

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

Form C-103
 Revised July 18, 2013

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

HOBBS OGD

JUL 24 2019

RECEIVED

| | |
|--|--------------------------|
| WELL API NO. | 30-025-40420 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> FEDERAL <input checked="" type="checkbox"/> | |
| 6. State Oil & Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name | Maljamar AGI |
| 8. Well Number | #1 |
| 9. OGRID Number | 221115 |
| 10. Pool name or Wildcat | Wildcat (Lower Wolfcamp) |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | 4,016 (GR) |

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
Durango Midstream

3. Address of Operator
2002 Timberloch, Suite 110, Woodlands, TX 79096

4. Well Location
Unit Letter O : 130 feet from the SOUTH line and 1,813 feet from the EAST line
Section 21 Township 17S Range 32E NMPM County Lea

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | OTHER: Mechanical Integrity Test <input checked="" type="checkbox"/> |
| OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work).

The MIT was conducted on Monday, July 22, 2019 at 9:00 am (MT). Kerry Fortner (NMOCD) was on site to witness and approve the test, and conduct a Bradenhead Test. Below is a step-by-step summary and results:

- The annular space pressure between casing and tubing was 365 psig at the casing valve prior to the start of the MIT; approximately 37% of the total TAG stream was being injected in AGI #1 at 2,247 psig.
- The annular space pressure was closed to the well while attaching the diesel pump and calibrated chart recorder.
- At 10:08 am diesel was added to the line from the pump truck and chart recorder while opening the valve to the well.
- At 10:09 am the annulus pressure reached 555 psig, the chart recorder and well was then isolated from the truck. The chart pen line dropped to 545 psig abruptly when the door to the recorder was closed (see chart).
- The MIT began at 10:10 am and the chart recorded the annular pressure until 10:42 am (32 minutes).
- The annulus pressure dropped from 545 to 535 psig; a loss of 10 psig (1.8% decrease) by the end of the test.
- Diesel was then bled from the well annulus to the truck. At 350 psig (final annulus pressure) the valve to the well was shut and the remaining pressure was bled to the truck prior to disconnection of the line and chart.

In addition to the MIT, a Bradenhead test was conducted by the NMOCD by monitoring the intermediate and surface casing annular space pressures.

Please see the attached MIT pressure chart (approved by NMOCD), calibration sheet, and Bradenhead test documentation.

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

SIGNATURE Dale T Littlejohn TITLE Consultant to Durango Midstream DATE 7/23/19

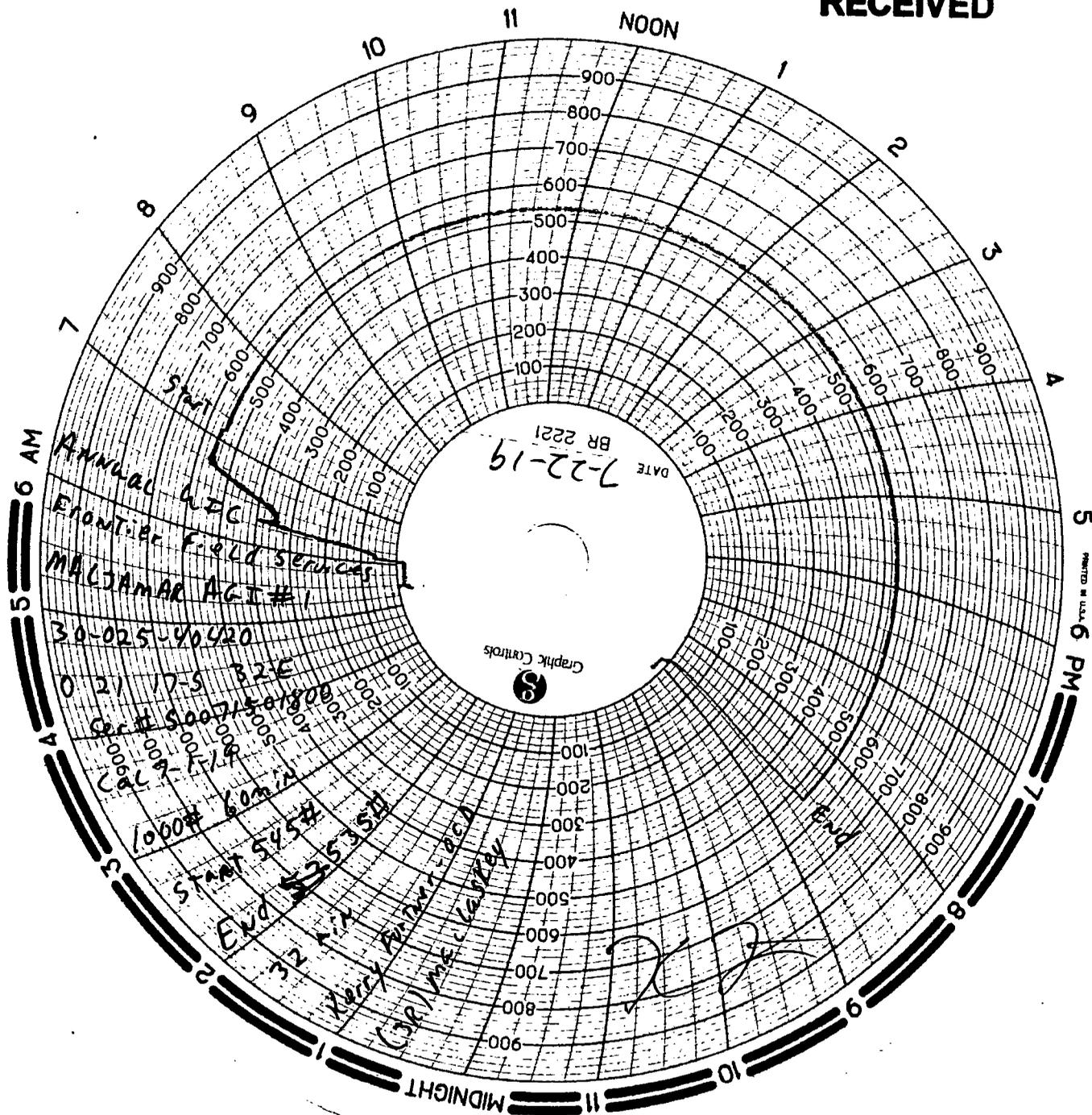
Type or print name Dale T Littlejohn E-mail address: dale@geolex.com PHONE: 505-842-8000

