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 EAST 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 - Initial Quarterly Report (Q4) from October 1, 2021 through December 31, 2021 (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 Q4 2021. Over the Q4 period , excellent mechanical integrity is demonstrated in the relationship between surface injection and surface annular pressure, which includes the persistence of a sufficient pressure differential reflecting isolation between the two subsurface environments. TAG flow rates, for the Q4 injection period, have generally increased as the Dark Horse Plant inlet volume has increased. As expected, an increase in surface injection and bottom-hole pressure is observed to correspond with these increased flow rates. Generally, Q4 TAG flow rates range from approximatley 2.1 million standard cubic feet per day (MMSCFD) to 5.4 MMSCFD, with an average Q4 injection rate of 2.85 MMSCFD (Approx. 1 MMSCFD greater than Q3).

While multiple short-term shutdowns have persisted through Q4, reflecting on-going challenge to configure facility surface equipment, injection parameters are observed to be generally stable and continue to exhibit trends expected for a nominally operating AGI well. These injection parameter data are plotted in detail in the attached Figures 1 through 6 and the following average values represent the operational conditions for the well (incl. shutdowns).

Surface Measurements: Avg. TAG Inj. Pressure: 1,825 psig, Avg. Annular Pressure: 215 psig, Avg. Pressure Differential: 1,609 psig, Avg. TAG Temperature: 112 °F, Avg. TAG Injection Rate: 1,352 barrels per day (Approx. 2.85 MSCF at STP, NOTE: Operator working to ensure future reporting at STP in units of MMSCF)
Down-hole Measurements: Average Bottom-hole Pressure: 7,463 psig, Average Bottom-hole Temperature: 189 °F

Data collected over the period of Q4 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 and bradenhead test on July 30, 2021. No mechanical changes to the well or wellhead have been made since the last quarterly report and none are currently anticipated. Overall, Q4 injection parameter data demonstrate excellent mechanical integrity of the AGI well and indicate that reservoir conditions are adequate in accommodating the TAG disposal needs of the Piñon faciity.

