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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

WELL API NO. Independence AGI #1 30-025-48081 Independence AGI #2 30-025-49974	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name INDEPENDENCE AGI	
8. Well Number	1 & 2
9. OGRID Number	330718
10. Pool name or Wildcat AGI: Devonian/Fusselman	
4. Well Location AGI #1 Unit Letter <u>C</u> : <u>829</u> feet from the NORTH line and <u>1,443</u> feet from the WEST line AGI #2 Unit Letter <u>C</u> : <u>1,110</u> feet from the NORTH line and <u>1,443</u> feet from the WEST line Section <u>20</u> Township <u>25S</u> Range <u>36E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,103' (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

2. Name of Operator Pinon Midstream, LLC

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

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Quarterly Injection Data Reports <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 19.15.7.14 NMAC. For Multiple Completions: Attached wellbore diagram of proposed completion or recompletion.

INDEPENDENCE AGI #1 AND AGI #2- Quarterly Report (Q1) from January 1, 2024 through March 31, 2024

AGI #1 -- MAOP 4,779 PSIG, NMOCC ORDER R-21455 (A,B)
 AGI #2 -- MAOP 5,005 PSIG, NMOCD ORDER SWD-2464

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 and AGI #2 wells for Q1 2024. In this reporting period, a prolonged shutdown of the Dark Horse Treatment Facility occurred, beginning on November 25, 2023, and has continued for the full duration of the Q1 2024 period. No injection occurred during Q1 via either AGI well at the facility. Immediately following the November 2023 facility shutdown, the AGI wells were properly shut in by Pinon personnel. Specifically, the wells were isolated and blocked in, at the surface and via the down-hole subsurface safety valve, all equipment and valves near the AGI wells was locked out, and the wells injection tubing were loaded with methanol to ensure there is no accumulation of free water and to minimize the potential for the development of corrosive conditions.

As stated above, the Independence AGI #1 and #2 wells remained inactive over the Q1 2024 period and no injection of acid gas has occurred. During this period, surface activities to prepare the treatment facility to return to service were ongoing. As such, AGI sensors were commonly unpowered and typical AGI parameters were not available for analysis, however, routine monitoring of analog pressure gauges was conducted to ensure there were no changes in the shut-in status of the Independence AGI #1 and #2 wells.

While sensors monitoring AGI parameters were often unpowered during the Q1 period, analog gauge monitoring and instances in which power was restored provide insight and confirmation of the secured shut-in status of the AGI wells. Furthermore, recorded bottom-hole conditions while inactive provide an opportunity to further assess the impact of AGI well operations in the area and confirm the suitability of the Siluro-Devonian injection reservoir. Though data are reflective of shut-in status (i.e., SSSV activated), the following average values represent the shut-in conditions for the Independence AGI wells, and Q1 data are provided in the attached Figures 1 through 10.

Independence AGI #1 (API: 30-025-48081)

Surface Measurements: Avg. TAG Inj. Pressure – 1,600 psig (SHUT IN BY SSSV), Avg. Annular Pressure – -9 psig, Avg. Differential Pressure – 1,609 psig (SHUT IN BY SSSV), Avg. TAG Temperature – Not Available, Avg. TAG Injection Rate – 0 barrels per day.
Down-hole Measurements: Avg. Bottom-hole Pressure – 7,454 psig, Avg. Bottom-hole Temperature – 213 °F.

Independence AGI #2 (API: 30-025-49974)

Surface Measurements: Avg. TAG Inj. Pressure – 1,597 psig (SHUT IN BY SSSV), Avg. Annular Pressure – 182 psig, Avg. Differential Pressure – 1,415 psig (SHUT IN BY SSSV), Avg. TAG Temperature – Not Available, Avg. TAG Injection Rate – 0 barrels per day.
Down-hole Measurements: Avg. Bottom-hole Pressure – 7,519 psig, Avg. Bottom-hole Temperature – 218 °F.

Data collected over the Q1 period, and routine inspection by Pinon confirms the stable shut-in status of the AGI wells. Additionally, bottom-hole pressure and temperature data, recorded for AGI #2, provide a limited opportunity to characterize current stable reservoir conditions. These data suggest that the Independence AGI wells have had minimal impact on the Siluro-Devonian injection reservoir pressure conditions. During the Q1 period, the AGI #2 bottom-hole sensors were powered over a longer duration of well inactivity and have been critical in documenting the current pressure characteristics of the Siluro-Devonian interval. Specifically, these data indicate a current pressure gradient of approximately 0.459 psi/ft., which reflects only a slight increase from conditions previously recorded, by wireline survey, prior to the commencement of AGI #2 injection (Approx. 0.457 psi/ft.). Based on this recent observation of the evolution of reservoir pressure conditions, there are no concerns or indications that the permitted injection volume for the AGI wells cannot be sustained under the current injection pressure limitations.

Over the Q1 2024 period, the Independence AGI #1 and #2 wells have remained inactive and no injection operations have occurred. Additionally, the wells have been routinely monitored to confirm they have remained safely shut in while concurrent construction activities have been occurring to bring the treatment facility back in service. Overall, the Independence AGI #1 and #2 wells continue to exhibit good integrity and are functioning within the requirements of their respective NMOCC and NMOCD Orders. Furthermore, data clearly demonstrate that the Siluro-Devonian injection reservoir conditions are adequate in accommodating the current TAG disposal needs of the facility, and exhibits no current indicators of reservoir performance degradation.

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

SIGNATURE  TITLE Consultant to Pinon DATE 04/26/2024

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 AND AGI #2 INJECTION RATES WHILE OPERATING

