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1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

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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.	
Maljamar AGI#1	30-025-40420
Maljamar AGI#2	30-025-42628
5. Indicate Type of Lease	STATE ☐ FEE ☐ FEDERAL ☒
6. State Oil & Gas Lease No.	NMLC029509A
7. Lease Name or Unit Agreement Name	Maljamar AGI
8. Well Number	#1 and #2
9. OGRID Number	221115
10. Pool name or Wildcat	AGI: Wolfcamp

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 ☐ Gas Well ☐ Other: Acid Gas Injection Well ☒
2. Name of Operator: Frontier Field Services LLC
3. Address of Operator: 65 Mercado Street, Suite 250, Durango, CO 81301
4. Well Location AGI#1 Unit Letter O : 130 feet from the SOUTH line and 1,813 feet from the EAST line
   AGI#2 Unit Letter O : 400 feet from the SOUTH line and 2,100 feet from the EAST line
   Section 21 Township 17S Range 32E NMPM County Lea
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
    AGI#1 4,016 (GR) AGI#2 4,019 (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: Startup and 1stQuarterly Report per NMOCC Order R-13443			☒

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.

This represents the initial report on the startup of AGI#2 and the dual well AGI system at Frontier Field Services LLC's Maljamar Gas Processing Plant (see well schematic) pursuant to the quarterly reporting required under NMOCC Order R-13443. Well AGI#2 has bottom-hole PT sensors which provide data on reservoir pressure and temperature when the well is in operation and when it is not. This report includes an analysis of the surface and bottom-hole data from the startup of AGI#2 and the two well system's first Quarterly report required under the same order.

Well AGI#1 has been operating since 2012 and well AGI#2 was brought online in the same reservoir for a test period of November 15-December 21 2016. These two startup months are included along with this first quarter report pursuant to our letter to Phillip Goetze of NMOCD on January 9, 2017. Both wells were used during the November-December 2016 period and AGI#1 has been the only well used since December 21, 2016, and it was operated throughout the entire first quarter of 2017 (1/1/2017-3/31/2017) (see Figure 1). Average flow rate for the AGI#1 when it was operating during the entire reporting period was 2.309 MMSCFD. Average flow rate for the AGI#2 when it was operated between November 15 and December 21, 2017 was 1.821 MMSCFD. The surface injection parameters for both wells are shown on Figures 2 and 3, respectively. These two figures show the correlative behavior of injection pressure, injection temperature and annular pressure when both wells are operating and clearly demonstrate the continued integrity of both wells. Surface injection pressure and temperature readings when a well is not receiving flow, represent static TAG PT fluctuations in the trapped segment of the line to the well. Static TAG accumulated in the AGI#2 line when it was not in service was partially relieved to flare on 3/3/17 to reduce pressure in the line due to ambient temperature increases in shut-in condition.

During the period when each of the wells was operating, AGI#1 and AGI#2 showed average injection pressures of 2563 psig and 1991 psig, average injection temperatures of 96°F and 90°F and average surface annular pressures of 431psig and 619 psig, respectively (see Figures 2 and 3). AGI #2's bottom-hole pressure and temperature readings were available for most of the time period after early December when the bottom-hole sensors were commissioned into the plant historian system. Average AGI#2 bottom-hole pressure and temperature for the entire period when readings were available are 5096 psig and 124°F, respectively (see Figure 4). Finally, during the period when AGI#1 was operating, the differential pressure (surface injection pressure vs. annular pressure) averaged 2131 psig and when AGI#2 was operating the differential pressure averaged 1372 psig (see Figure 5). Bottom-hole pressure and temperature readings for the period since early December represent the reservoir conditions both when AGI#2 is in use and when it is not in use. The overall period

average bottom-hole pressure value of 5293 psig and temperature of 129°F are reflective of conditions in the reservoir and the difference between these averages and averages for when the AGI#2 is in use represent the cooling effect of the injection relative to reservoir conditions. The reservoir is warming back in the vicinity of the bottom-hole of AGI#2 after injection was shifted to the AGI#1 beginning on 12/21/2016. This effect is shown on Figure 4. All of the graphs in Figures 1-5 further confirm the continued integrity of both Maljamar AGI#1 and Maljamar AGI#2 and the overall analysis demonstrates that both wells are fully in compliance with all applicable requirements of the NMOCC orders governing the operation of this AGI system.