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 01/18/2022

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

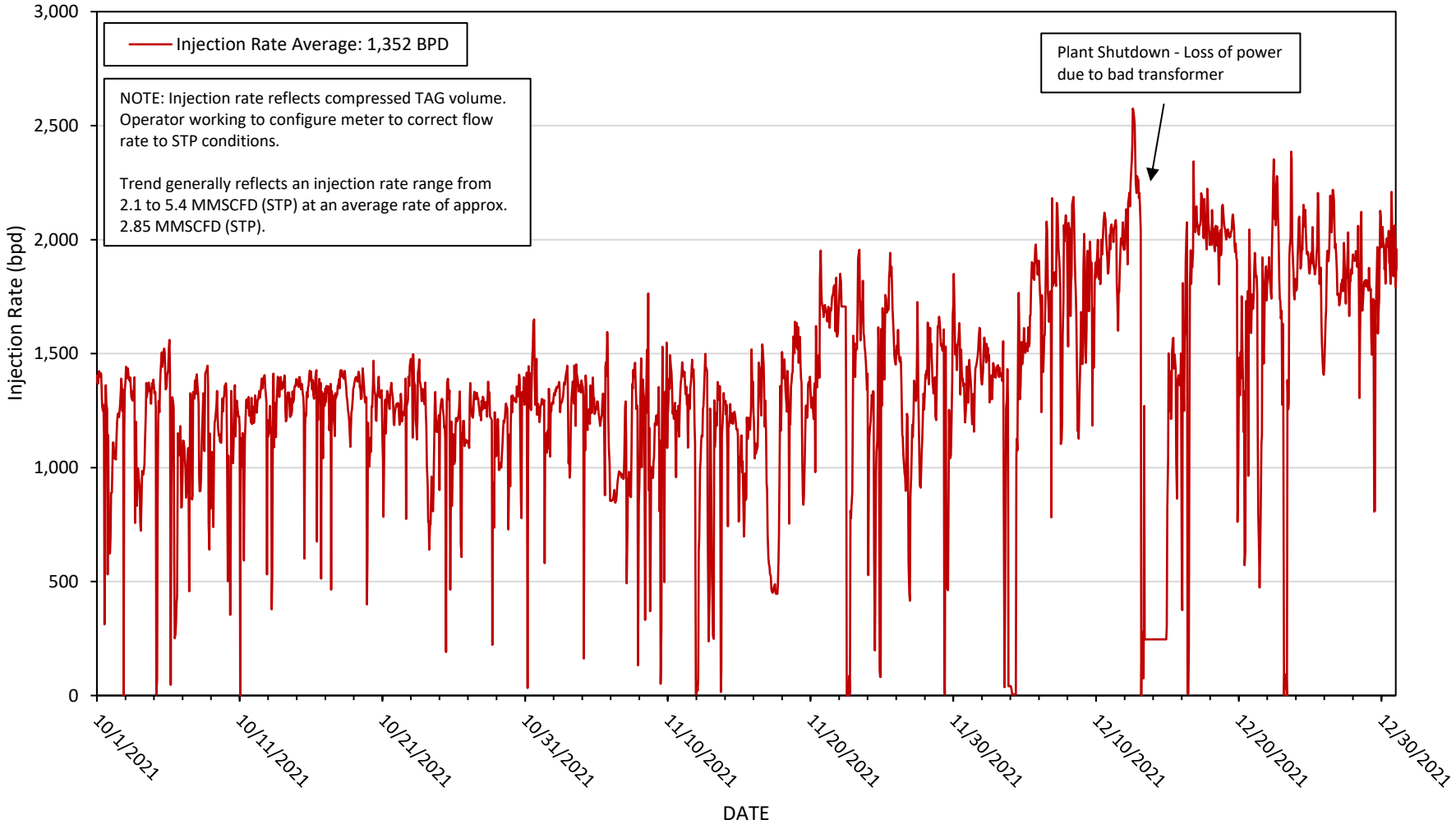
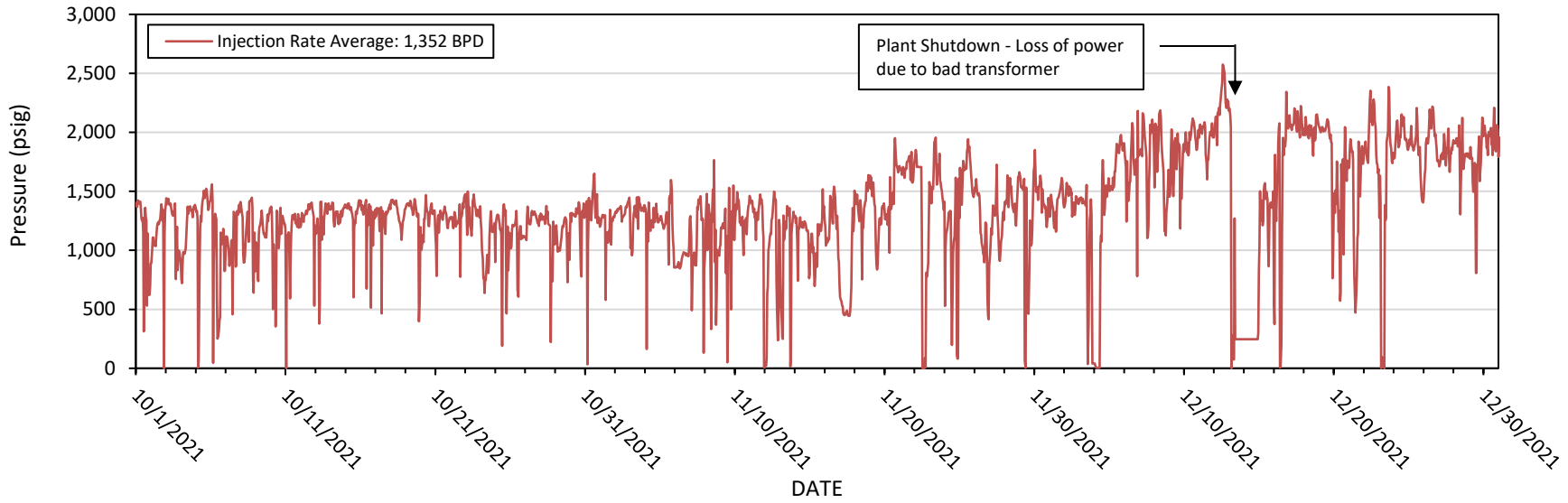