For State Use Only
 APPROVED BY: Kerry Fort TITLE Compliance Officer DATE 7-24-19
 Conditions of Approval (if any):

HOBBS OCD

JUL 24 2019

RECEIVED



PRINTED IN U.S.A. 6 PM

MACLASKEY OILFIELD SERVICES

HOBBS OCD

JUL 24 2019

RECEIVED

5900 WEST LOVINGTON HWY. HOBBS, NM 88240
505-355-1016

THIS IS TO CERTIFY THAT:

DATE: 7-1-19

I, Albert Rodriguez METER TECHNICIAN FOR MACLASKEY OILFIELD SERVICES, INC. HAS CHECKED THE CALIBRATION ON THE FOLLOWING INSTRUMENT. 1000 PRESSURE RECORDER

SERIAL NUMBER

50071501800

TESTED AT THESE POINTS.

| PRESSURE <u>5000</u> | | |
|----------------------|------------|-----------|
| TEST | AS FOUND | CORRECTED |
| <u>0</u> | <u>100</u> | <u>/</u> |
| <u>100</u> | <u>200</u> | <u>/</u> |
| <u>200</u> | <u>300</u> | <u>/</u> |
| <u>300</u> | <u>400</u> | <u>/</u> |
| <u>400</u> | <u>500</u> | <u>/</u> |

| PRESSURE <u>1000</u> | | |
|----------------------|------------|----------|
| TEST | AS FOUND | CORRECT |
| <u>500</u> | <u>600</u> | <u>/</u> |
| <u>600</u> | <u>700</u> | <u>/</u> |
| <u>700</u> | <u>800</u> | <u>/</u> |
| <u>800</u> | <u>900</u> | <u>/</u> |
| <u>900</u> | <u>100</u> | <u>/</u> |

REMARKS: _____

SIGNED: Albert Rodriguez

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

| | | |
|---|--|-----------------------------------|
| Operator Name Frontier Field Services | | API Number 30-025-40420 |
| Property Name MAC SAMAR A G I | | Well No. 001 |

1. Surface Location

| UL - Lot | Section | Township | Range | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|-----------|------------|------------|------------|----------|-------------|----------|------------|
| 0 | 21 | 17S | 32E | 130 | S | 1813 | E | Lea |

Well Status

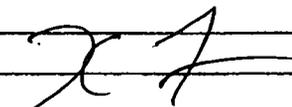
| | | | | | | |
|---|---|---|-----|-----|-----------------|------------------------|
| TA'D WELL YES <input checked="" type="checkbox"/> NO | SHUT-IN YES <input checked="" type="checkbox"/> NO | INJECTOR <input checked="" type="checkbox"/> INJ | SWD | OIL | PRODUCER GAS | DATE 7-22-19 |
|---|---|---|-----|-----|-----------------|------------------------|

OBSERVED DATA

| | (A)Surface | (B)Interm(1) | (C)Interm(2) | (D)Prod Csng | (E)Tubing |
|----------------------|--|--|--------------|--|---------------|
| Pressure | 0 | 0 | NA | 365 | 2247 |
| Flow Characteristics | | | | AGI | |
| Puff | Y / <input checked="" type="checkbox"/> | Y / <input checked="" type="checkbox"/> | Y / N | <input checked="" type="checkbox"/> / N | CO2 |
| Steady Flow | Y / <input checked="" type="checkbox"/> | Y / <input checked="" type="checkbox"/> | Y / N | Y / <input checked="" type="checkbox"/> | WTR |
| Surges | Y / <input checked="" type="checkbox"/> | Y / <input checked="" type="checkbox"/> | Y / N | Y / <input checked="" type="checkbox"/> | GAS |
| Down to nothing | <input checked="" type="checkbox"/> / N | <input checked="" type="checkbox"/> / N | Y / N | <input checked="" type="checkbox"/> / N | Type of Fluid |
| Gas or Oil | Y / <input checked="" type="checkbox"/> | Y / <input checked="" type="checkbox"/> | Y / N | Y / <input checked="" type="checkbox"/> | Injected for |
| Water | Y / <input checked="" type="checkbox"/> | Y / <input checked="" type="checkbox"/> | Y / N | Y / <input checked="" type="checkbox"/> | Waterflood if |
| | | | | | applies |

Remarks - Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

AGI MIT/BHT Test
(SR) maclaskey
ser# 30071501800
cal 7-1-19

| | |
|-------------------------------------|---|
| Signature: | OIL CONSERVATION DIVISION |
| Printed name: | Entered into RBDMS |
| Title: | Re-test |
| E-mail Address: |  |
| Date: 7-22-19 | Phone: |
| Witness: Berry Partner - OCO | |

399-3221

INSTRUCTIONS ON BACK OF THIS FORM