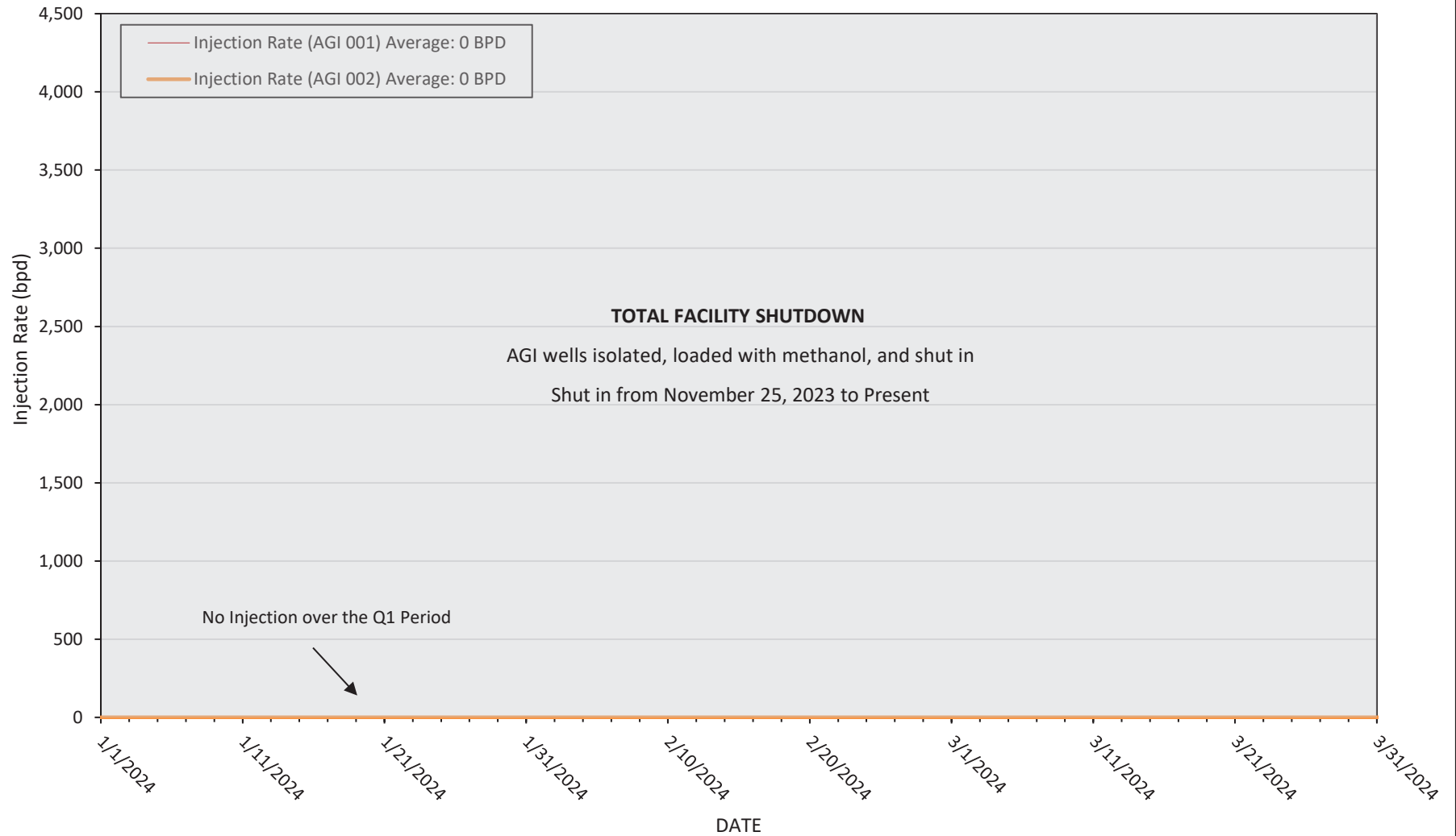


FIGURE 2. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE

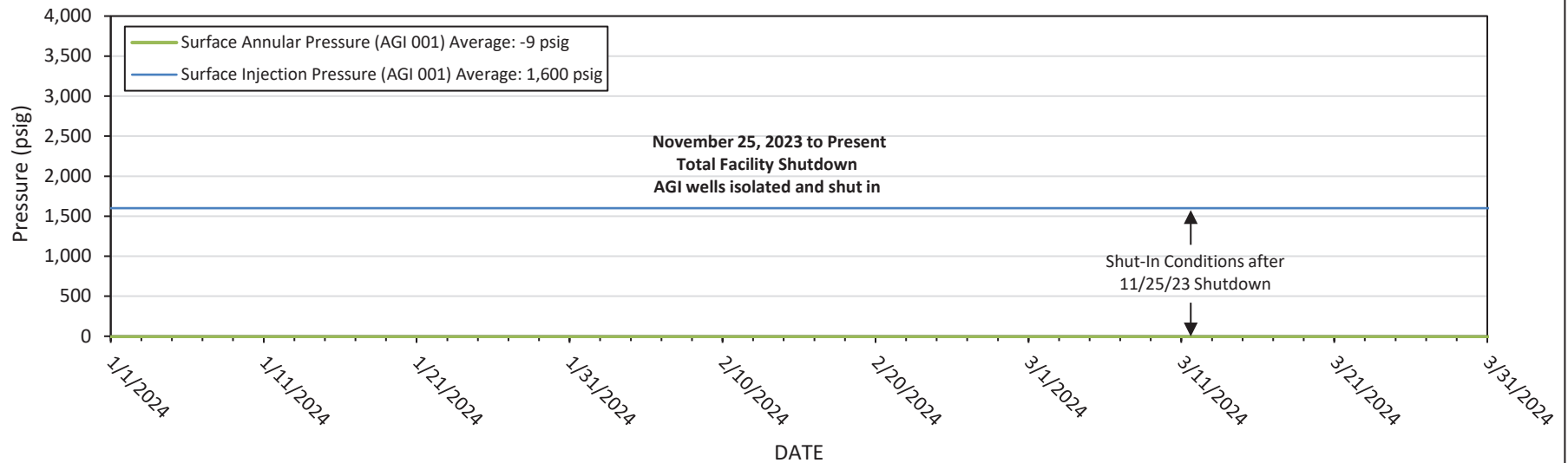
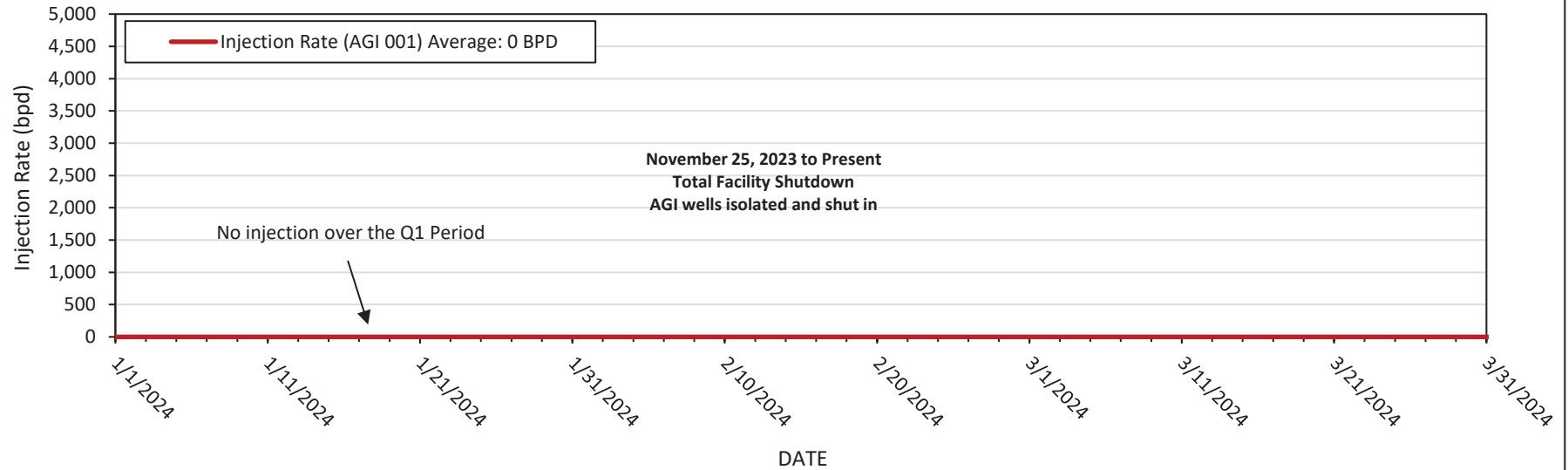