FIGURE 2. INDEPENDENCE AGI #2 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE



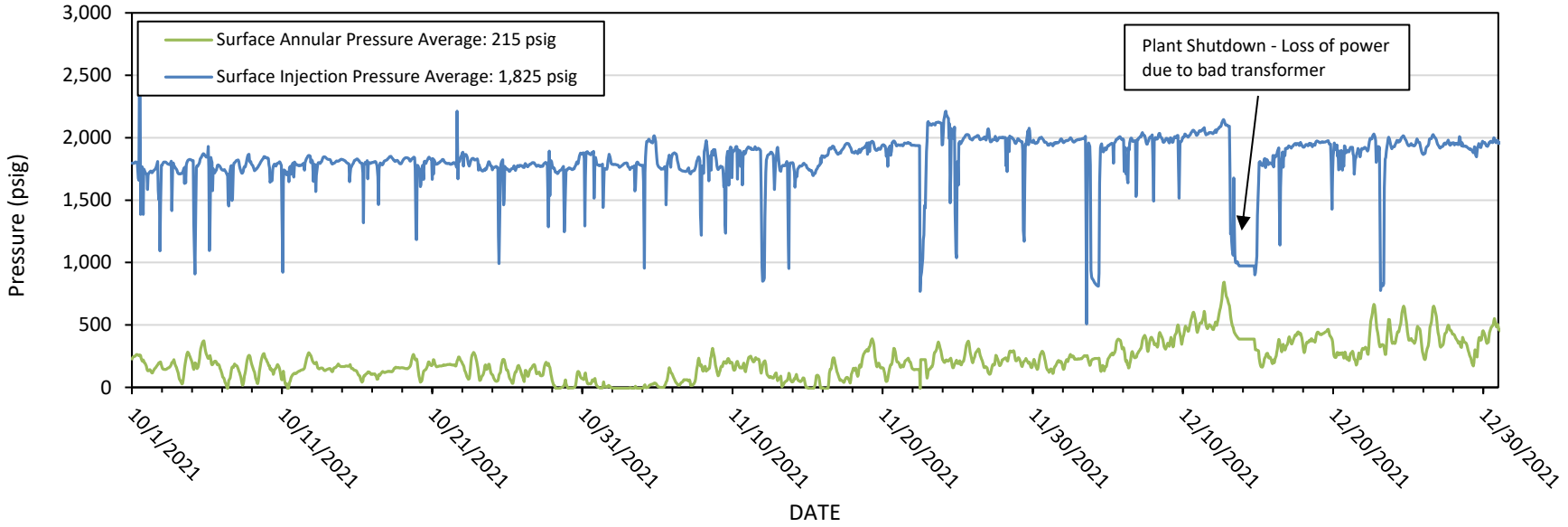


FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

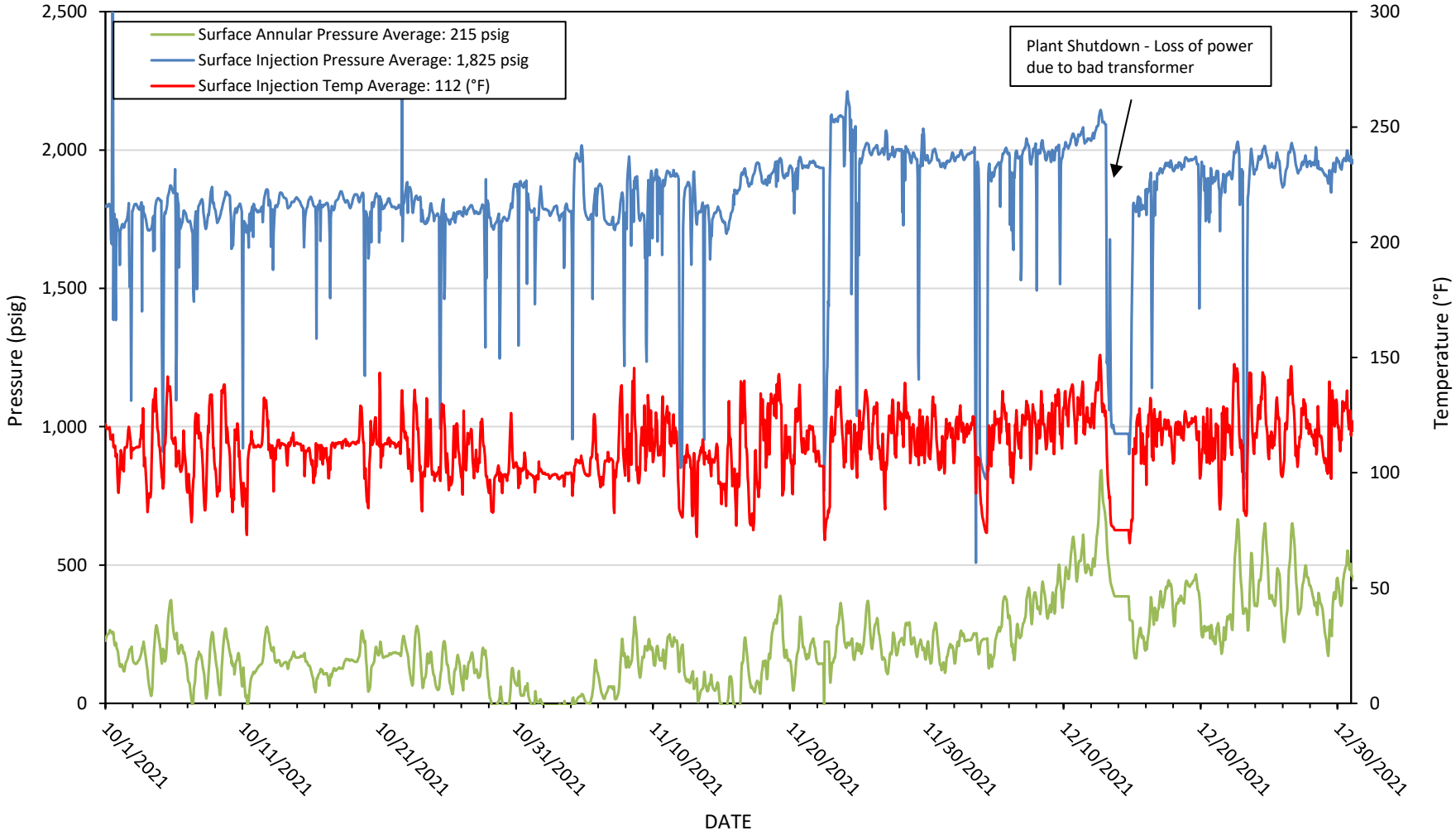


FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

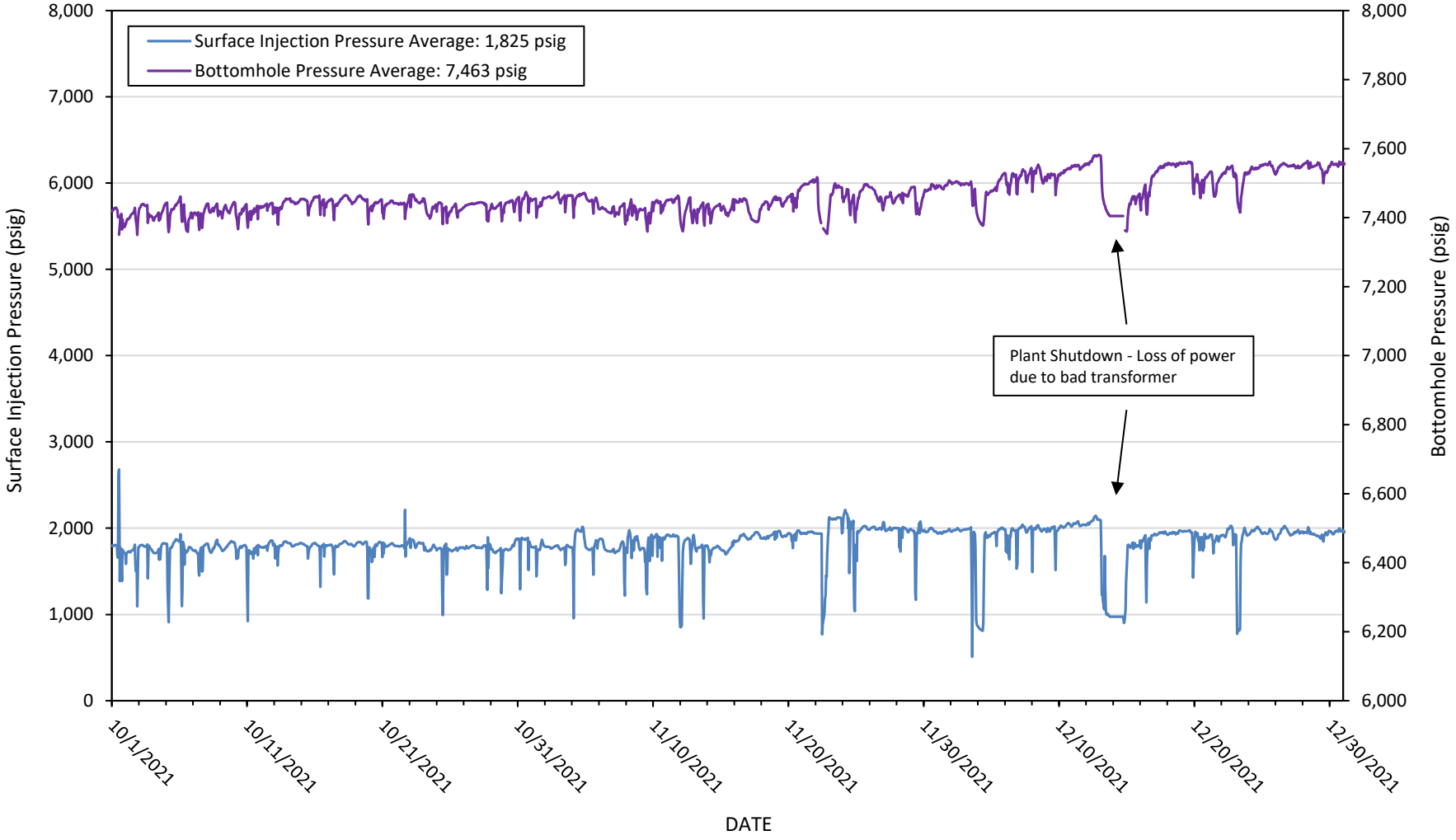


FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

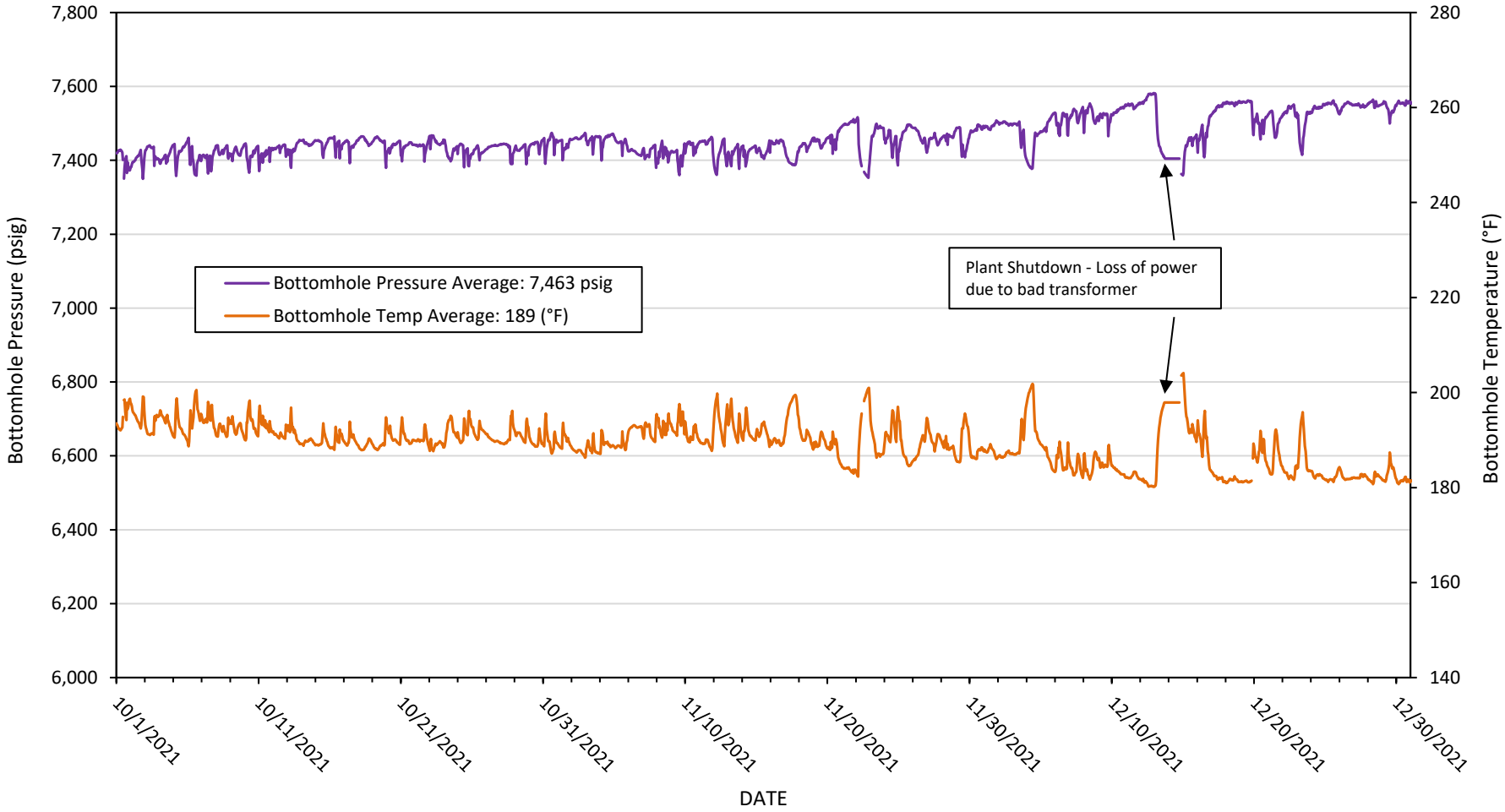
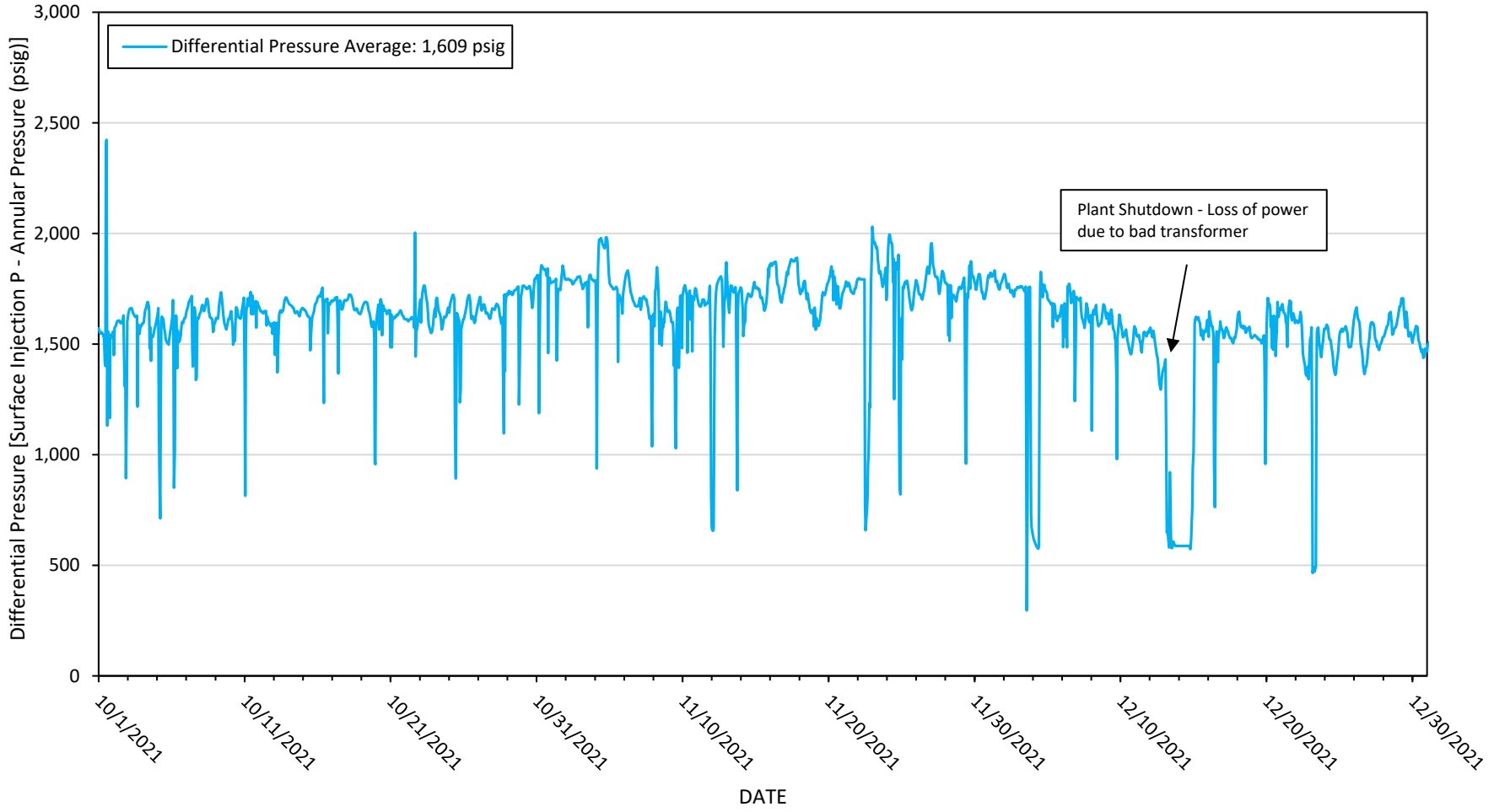
