

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3470 Fax (505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural**  
**Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**  
**Change of Operator**

Form C-145  
Revised May 19, 2017

Permit 244865

**HOBBS OCD**

**NOV 3 0 2017**

**RECEIVED**

**Previous Operator Information**

OGRID: 4323  
Name: CHEVRON U S A INC  
Address: Attn: Permitting Team  
6301 Deauville Blvd.  
City, State, Zip: Midland, TX 79706

**New Operator Information**

Effective Date: Effective on the date of approval by the OCD  
OGRID: 1092  
Name: ARMSTRONG ENERGY CORP  
Address: P.O. Box 1973  
City, State, Zip: Roswell, NM 88202

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, ARMSTRONG ENERGY CORP certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(l) NMAC.

**ARMSTRONG ENERGY CORP understands that the OCD's approval of this operator change:**

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

I hereby certify I understand the above. The statements I have made are true and correct and a condition precedent to the Oil Conservation Division accepting this Change of Operator.

**Previous Operator**

Signature: Cindy Herrera-Murillo

Printed Name: Cindy Herrera-Murillo

Title: Permitting Specialist

Date: 11/17/2017 Phone: 575-263-0431

**New Operator**

Signature: Ryle S. Alpers

Printed Name: Ryle S. Alpers

Title: VP-Operations

Date: 11-28-07 Phone: 575 625 2222

Permit 244865

**As the operator of record of wells in New Mexico, ARMSTRONG ENERGY CORP agrees to the following statements:**

1. Initials KA I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. Initials KA I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See Subsection B of 19.15.9.9 NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See Paragraph (2) of Subsection C of 19.15.9.9 NMAC.
3. Initials KA I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See Subsection C of 19.15.7.24 NMAC.
4. Initials KA I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. Initials KA I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance or a "blanket plugging financial assurance for wells in temporarily abandoned statuses", even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See Subsection C of 19.15.8.9 NMAC. I understand that I can check my compliance with the financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. Initials KA I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
7. Initials KA I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits and seek other relief. See 19.15.26.8 NMAC and 19.15.5.10 NMAC.
8. Initials KA For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. Initials KA I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See Subsection C of 19.15.9.8 NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. Initials KA If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See Subsection B of 19.15.9.9 NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.
11. Initials KA No person with an interest exceeding 25% in the undersigned company is, or was within the last 5 years, an officer, director, partner or person with a 25% or greater interest in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC.
12. Initials KA NMOCD Rule Subsection E and F of 19.15.16.8 NMAC: An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension time, for good cause shown, along with a schedule for making the changes. Each sign shall show the (1) well number, (2) property name, (3) operator's name, (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and (5) API number.