FIGURE 3. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

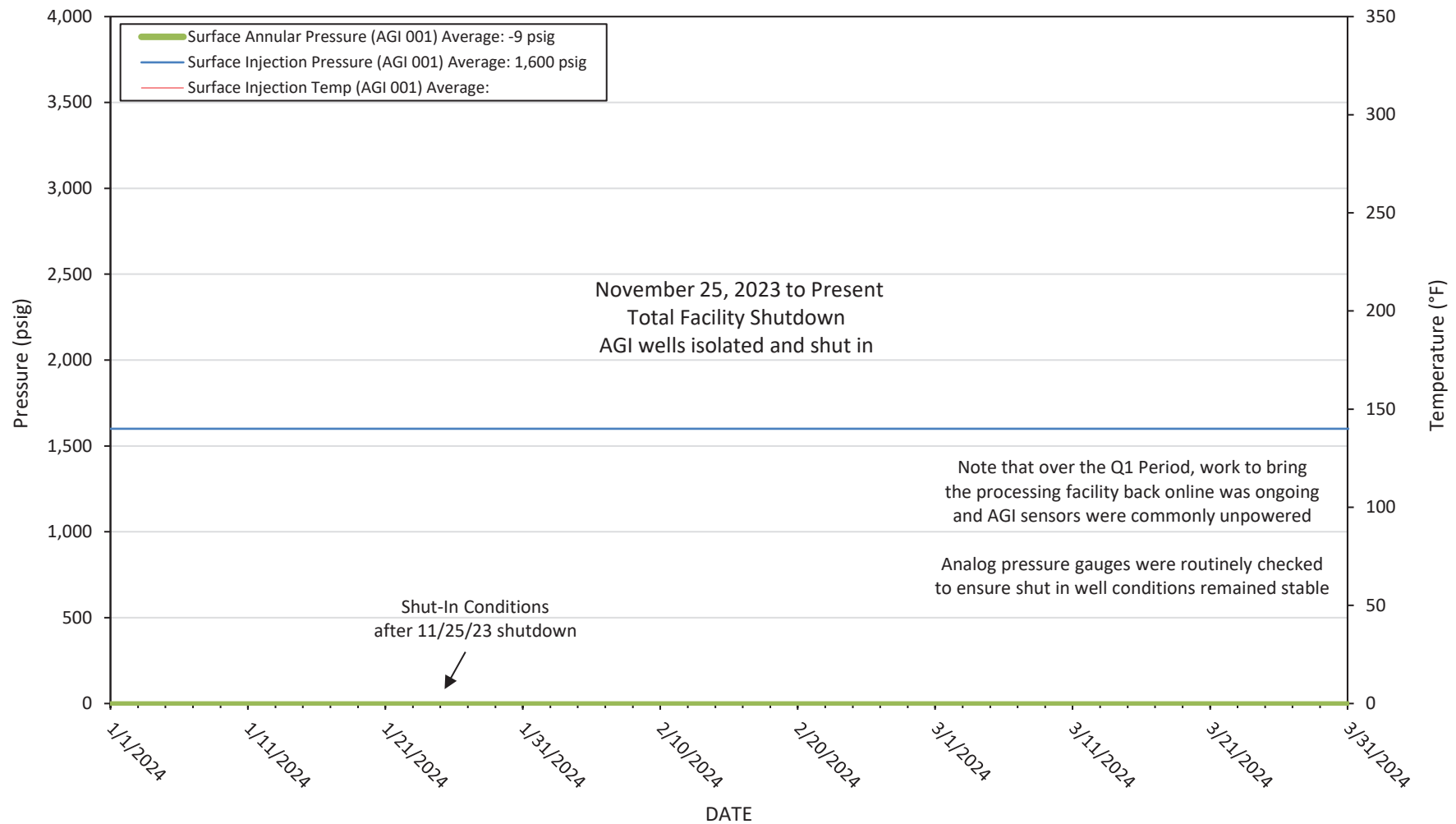


FIGURE 4. INDEPENDENCE AGI #1 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