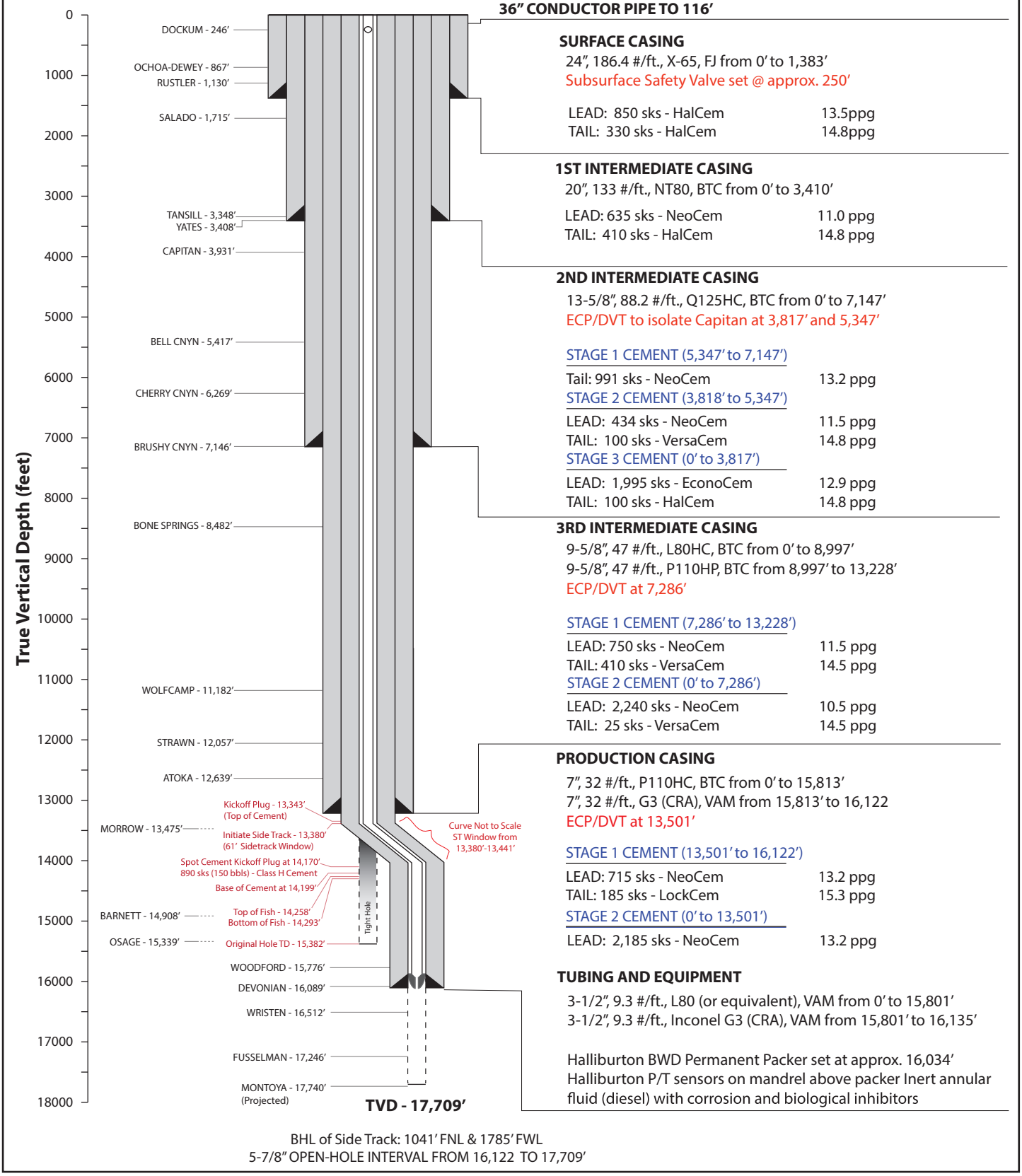


FIGURE 6 - INDEPENDENCE AGI #1 DIFFERENTIAL PRESSURE



INDEPENDENCE AGI #1

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



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.