Spud Date: | | Rig Release Date: | |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE Consultant to Frontier Energy LLC DATE 4-12-2017
Type or print name Alberto A. Gutierrez E-mail address: aag@geolex.com PHONE: 505-842-8000

For State Use Only

APPROVED BY: Maley Brown TITLE AO/II DATE 4/20/2017
Conditions of Approval (if any):

Accepted for Record Only

Figure 1: Maljamar AGI #1 and #2 Injection Rates

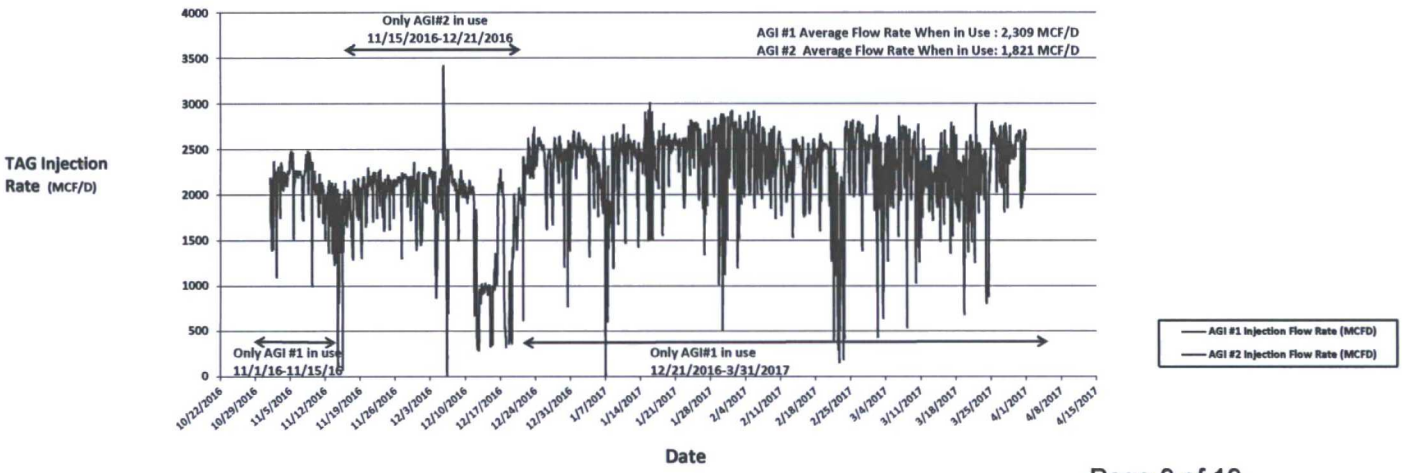


Figure 2: Maljamar AGI #1 Surface Injection Parameters

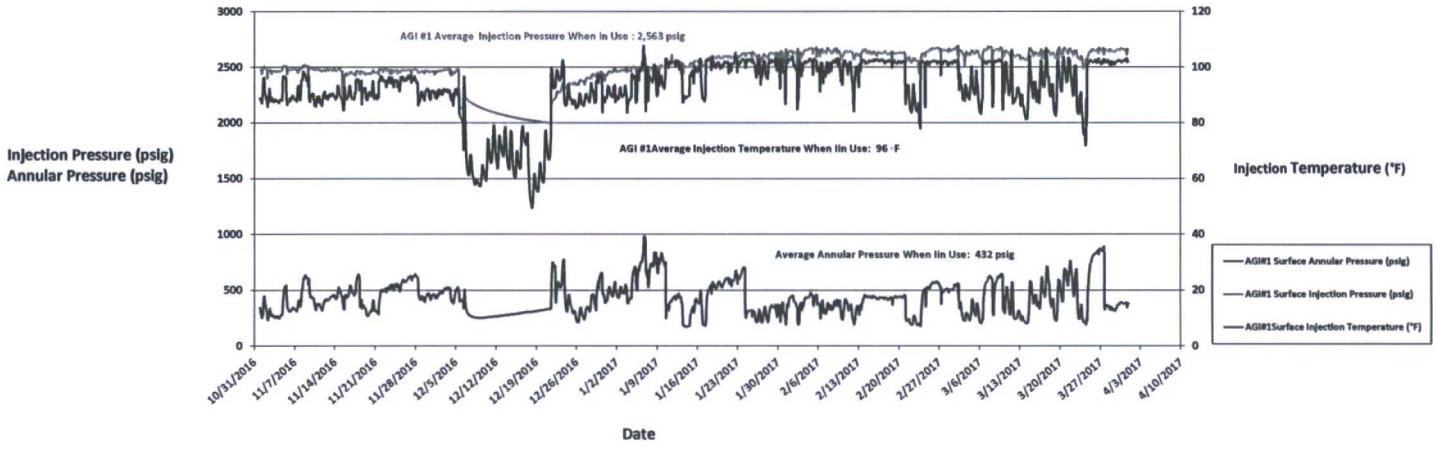


Figure 3: Maljamar AGI #2 Surface Injection Parameters

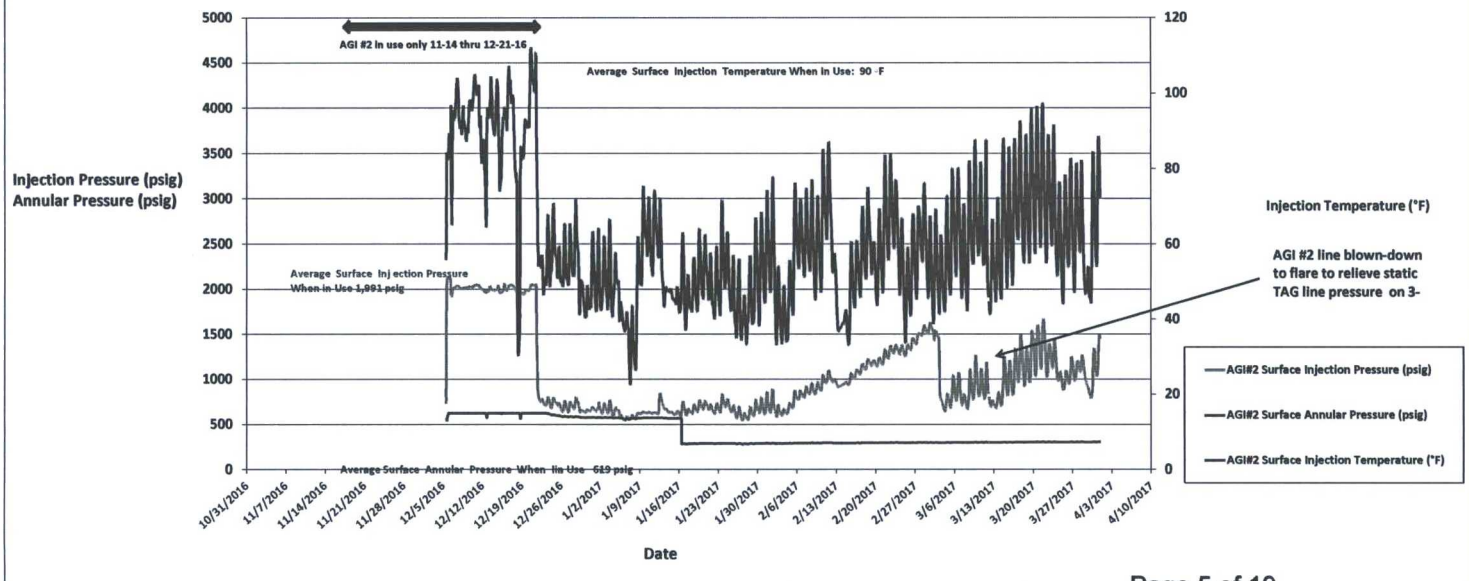


Figure 4: Maljamar AGI #2 BH Injection Pressure & Temperature, Surface Annular Pressure