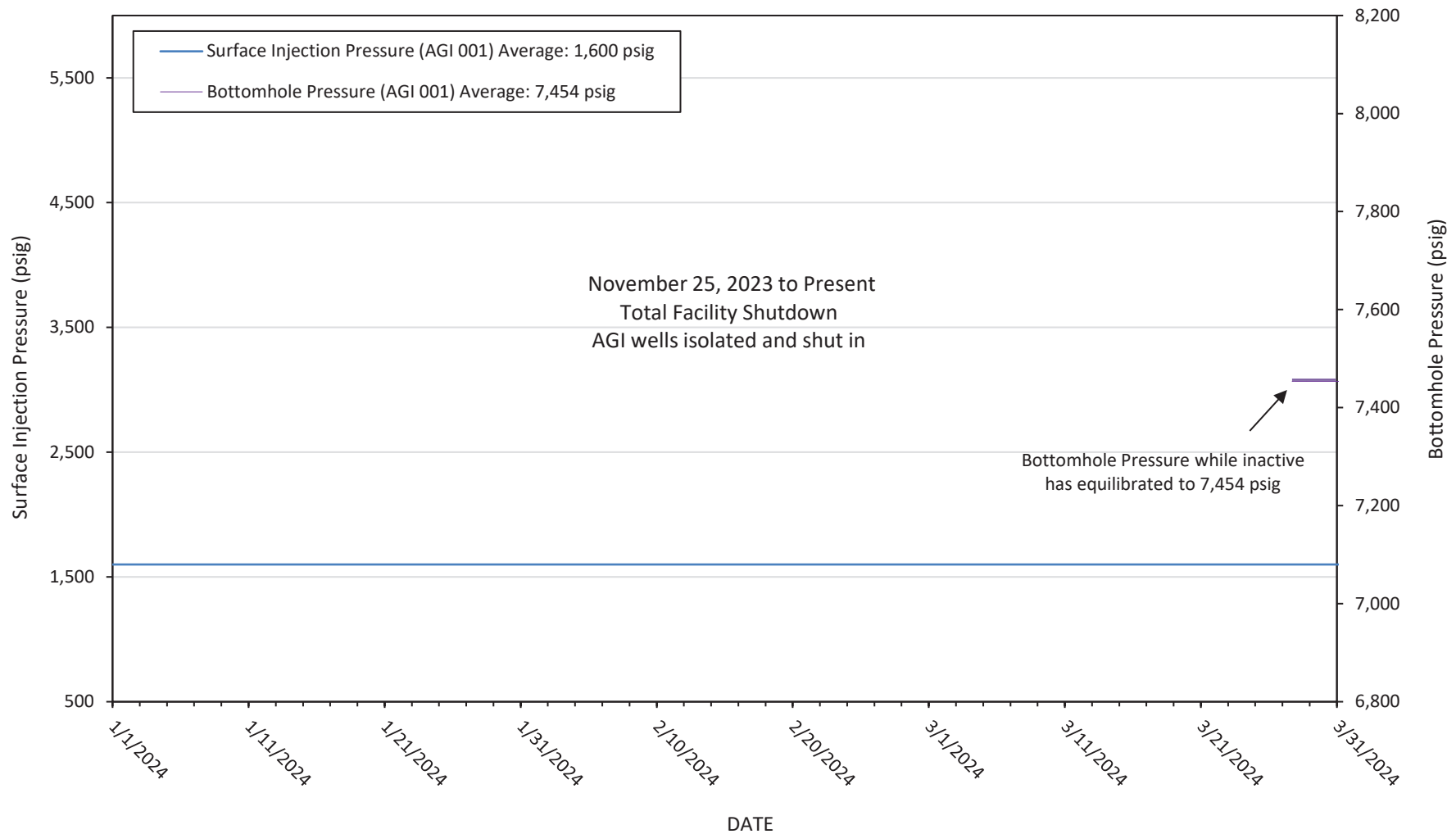


FIGURE 5. INDEPENDENCE AGI #1 BOTTOM-HOLE PRESSURE AND TEMPERATURE

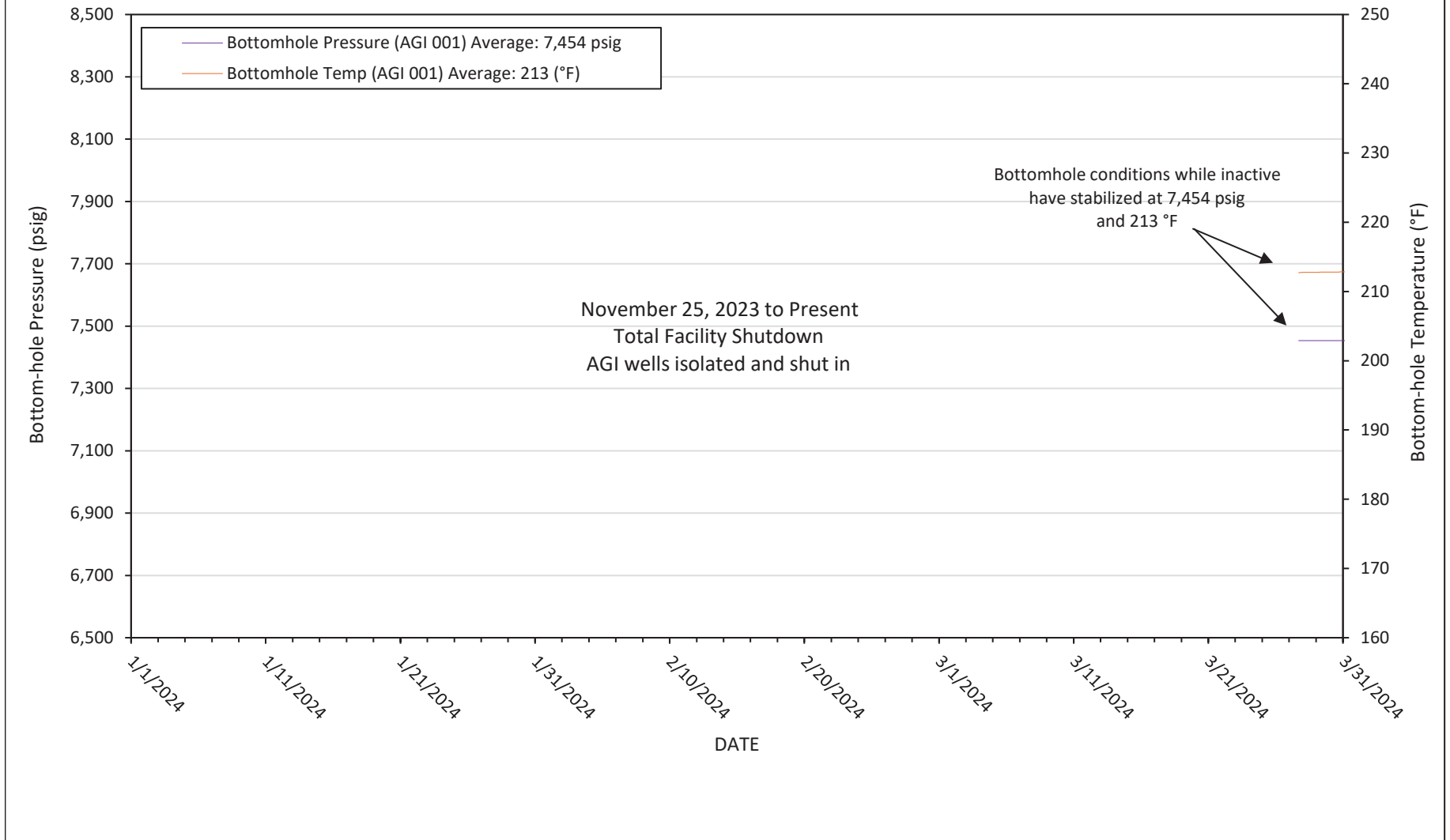


FIGURE 6. INDEPENDENCE AGI #2 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE, AND INJECTION RATE

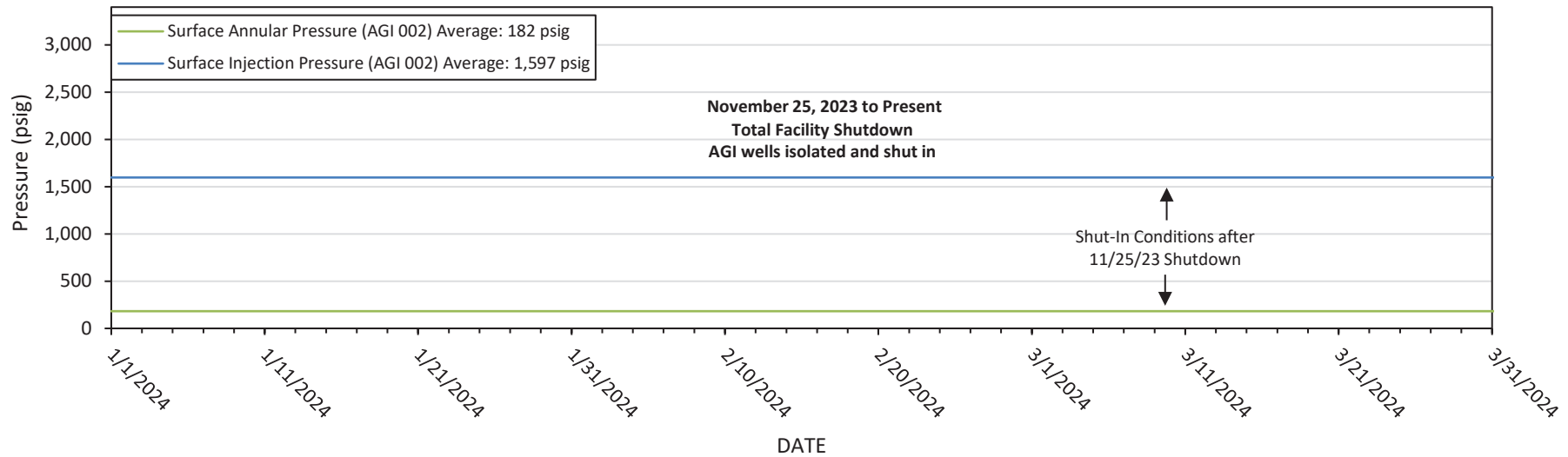
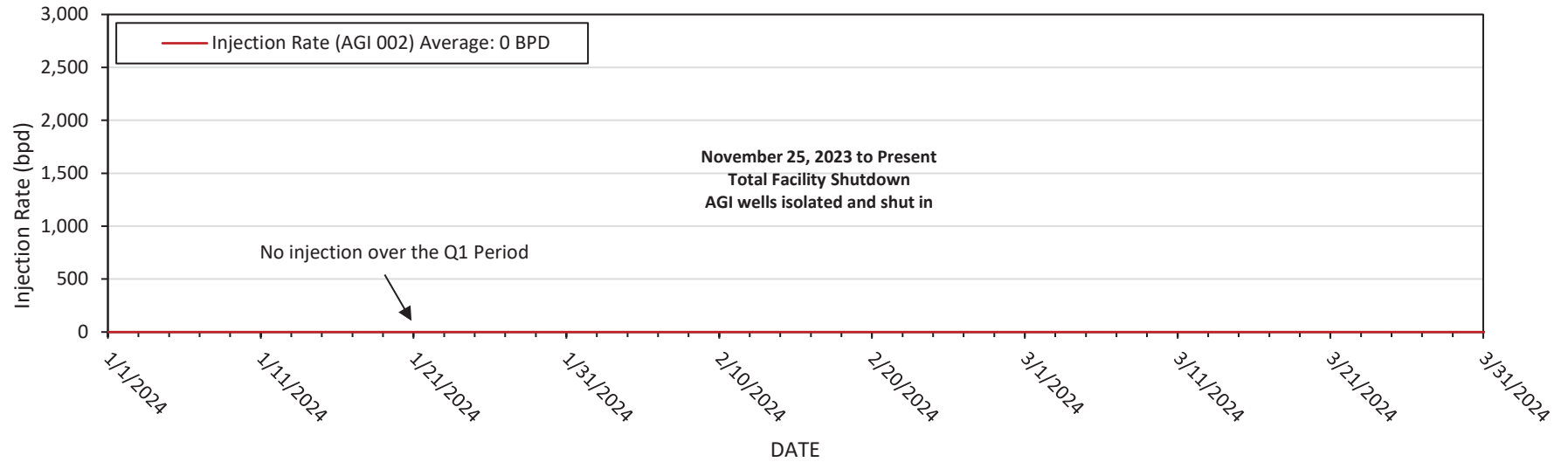