**NMOCD Approval**

Electronic Signature: Paul Kautz, District 1

Date: December 01, 2017

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Wells Selected for Transfer

Permit 244865

**89 Wells Selected for Transfer**

From:	CHEVRON U S A INC	OGRID:	4323
To:	ARMSTRONG ENERGY CORP	OGRID:	1092

**OCD District Hobbs (86 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
320132	BERRY 1 #001	P	M-01-17S-37E	M	30-025-36332	O	55695	SHIPP;STRAWN
320092	BERRY HOBBS #001	P	A-17-16S-36E	A	30-025-30349	O	56295	SHOE BAR;WOLFCAMP, NORTH
320093	BOYCE 15 #001	P	A-15-16S-35E	A	30-025-34591	O	59847	TOWNSEND;PERMO UPPER PENN
	BOYCE 15 #002	P	A-15-16S-35E	A	30-025-35005	O	59847	TOWNSEND;PERMO UPPER PENN
	BOYCE 15 #003	P	H-15-16S-35E	H	30-025-35006	G	96763	SHOE BAR;ATOKA, NORTH (GAS)
	BOYCE 15 #004	P	I-15-16S-35E	I	30-025-36354	G	56280	SHOE BAR;STRAWN, NORTHWEST
	BOYCE 15 #005	P	B-15-16S-35E	B	30-025-36475	O	59847	TOWNSEND;PERMO UPPER PENN
	BOYCE 15 #005	P	B-15-16S-35E	B	30-025-36475	O	96763	SHOE BAR;ATOKA, NORTH (GAS)
	BOYCE 15 #006	P	O-15-16S-35E	O	30-025-37151	O	56280	SHOE BAR;STRAWN, NORTHWEST
320094	BUDDY 9 #001	P	K-09-16S-37E	K	30-025-36408	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320095	BUS BARN 4 #001Y	P	L-04-16S-36E	T	30-025-33776	O	96649	SHOE BAR;STRAWN, NORTHEAST
320096	CAYUMA #001	S	13-01-16S-36E	E	30-025-34480	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320097	CHAMBERS #001	P	O-07-16S-36E	O	30-025-24617	O	56295	SHOE BAR;WOLFCAMP, NORTH
	CHAMBERS #002	P	P-07-16S-36E	P	30-025-36317	O	96649	SHOE BAR;STRAWN, NORTHEAST
320100	CHOCOLATE FOAM WING #001	F	L-34-14S-35E	L	30-025-35789	O	96593	MORTON;MISSISSIPPIAN (GAS)
320101	EASLEY 6 #001	S	5-06-16S-37E	E	30-025-34093	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320098	GILMORE #001	P	4-07-16S-36E	M	30-025-24567	O	56295	SHOE BAR;WOLFCAMP, NORTH
320099	GILMORE 24 #001	P	H-24-16S-36E	H	30-025-34141	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320102	HARRIS 2 #002	P	N-02-13S-38E	N	30-025-36461	O	7600	BRONCO;WOLFCAMP
320103	HARROD STATE #001	S	N-07-16S-35E	N	30-025-25673	O	59847	TOWNSEND;PERMO UPPER PENN
320106	HILBURN #002	P	C-13-16S-35E	C	30-025-29349	O	56295	SHOE BAR;WOLFCAMP, NORTH
	HILBURN #004	P	C-13-16S-35E	C	30-025-36923	O	56270	SHOE BAR;STRAWN, NORTH
320107	HOOVER 27 #001	S	L-27-17S-35E	L	30-025-34036	O	96246	VACUUM;DRINKARD, EAST
	HOOVER 27 #002	S	K-27-17S-35E	K	30-025-34037	O	96246	VACUUM;DRINKARD, EAST
	HOOVER 27 #003	S	F-27-17S-35E	F	30-025-34038	O	96246	VACUUM;DRINKARD, EAST
320108	HOOVER 32 #001	S	J-28-17S-35E	J	30-025-33710	O	96246	VACUUM;DRINKARD, EAST
	HOOVER 28 #002	S	O-28-17S-35E	O	30-025-33956	O	96246	VACUUM;DRINKARD, EAST
	HOOVER 28 #003	S	P-28-17S-35E	P	30-025-33978	O	96246	VACUUM;DRINKARD, EAST
	HOOVER 28 #004	S	I-28-17S-35E	I	30-025-33979	O	96246	VACUUM;DRINKARD, EAST
320109	HOOVER 32 #001	S	H-32-17S-35E	H	30-025-33594	O	62110	VACUUM;DRINKARD
	HOOVER 32 #002	S	G-32-17S-35E	G	30-025-33828	O	62110	VACUUM;DRINKARD
	HOOVER 32 #003	S	I-32-17S-35E	I	30-025-33875	O	62110	VACUUM;DRINKARD
	HOOVER 32 #004	S	J-32-17S-35E	J	30-025-33843	O	62110	VACUUM;DRINKARD
	HOOVER 32 #005	S	A-32-17S-35E	A	30-025-33844	O	62110	VACUUM;DRINKARD
320110	JORDAN 12 STATE #002	S	D-12-10S-32E	D	30-025-36716	O	45750	MESCALERO;UPPER PENN, NORTH
	JORDAN 12 STATE #003	S	E-12-10S-32E	E	30-025-37050	O	45750	MESCALERO;UPPER PENN, NORTH
	JORDAN 12 STATE #003	S	E-12-10S-32E	E	30-025-37050	O	46120	MESCALERO;WOLFCAMP, NORTH
	JORDAN 12 STATE #004	S	L-12-10S-32E	L	30-025-37766	O	45750	MESCALERO;UPPER PENN, NORTH
320111	JORDAN STATE #001	S	B-12-10S-32E	B	30-025-33532	O	96636	MESCALERO;CISCO, NORTHEAST
320133	KIM 1 #001	P	P-01-16S-36E	P	30-025-34133	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320112	LITTLE 6 #001	P	K-06-16S-36E	S	30-025-33934	O	96649	SHOE BAR;STRAWN, NORTHEAST
320113	LORENA 1 #001	P	16-01-16S-36E	H	30-025-34230	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320135	LOVINGTON 5 #001	P	L-04-16S-36E	T	30-025-33686	O	96649	SHOE BAR;STRAWN, NORTHEAST
320115	NELLIE 21 #001	P	I-21-16S-37E	I	30-025-35631	O		
320116	NEW MEXICO 1 #001	S	12-02-16S-35E	D	30-025-08509	O	59847	TOWNSEND;PERMO UPPER PENN
320127	PATTY 20 #001	S	E-20-16S-36E	E	30-025-33756	O		
320117	ROUECHE 5 #001	P	P-05-17S-37E	P	30-025-36629	O	55695	SHIPP;STRAWN
320118	RUTH 20 #002	S	D-20-16S-36E	D	30-025-36866	O	40750	LOVINGTON;UPPER PENN, WEST
320119	SALBAR 16 STATE #001	S	E-16-16S-36E	E	30-025-34263	O	56295	SHOE BAR;WOLFCAMP, NORTH
320120	SHELL CRI STATE #001Y	S	B-26-10S-32E	B	30-025-33225	O	14980	CUERNO LARGO;UPPER PENNSYLVANIAN
320134	SHIPP A #003	P	D-17-17S-37E	D	30-025-21831	O	46280	MIDWAY;ABO
320131	SKIP JACK 26 #001	P	P-26-16S-35E	P	30-025-37313	G	85210	SHOE BAR;ATOKA (GAS)
320121	STATE 3 #001	S	G-12-16S-36E	G	30-025-34238	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320123	SUPERIOR STATE #001	S	10-03-16S-35E	B	30-025-12713	O	59847	TOWNSEND;PERMO UPPER PENN
320124	SV BIG BERTHA #001	P	F-11-16S-36E	F	30-025-33883	I	96135	SWD;WOLFCAMP
320125	SV CHIPSHOT #001	P	K-11-16S-36E	K	30-025-33466	O	96625	LOVINGTON;WOLFCAMP, NORTH

