District I
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Phone:(575) 393-6161 Fax:(575) 393-0720
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District IV
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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 265039

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 19 2019

RECEIVED

Previous Operator Information		New Operator Information	
		Effective Date:	Effective on the date of approval by the OCD
OGRID:	372000	OGRID:	372137
Name:	POGO OIL & GAS OPERATING, INC	Name:	CHISHOLM ENERGY OPERATING, LLC
Address:	1515 Calle Sur, Ste 174	Address:	801 Cherry Street
City, State, Zip:	Hobbs, NM 88240	City, State, Zip:	Fort Worth, TX 76102

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, CHISHOLM ENERGY OPERATING, LLC 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(I) NMAC.

CHISHOLM ENERGY OPERATING, LLC 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.

As the operator of record of wells in New Mexico, CHISHOLM ENERGY OPERATING, LLC agrees to the following statements:

1. Initials ___ 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 ___ 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 ___ 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 ___ 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 ___ 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 statues", 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 ___ I am responsible for reporting and remediating releases pursuant to 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. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases.
7. Initials ___ 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 ___ 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 ___ 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 ___ 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 ___ 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 ___ 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.

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		New Operator	
Signature:		Signature:	
Printed Name:	Frank Pogoloff	Printed Name:	Mike Middlebrook
Title:	President	Title:	COO
Date:	3/15/2019 Phone: (214) 420-9181	Date:	3/15/19 Phone: 817-269-1804

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Wells Selected for Transfer

Permit 265039

4 Wells Selected for Transfer

From: POGO OIL & GAS OPERATING, INC	OGRID: 372000
To: CHISHOLM ENERGY OPERATING, LLC	OGRID: 372137

OCD District: Artesia (4 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Single Well Bond Required for Inactive Well
320575	LANCASTER SPRING COM #001	S	I-08-22S-26E	I	30-015-23437	G	78060	HAPPY VALLEY; MORROW (GAS)	01/19	0
	LANCASTER SPRING COM #003	S	M-08-22S-26E	M	30-015-30965	O	78060	HAPPY VALLEY; MORROW (GAS)	01/19	0
320572	LANCASTER SPRINGS UNIT #004	P	M-05-22S-26E	M	30-015-31798	G	78060	HAPPY VALLEY; MORROW (GAS)	02/17	16870
	LANCASTER SPRINGS UNIT #006	P	G-08-22S-26E	G	30-015-32542	G	78060	HAPPY VALLEY; MORROW (GAS)	01/19	0

Total of Single Well Bonds Required for Inactive Wells	16870

NMOCD Approval
Electronic Signature: Raymond Podany, District 2
Date: March 20, 2019

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4 Wells Selected for Transfer

From:	OGRID:
POGO OIL & GAS OPERATING, INC	372000
To:	**OGRID:**
CHISHOLM ENERGY OPERATING, LLC	372137

OCD District: Artesia **(4 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
325172	LANCASTER SPRING COM #001	S	I-08-22S-26E	I	30-015-23437	G	78060	HAPPY VALLEY; MORROW (GAS)
	LANCASTER SPRING COM #003	S	M-08-22S-26E	M	30-015-30965	O	78060	HAPPY VALLEY; MORROW (GAS)
325173	LANCASTER SPRINGS UNIT #004	P	M-05-22S-26E	M	30-015-31798	G	78060	HAPPY VALLEY; MORROW (GAS)
	LANCASTER SPRINGS UNIT #006	P	G-08-22S-26E	G	30-015-32542	G	78060	HAPPY VALLEY; MORROW (GAS)

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CHANGEOP COMMENTS

Operator:	OGRID:
POGO OIL & GAS OPERATING, INC 1515 Calle Sur, Ste 174 Hobbs, NM 88240	372000
	Permit Number: 265039
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date

There are no Comments for this Permit