FIGURE 7. INDEPENDENCE AGI #2 SURFACE INJECTION PRESSURE, ANNULAR PRESSURE AND INJECTION TEMPERATURE

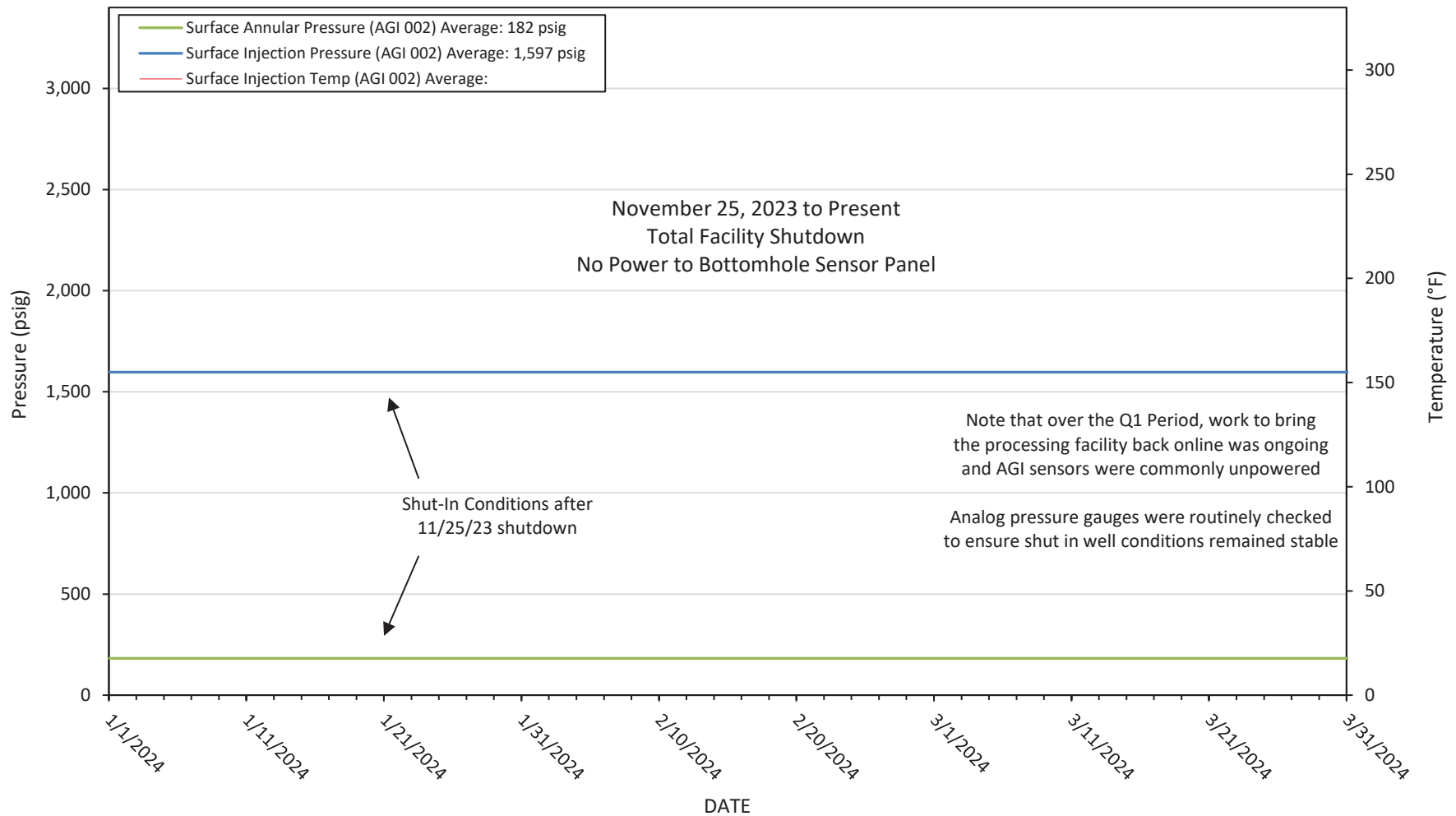