	SV CHIPSHOT #002	P	M-11-16S-36E	M	30-025-33806	O	96625	LOVINGTON;WOLFCAMP, NORTH
320126	SV KIM HARRIS #003	P	B-12-16S-36E	B	30-025-33894	O	40760	LOVINGTON;UPPER PENN, NORTHEAST
320128	TRINITY BURRUS ABO UNIT #001	P	O-22-12S-38E	O	30-025-34922	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #002H	P	P-22-12S-38E	P	30-025-35188	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #003	P	J-22-12S-38E	J	30-025-35591	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #004H	P	I-22-12S-38E	I	30-025-35817	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #005	P	F-23-12S-38E	F	30-025-36451	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #006	P	N-22-12S-38E	N	30-025-35937	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #007	P	C-27-12S-38E	C	30-025-36187	I		
	TRINITY BURRUS ABO UNIT #008	P	A-27-12S-38E	A	30-025-36313	O	27930	GLADIOLA;WOLFCAMP
	TRINITY BURRUS ABO UNIT #008	P	A-27-12S-38E	A	30-025-36313	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #009	P	F-27-12S-38E	F	30-025-36801	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #011	P	K-22-12S-38E	K	30-025-36038	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #012	P	O-27-12S-38E	O	30-025-37097	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #013	S	H-22-12S-38E	H	30-025-36018	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #014	S	C-22-12S-38E	C	30-025-36812	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #015	S	H-22-12S-38E	H	30-025-36884	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #016	P	L-23-12S-38E	L	30-025-36251	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #017	P	K-23-12S-38E	K	30-025-36427	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #018	P	J-23-12S-38E	J	30-025-36450	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #019	P	E-23-12S-38E	E	30-025-37171	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #021	S	N-23-12S-38E	N	30-025-30106	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #022	S	M-23-12S-38E	M	30-025-36373	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #023	P	D-26-12S-38E	D	30-025-36303	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #025	P	I-27-12S-38E	I	30-025-36248	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #026	P	B-27-12S-38E	B	30-025-35985	I	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #027	P	H-27-12S-38E	H	30-025-36428	O	59890	TRINITY;WOLFCAMP
	TRINITY BURRUS ABO UNIT #028	P	K-27-12S-38E	K	30-025-37254	I	59890	TRINITY;WOLFCAMP
320130	WAREHOUSE 10 #001	P	B-10-16S-36E	B	30-025-34421	O		
320129	YOUNG 11 FEDERAL #001	F	N-02-13S-38E	N	30-025-37056	O	7600	BRONCO;WOLFCAMP
	YOUNG 11 FEDERAL #002	F	F-11-13S-38E	F	30-025-37904	O	7600	BRONCO;WOLFCAMP
	YOUNG 11 FEDERAL #003	F	E-11-13S-38E	E	30-025-37183	O	7600	BRONCO;WOLFCAMP
	YOUNG 11 FEDERAL #004	F	D-11-13S-38E	D	30-025-38104	O	7600	BRONCO;WOLFCAMP

**OCD District: Artesia (3 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
320104	HENSHAW 23 FEDERAL #001	F	B-23-16S-30E	B	30-015-34448	G	30630	HENSHAW;WOLFCAMP
	HENSHAW 23 FEDERAL #001	F	B-23-16S-30E	B	30-015-34448	G	96542	WILDCAT; GRANITE
320105	HENSHAW A FEDERAL #001	F	J-14-16S-30E	J	30-015-32891	O	97376	HENSHAW; ORDOVICIAN
320122	SUNDANCE A FEDERAL #001	F	J-25-12S-29E	J	30-005-60490	G	80500	LONE WOLF;ATOKA (GAS)

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**1220 S. St Francis Dr.**  
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Comments  
  
Permit 244865

**CHANGEOP COMMENTS**

Operator: CHEVRON U S A INC Attn:Permitting Team Midland, TX 79706	OGRID: 4323
	Permit Number: 244865
	Permit Type: ChangeOp

**Comments**

Created By	Comment	Comment Date
cmurillo	EFFECTIVE DATE OF 12/01/2017	11/17/2017
degallegos	Additional bonding required for the following wells: 30-025-33466 -\$16,910, 30-025-33979 - \$13,206, 30-025-34421 - \$16,860	11/28/2017
degallegos	Additional bonding required for the following wells: 30-025-33466 -\$16,910, 30-025-33979 - \$13,206, 30-025-34421 - \$16,860	11/28/2017