' to 7,147')

Tail: 991 sks - NeoCem	13.2 ppg

STAGE 2 CEMENT (3,818' to 5,347')

LEAD: 434 sks - NeoCem	11.5 ppg
TAIL: 100 sks - VersaCem	14.8 ppg

STAGE 3 CEMENT (0' to 3,817')

LEAD: 1,995 sks - EconoCem	12.9 ppg
TAIL: 100 sks - HalCem	14.8 ppg

3RD INTERMEDIATE CASING
9-5/8", 47 #/ft., L80HC, BTC from 0' to 8,997'
9-5/8", 47 #/ft., P110HP, BTC from 8,997' to 13,228'
ECP/DVT at 7,286'

STAGE 1 CEMENT (7,286' to 13,228')

LEAD: 750 sks - NeoCem	11.5 ppg
TAIL: 410 sks - VersaCem	14.5 ppg

STAGE 2 CEMENT (0' to 7,286')

LEAD: 2,240 sks - NeoCem	10.5 ppg
TAIL: 25 sks - VersaCem	14.5 ppg

PRODUCTION CASING
7", 32 #/ft., P110HC, BTC from 0' to 15,813'
7", 32 #/ft., G3 (CRA), VAM from 15,813' to 16,122
ECP/DVT at 13,501'

STAGE 1 CEMENT (13,501' to 16,122')

LEAD: 715 sks - NeoCem	13.2 ppg
TAIL: 185 sks - LockCem	15.3 ppg

STAGE 2 CEMENT (0' to 13,501')

LEAD: 2,185 sks - NeoCem	13.2 ppg

TUBING AND EQUIPMENT
3-1/2", 9.3 #/ft., L80 (or equivalent), VAM from 0' to 15,801'
3-1/2", 9.3 #/ft., Inconel G3 (CRA), VAM from 15,801' to 16,135'

Halliburton BWD Permanent Packer set at approx. 16,034'
Halliburton P/T sensors on mandrel above packer Inert annular fluid (diesel) with corrosion and biological inhibitors

BHL of Side Track: 1041' FNL & 1785' FWL
5-7/8" OPEN-HOLE INTERVAL FROM 16,122 TO 17,709'

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

CONDITIONS

Action 151394

CONDITIONS

Operator: Pinon Midstream LLC 465 W. NM Highway 128 Jal, NM 88252	OGRID: 330718
	Action Number: 151394
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

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