FIGURE 8. INDEPENDENCE AGI #2 SURFACE INJECTION PRESSURE AND BOTTOM-HOLE PRESSURE

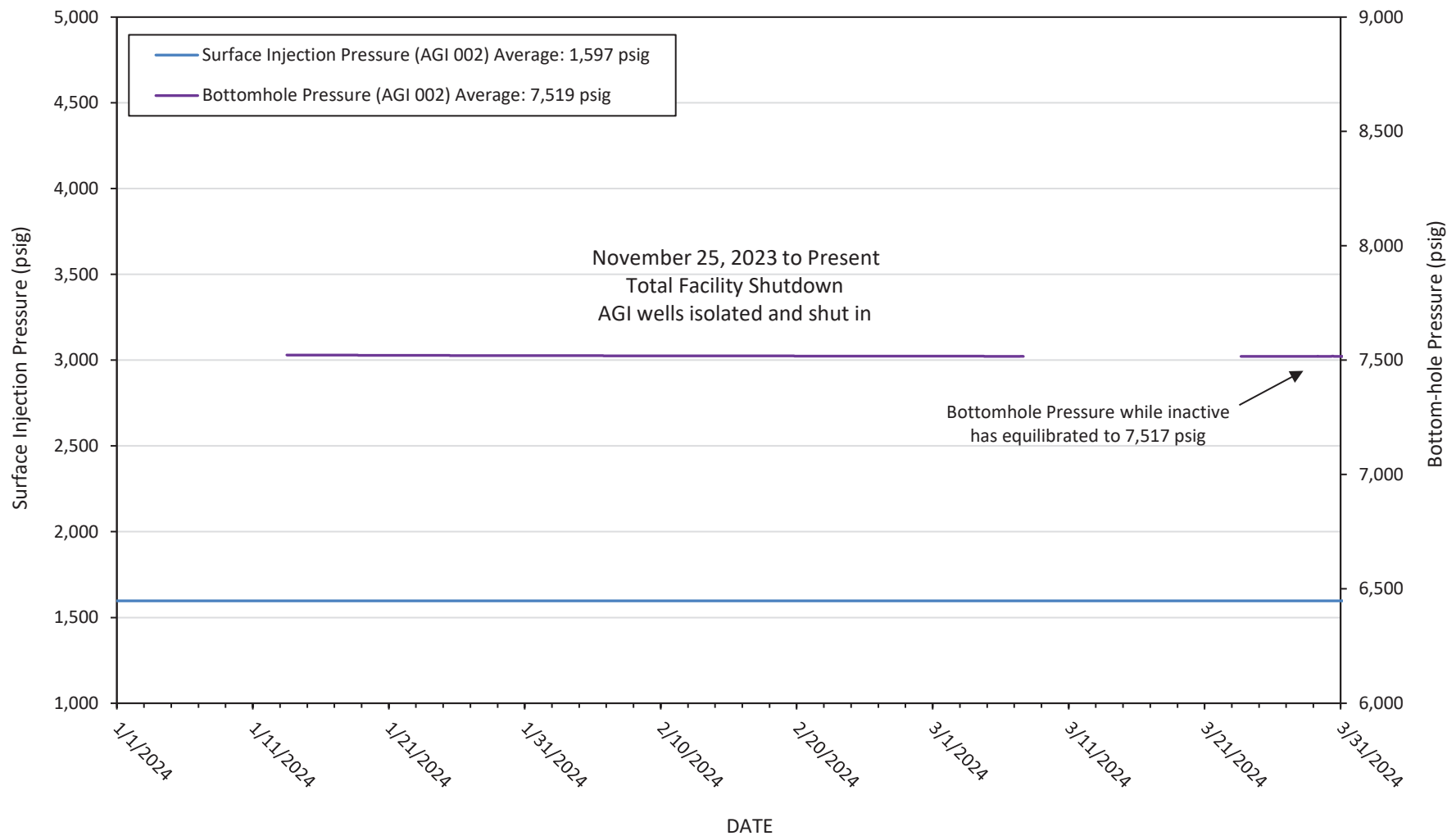


FIGURE 9. INDEPENDENCE AGI #2 BOTTOM-HOLE PRESSURE AND TEMPERATURE