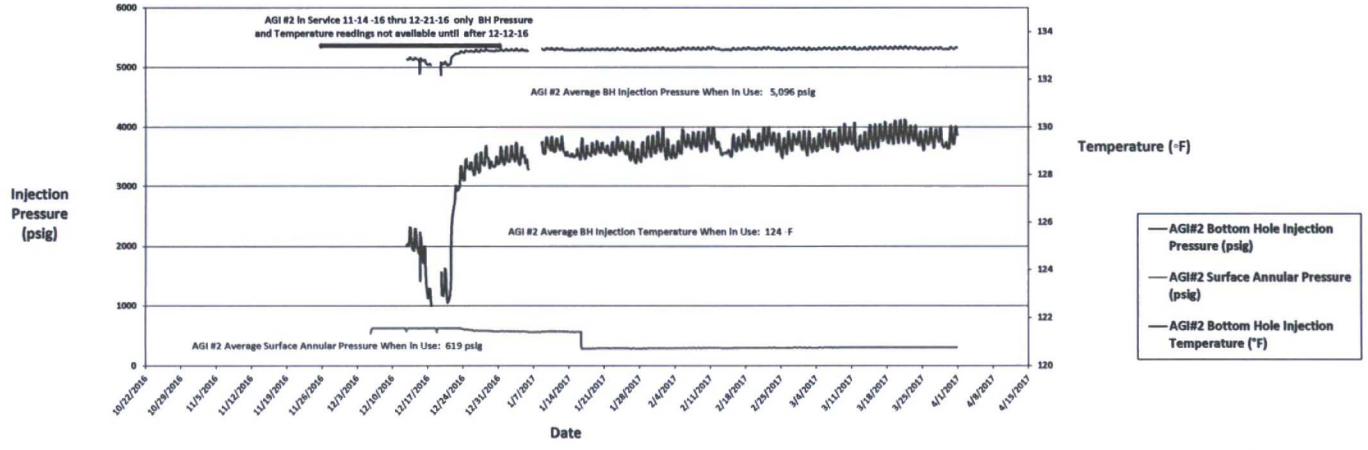
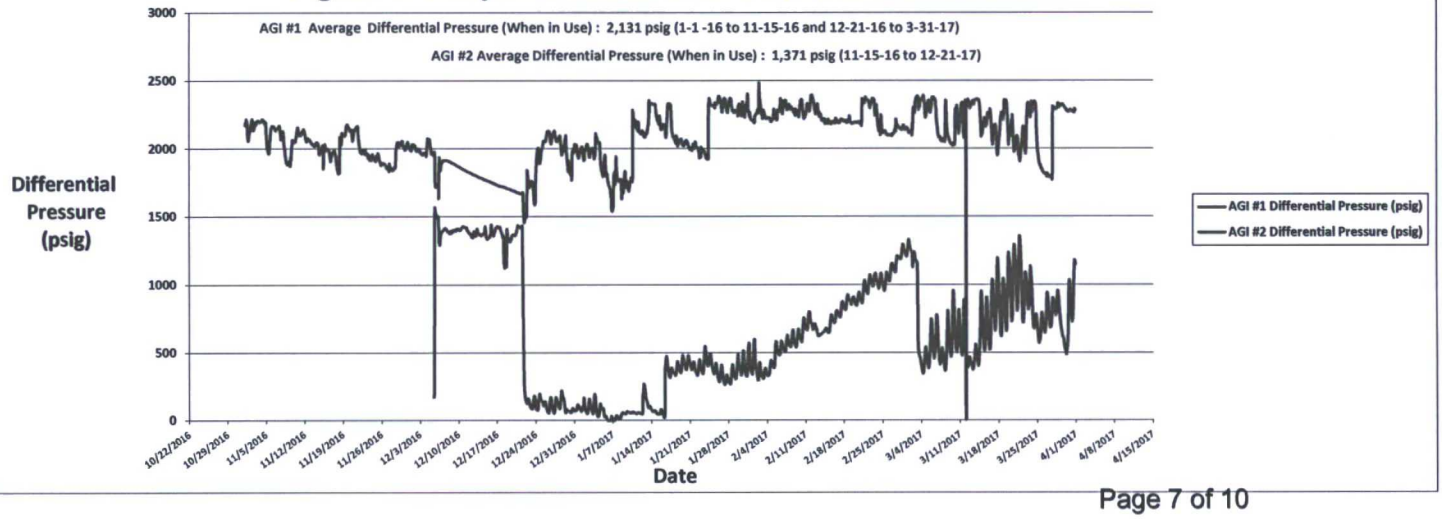


