

<b>District I</b> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 <b>District II</b> 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 <b>District III</b> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <b>District IV</b> 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b> <b>Oil Conservation Division</b> <b>1220 S. St Francis Dr.</b> <b>Santa Fe, NM 87505</b>	Form C-103 August 1, 2011 Permit 326829 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																																																																																																
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 7/2/2022 Spudded well.																																																																																																		
<b>Casing and Cement Program</b> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>09/28/22</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>7</td> <td>32</td> <td>CRA G3</td> <td>16333</td> <td>16675</td> <td>27</td> <td>1.49</td> <td>LockCem H</td> <td></td> <td>1700</td> <td>34</td> <td>N</td> </tr> <tr> <td>09/28/22</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>7</td> <td>32</td> <td>ECP110</td> <td>15314</td> <td>16333</td> <td>88</td> <td>1.49</td> <td>LockCem H</td> <td></td> <td>1700</td> <td>34</td> <td>N</td> </tr> <tr> <td>09/28/22</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>7</td> <td>32</td> <td>ECP110</td> <td>11790</td> <td>16333</td> <td>2140</td> <td>1.64</td> <td>H</td> <td></td> <td>1700</td> <td>34</td> <td>N</td> </tr> <tr> <td>09/28/22</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>7</td> <td>32</td> <td>ECP110</td> <td>9973</td> <td>16333</td> <td>240</td> <td>0.96</td> <td>H</td> <td></td> <td>1700</td> <td>34</td> <td>N</td> </tr> <tr> <td>09/28/22</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>7</td> <td>32</td> <td>ECP110</td> <td>0</td> <td>16333</td> <td>1360</td> <td>1.491</td> <td>H</td> <td></td> <td>1700</td> <td>34</td> <td>N</td> </tr> </tbody> </table>			Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole	09/28/22	Prod	OilBasedMud	8.5	7	32	CRA G3	16333	16675	27	1.49	LockCem H		1700	34	N	09/28/22	Prod	OilBasedMud	8.5	7	32	ECP110	15314	16333	88	1.49	LockCem H		1700	34	N	09/28/22	Prod	OilBasedMud	8.5	7	32	ECP110	11790	16333	2140	1.64	H		1700	34	N	09/28/22	Prod	OilBasedMud	8.5	7	32	ECP110	9973	16333	240	0.96	H		1700	34	N	09/28/22	Prod	OilBasedMud	8.5	7	32	ECP110	0	16333	1360	1.491	H		1700	34	N
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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 7" production casing, Description of Work.**

09/28/2022 TD 8.5" hole @ 16675'. Run 7" casing. DV-ECP tool @ 11790'. Cmt first stage lead w/2140 sks NeoCem H w/3% Microbond (yld 1.64 cuft/sk @ 12.7 ppg). Tail w/115 sks LockCem H (yld 1.49 cuft/sk @ 13.2 ppg). Displaced w/606 bbl FW, Spacer & OBM. Plug down @ 7:30 A.M. 09/28/22. Did not bump plug. Dropped free fall contingency cone & attempt to inflate ACP with no success. Drop free fall DV tool opening bomb & pressured up to 1230 psi to open tool. Circ 65 sks cmt off of DV tool. SWI & WOC 29 hrs for second stage. Pump 2nd stage lead w/1360 sks NeoCem H w/3% Microbond (yld 1.491 cuft/sk @ 13.2 ppg). Tail w/240 sks PlugCem H w/ 0.5% CFR-3, 3% KCl, 0.25% HR-601 (yld 0.96 cuft/sk @ 17.5 ppg). Displaced w/425 bbl FW. Bumped plug @ 10:41 PM 9/29/22. Floats held OK, 7 bbl return. Circ 277 sks cmt to surface. Close DV tool w/ 4900 psi. WOC 58 hrs. Drill out DV tool, LC, FC. Test casing to 1700 psi for 30 minutes. Held OK, 34 psi leakoff. Run CBL, cement confirmed to surface. Drill out with 5.875" bit. Gilbert Cordero, NMOCD Hobbs notified.