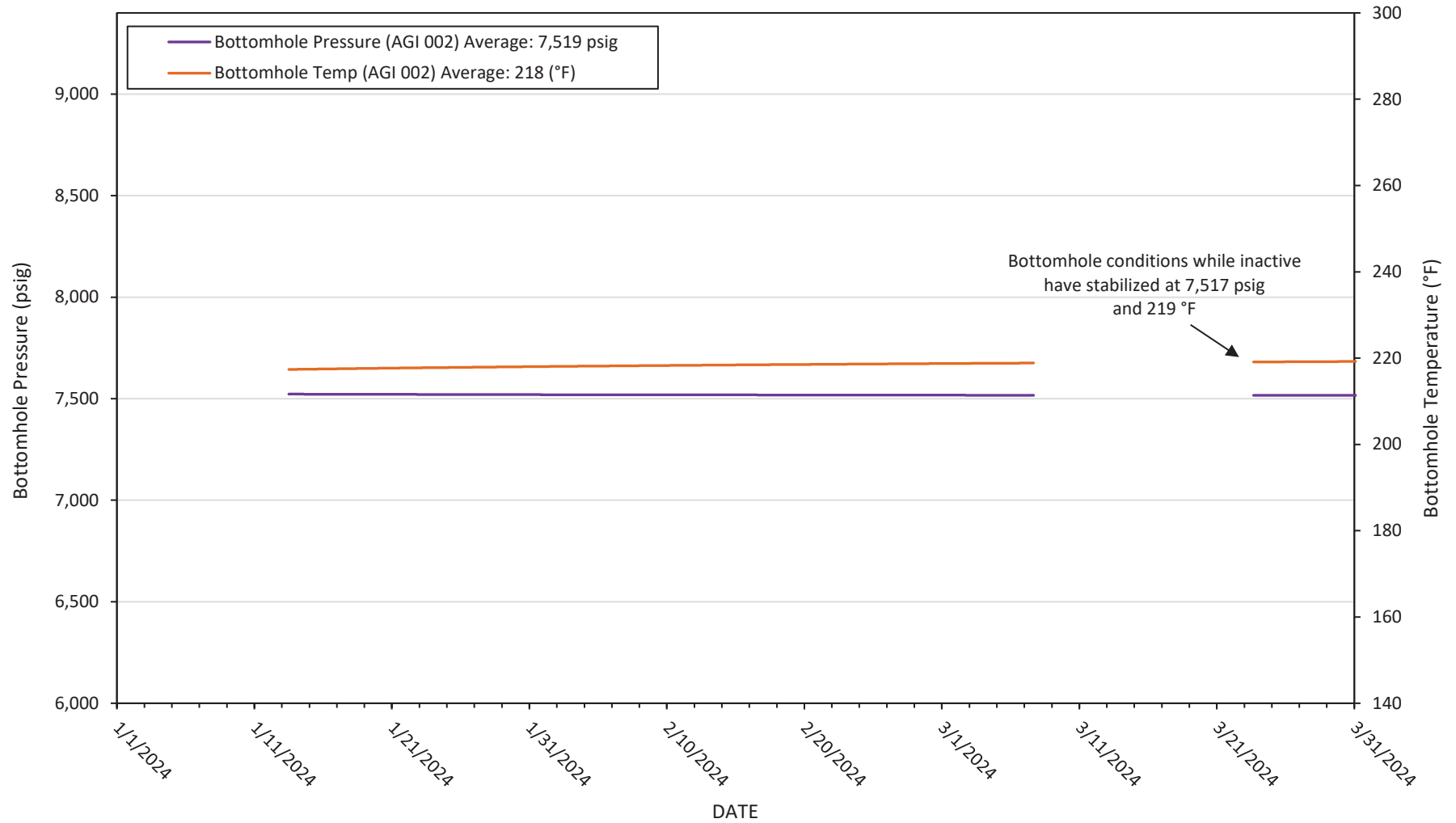
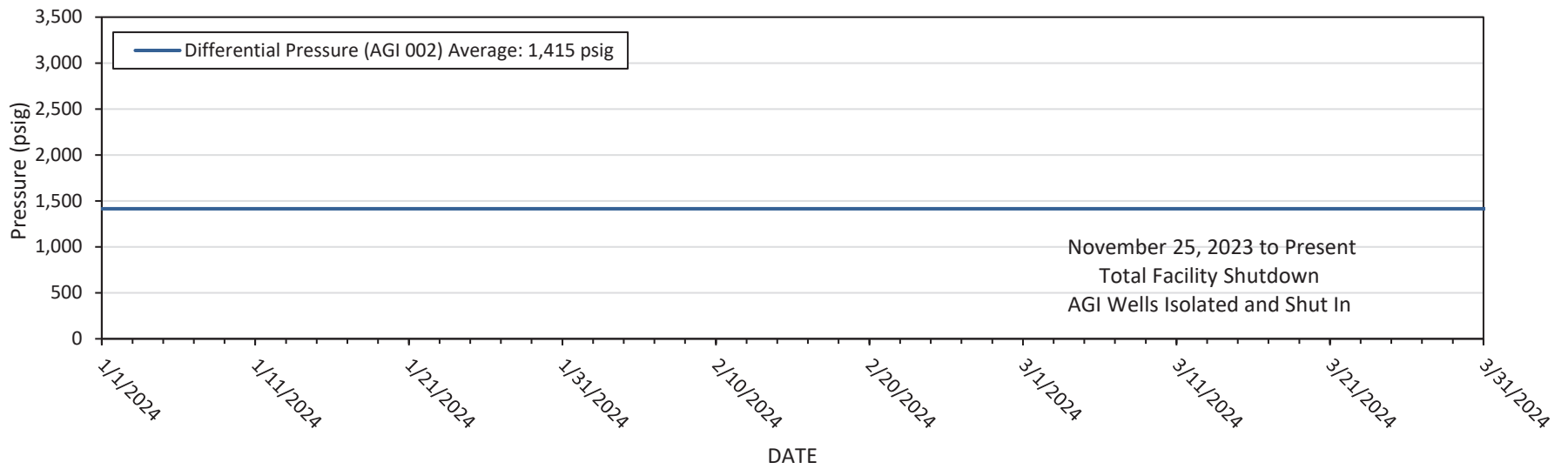
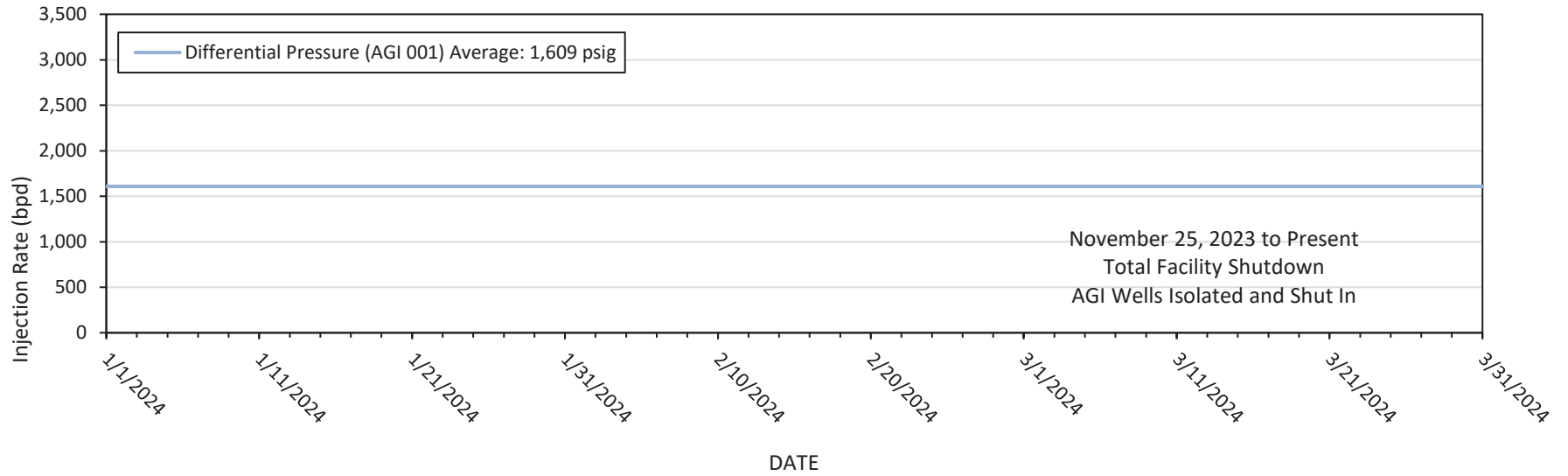
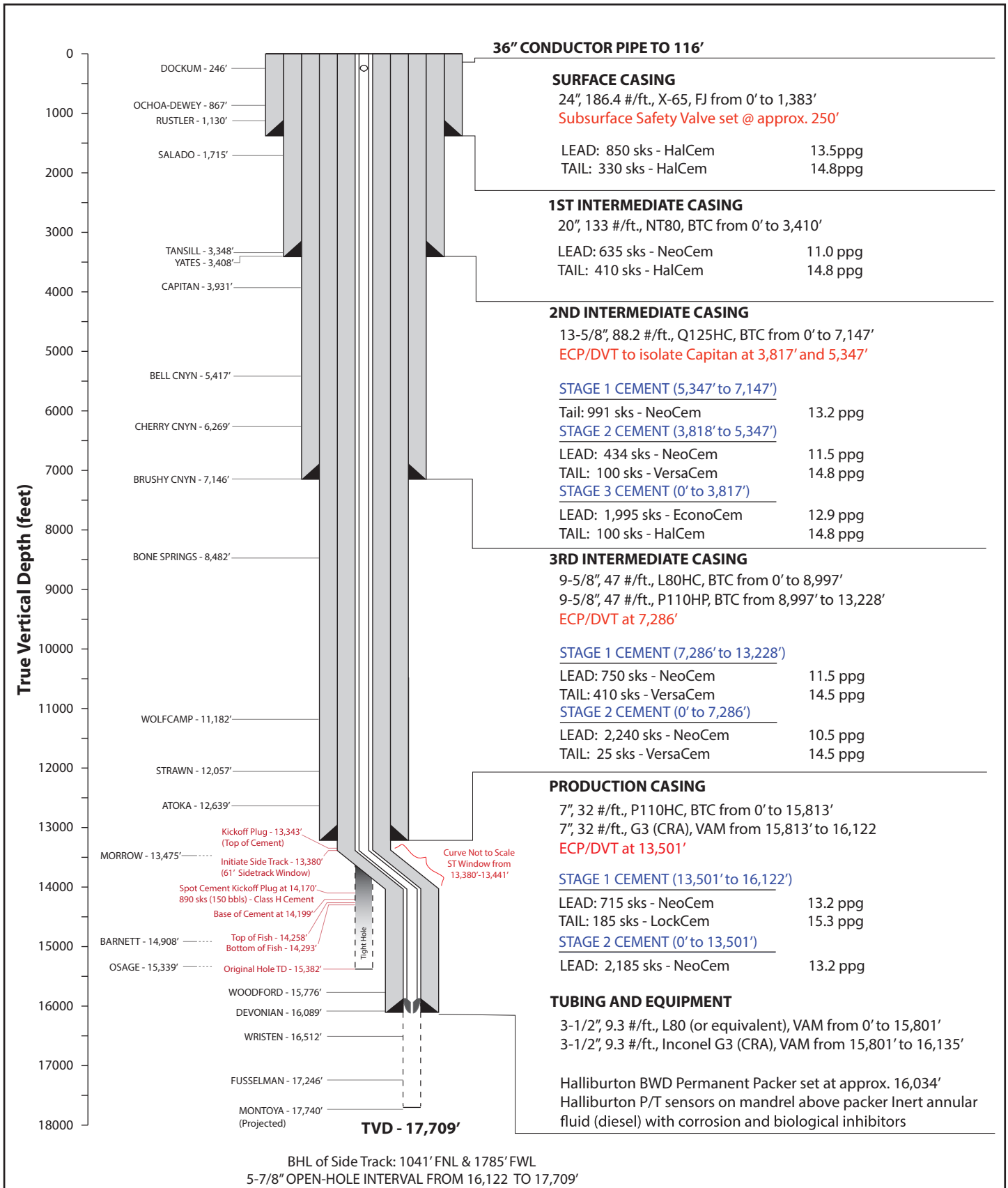