Figure 5: Maljamar AGI #1 & #2 Differential Pressure



WELL SCHEMATICS

Maljamar AGI#1 **API# 30-025-40420**

Maljamar AGI#2 **API# 30-025-42628**

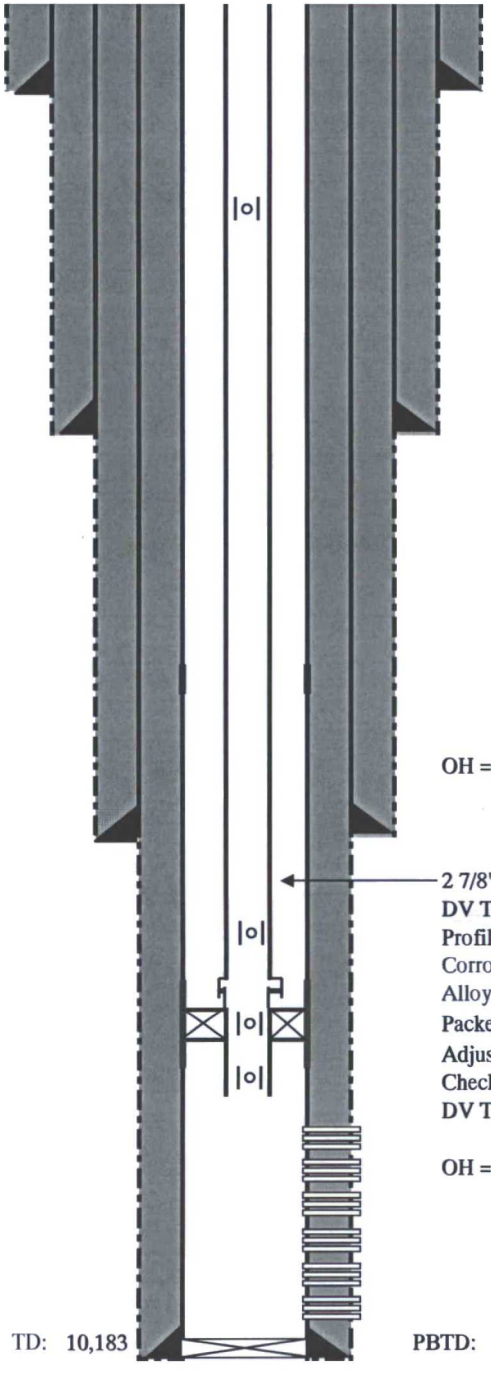
FRONTIER field services, llc

GEOLEX INCORPORATED

MALJAMAR AGI #1
AS BUILT WELL SCHEMATIC

Location: 130' FSL & 1831' FEL
STR Section 22-T17S-R32E
County, St.: LEA COUNTY, NEW MEXICO

VERTICAL



CONDUCTOR CASING
20" Conductor at 40'

SURFACE CASING
13 3/8", 48.00#/ft, H40, STC at 890'
Cemented to Surface

INTERMEDIATE CASING:
8 5/8", 24.0 #/ft, J55, STC at 4,230'
Cemented to Surface; verified w/CBL

PRODUCTION CASING:
5 1/2", 17 #/ft, L-80, LTC at 10,183'
Cemented to Surface; verified w/CBL

DEVIATION:
Stuck string at ~5,200'. Req'd cmt plug 5,517'-5,800'
Re-drill w/total deviation ~17' from original track, returned to track at ~6,100'

ANNULAR FLUID:
Diesel Fuel from top of packer to surface

TUBING:
SSSV at 295'.
2 7/8", 6.5#/ft, L-80, Prem at 9,452'

PACKER:
Permanent Injection Packer @ 9,452'
Adj. Choke (if needed, placed in nipple below packer)
Check valve (if needed, placed in nipple below packer)

PERFORATIONS:
Upper Wolfcamp Formation
9,579'-9,732'
Middle Wolfcamp Formation
9,768'-9,821'
9,850'-9,917'
9,979'-9,997'
Lower Wolfcamp Formation
10,009'-10,025'
10,090'-10,130'