FIGURE 10. INDEPENDENCE AGI #1 AND AGI #2 DIFFERENTIAL PRESSURE





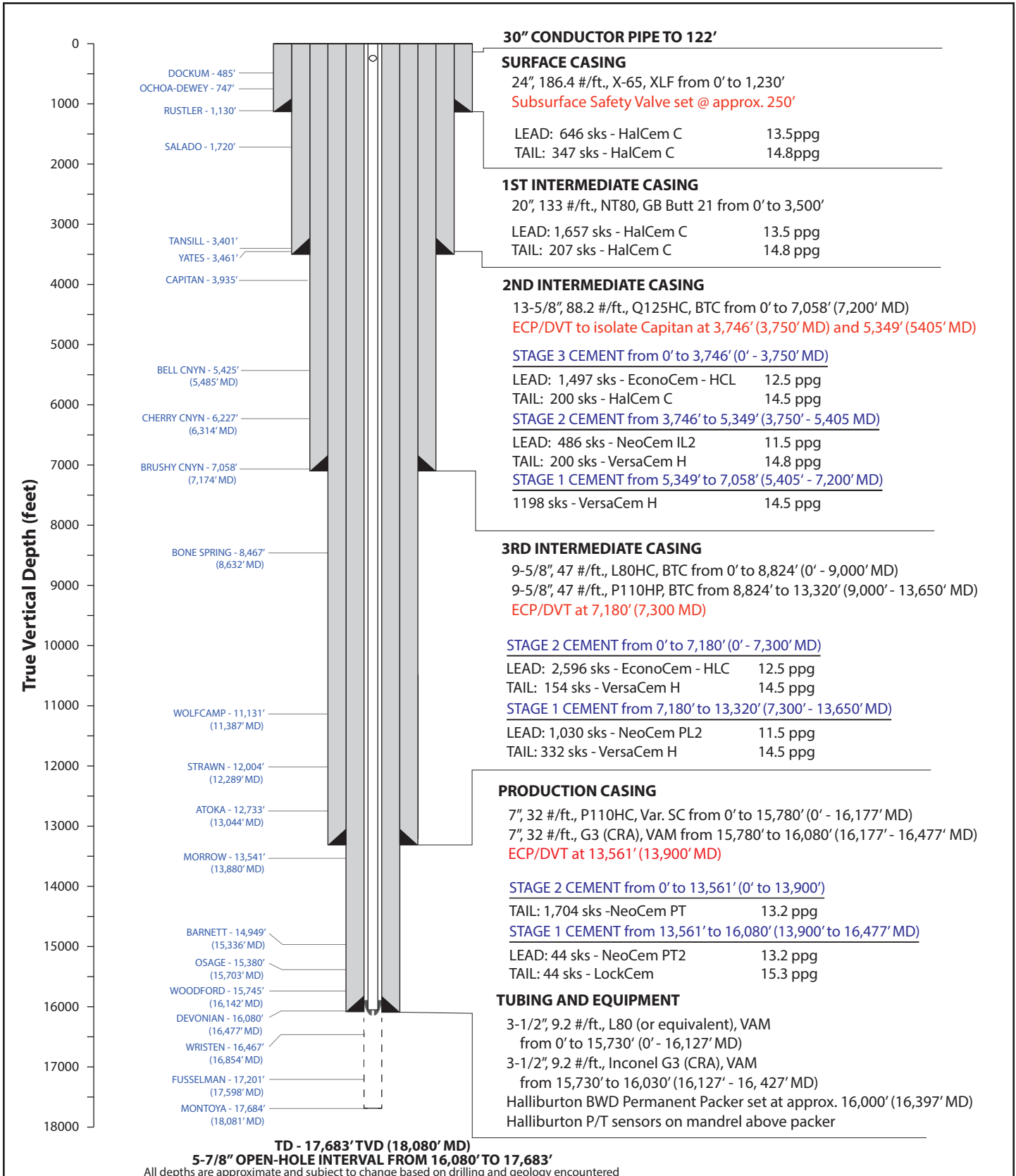
As-drilled well schematic consisting of a surface string of casing, three intermediate strings, and a production string with associating tubing/equipment and cement types. Original hole and sidetrack are shown.

INDEPENDENCE AGI #2

UL C - S20 - T25S - R36E

API: 30-025-49974

Lat: 32.1200628, Long: -103.2910251



Well design consisting of a surface string of casing, three intermediate strings, and a production string with associating tubing/equipment and cement types