Frontier Field Services, LLC
Maljamar AGI #2

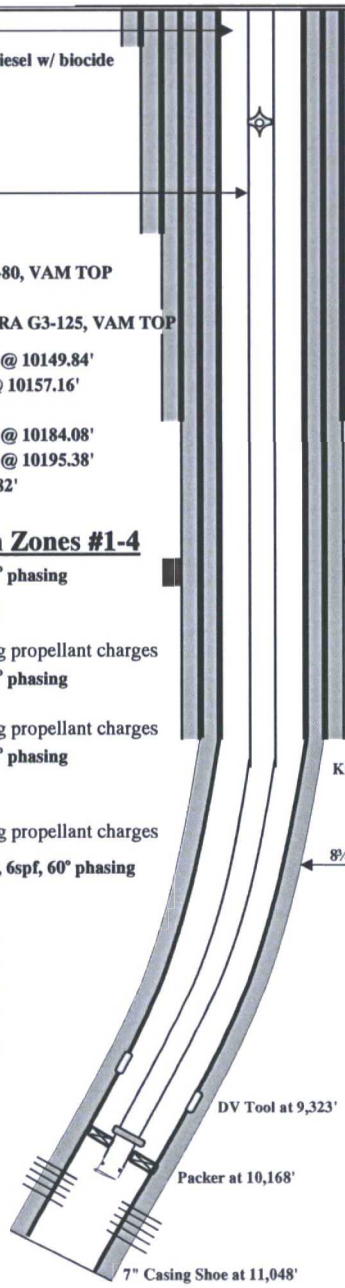
SHL: 400 FSL, 2,100' FEL Section 21, T17S, R32E
BHL: 350' FSL, 650' FWL Section 21, T17S, R32E
COUNTY: Lea, New Mexico
API#: 30-025-42628

TARGET: Exp. Wolfcamp Injection
G.L.: 4,019'
RKB: 18'
SPUD DATE: January 25, 2016

Red Willow Production Co. — Southern Ute Indian Tribe

Frontier Field Services, LLC

ACTUAL WELLBORE SCHEMATIC



Annulus
360 bbls treated diesel w/ biocide

Tubing
SSSV at 333'
0-9,818'
- 2-7/8", 6.5#, L-80, VAM TOP
9,818-10,150'
- 2-7/8", 6.4#, CRA G3-125, VAM TOP
2.313 "X" Nipple @ 10149.84'
ROC Gage Sub @ 10157.16'
Packer @ 10,168
2.313 "X" Nipple @ 10184.08'
2.313 "X" Nipple @ 10195.38'
EOTbg @ 10217.82'

Perforation Zones #1-4
#1- 0.5", 6spf, 60° phasing
10,268' - 10,276,
10,290' - 10,302'
Completion using propellant charges
#2- 0.5", 6spf, 60° phasing
10,538' - 10,552'
Completion using propellant charges
#2- 0.5", 6spf, 60° phasing
10,648 - 10,652'
10,662' - 10,678'
Completion using propellant charges
#4- 0.38" Connex, 6spf, 60° phasing
10,750' - 10,768'
10,776' - 10,790'
10,794' - 10,814'
10,814' - 10,824'
10,824' - 10,844'
10,848' - 10,866'
Acid completion

Conductor
30", 99#
Set at 80' MD
36" Hole
Cemented to Surface, ~ 7.2 Yards of Redi-mix

Surface Casing
20", 94#, J-55, BTC
Set at 900' MD
26" Hole
Cemented to Surface (1,450 sx. Class C), Circ. 245 sx.

1st Intermediate Casing
13-3/8", 61#, J-55, BTC
Set at 2,556' MD
17-1/2" Hole
Cemented to Surface (1,830 sx. Class C), Circ. 225 sx.

2nd Intermediate Casing
9-5/8", 40#, HCL-80 LTC
Set at 6,523' MD
12-1/4' Hole
Cemented to Surface w/ DV Tool & EC Packer at 5,276' - 5,311'
Stage 1 Lead: (100 sx. Class C)
Stage 1 Tail: (420 sx. Class C), Circ. 215 sx.
Stage 2 Lead: (1,340 sx. Class HLC)
Stage 2 Tail: (100 sx. Class C), Circ. 300 sx.

Production Casing
7", 29#, L-80 LTC (0-9,794' & 10,239'-11,048')
7", 32#, CRA G3-110, VAM TOP Con. (9,794'-10,239')
8-3/4" Hole
KOP at 6,592'
Cemented to Surface w/ DV Tool at 9,323'MD (9,136' TVD)
Stage 1: (486 sx. ThermaLock), Circ. 178 sx.
Stage 2 Lead: (650 sx. EconoCem)
Stage 2 Tail: (100 sx. CorrosaCem Class H), Circ. 90 sx.

Well TD @ 11,065' MD
10,236' TVD
Inclination 37°

Maljamar AGI #1
Cores: 9,185' - 10,102'
Perfs: 9,579' - 10,130'