

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

Form C-145
Revised May 19, 2017
Permit 280879

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

Previous Operator Information

OGRID: 162683
Name: CIMAREX ENERGY CO. OF COLORADO
Address: 600 N. Marienfeld Street
Suite 600
City, State, Zip: Midland, TX 79701

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 138008
Name: SPECIAL ENERGY CORP
Address: P.O. Drawer 369
City, State, Zip: Stillwater, OK 74076

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, SPECIAL 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(I) NMAC.

SPECIAL 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.

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

1. Initials ES 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 ES 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 ES 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 ES 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 ES 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 ES 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 ES 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 ES 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 ES 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 ES 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 ES 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 ES NMOC 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

Signature: [Signature]
Printed Name: Terri Stathem
Title: Mgr. Regulatory
Date: 7-13-2020 Phone: 432-620-1936

New Operator

Signature: [Signature]
Printed Name: Gary Bond
Title: VICE PRESIDENT
Date: 5-12-20 Phone: 405)377-1177

Permit 280879

NMOCOD Approval
Electronic Signature(s): Daniel J Sanchez - District 1
Daniel J Sanchez - District 2
Date: August 18, 2020

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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 280879

77 Wells Selected for Transfer

From:	CIMAREX ENERGY CO. OF COLORADO	OGRID:	162683
To:	SPECIAL ENERGY CORP	OGRID:	138008

OCD District Hobbs (56 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
328937	BERTHA BARBER #020	P	E-05-20S-37E	E	30-025-35945			O
	BERTHA BARBER #021	P	3-05-20S-37E	C	30-025-36134	47090	MONUMENT; TUBB	O
328938	BONDURANT FEDERAL COM #001	S	I-01-19S-32E	I	30-025-26702	59477	TONTTO; BONE SPRING, WEST	O
	BONDURANT FEDERAL COM #002	F	H-01-19S-32E	H	30-025-30972			O
328906	COOPER 4 #003	P	E-04-20S-37E	E	30-025-35934			O
328940	COOPER 5 #006	P	G-05-20S-37E	G	30-025-35151	47090	MONUMENT; TUBB	O
					30-025-35151	97060	MONUMENT; DRINKARD	
	COOPER 5 #007	P	H-05-20S-37E	H	30-025-35399	47090	MONUMENT; TUBB	O
	COOPER 5 #008	P	1-05-20S-37E	A	30-025-36045	47090	MONUMENT; TUBB	O
328941	EUREKA 36 STATE #002	S	N-36-16S-34E	N	30-025-36389	86800	VACUUM; ATOKA-MORROW, NORTH (GAS)	G
328944	GRIFFIN 23 STATE #001	S	D-23-17S-34E	D	30-025-36817	86800	VACUUM; ATOKA-MORROW, NORTH (GAS)	G
328945	HUDSON 29 FEDERAL #003	F	K-30-18S-33E	K	30-025-23210	75080	CORBIN; MORROW, SOUTH (GAS)	G
328946	L HARRIS FEDERAL #001	F	I-22-07S-35E	I	30-041-20286	59446	TODD; WOLFCAMP	O
328947	LAUGHLIN #001	P	N-04-20S-37E	N	30-025-34975	47090	MONUMENT; TUBB	O
					30-025-34975	57000	SKAGGS; DRINKARD	
	LAUGHLIN #002	P	L-04-20S-37E	L	30-025-35182	47090	MONUMENT; TUBB	O
	LAUGHLIN #003	P	O-04-20S-37E	O	30-025-35348	47090	MONUMENT; TUBB	O
	LAUGHLIN #004	P	J-04-20S-37E	J	30-025-35477	47090	MONUMENT; TUBB	O
	LAUGHLIN #005	P	H-04-20S-37E	H	30-025-35584			O
	LAUGHLIN #006	P	F-04-20S-37E	F	30-025-35676	47090	MONUMENT; TUBB	O
	LAUGHLIN #008	P	M-04-20S-37E	M	30-025-35870	47090	MONUMENT; TUBB	O
	LAUGHLIN #009	P	I-04-20S-37E	I	30-025-35958	47090	MONUMENT; TUBB	O
	LAUGHLIN #010	P	P-04-20S-37E	P	30-025-36161	47090	MONUMENT; TUBB	O
328948	LAUGHLIN 5 #001	P	P-05-20S-37E	P	30-025-35827	47090	MONUMENT; TUBB	O
	LAUGHLIN 5 #002	P	J-05-20S-37E	J	30-025-35862	47090	MONUMENT; TUBB	O
	LAUGHLIN 5 #003	P	I-05-20S-37E	I	30-025-36000	47090	MONUMENT; TUBB	O
	LAUGHLIN 5 #004	P	O-05-20S-37E	O	30-025-36023	47090	MONUMENT; TUBB	O
328949	LAUGHLIN 8 #001	P	A-08-20S-37E	A	30-025-36147	47090	MONUMENT; TUBB	O
					30-025-36147	63840	WEIR; DRINKARD	
					30-025-36147	96764	MONUMENT; ABO, SOUTHEAST	
328950	LEA A STATE #001	S	D-10-16S-35E	D	30-025-02774	59840	TOWNSEND; ABO, NORTHWEST	O
					30-025-02774	59847	TOWNSEND; PERMO UPPER PENN	
	LEA A STATE #002	S	C-10-16S-35E	C	30-025-02775			O
	LEA A STATE #003	S	E-10-16S-35E	E	30-025-02776	59847	TOWNSEND; PERMO UPPER PENN	O
	LEA A STATE #004	S	F-10-16S-35E	F	30-025-02777			O
328951	LEA AP STATE #001	S	I-30-19S-35E	I	30-025-24034	49820	PEARL; SAN ANDRES, WEST	O
	LEA AP STATE #002	S	P-30-19S-35E	P	30-025-33762			O
328952	LEA AQ STATE #001	S	A-32-19S-35E	A	30-025-28165			O
	LEA AQ STATE #004	S	O-29-19S-35E	O	30-025-28673			O
	LEA AQ STATE #005	S	N-29-19S-35E	N	30-025-31688	49820	PEARL; SAN ANDRES, WEST	O
	LEA AQ STATE #006	S	L-29-19S-35E	L	30-025-31901	49820	PEARL; SAN ANDRES, WEST	O
	LEA AQ STATE #008	S	M-29-19S-35E	M	30-025-33393	49820	PEARL; SAN ANDRES, WEST	O
	LEA AQ STATE #009	S	C-32-19S-35E	C	30-025-33753			O
	LEA AQ STATE #010	S	D-32-19S-35E	D	30-025-34046			O
	LEA AQ STATE #011	S	M-29-19S-35E	M	30-025-34247			O
	LEA AQ STATE #012	S	C-33-19S-35E	C	30-025-34248			O
	LEA AQ STATE #013	S	J-29-19S-35E	J	30-025-34720			O
328954	MATADOR 28 STATE #001	S	E-28-18S-33E	E	30-025-31037	13160	CORBIN; BONE SPRING, SOUTH	O
328957	SHELLEY 34 STATE #001	S	A-34-19S-37E	A	30-025-35923	47090	MONUMENT; TUBB	O
					30-025-35923	97203	SKAGGS; GLORIETA, NORTHWEST	
	SHELLEY 34 STATE #002	S	H-34-19S-37E	H	30-025-36088			O
328958	SHELLEY 35 STATE #001	S	D-35-19S-37E	D	30-025-35528	96768	SKAGGS; DRINKARD, NORTHWEST	O
	SHELLEY 35 STATE #002	S	F-35-19S-37E	F	30-025-35548	96768	SKAGGS; DRINKARD, NORTHWEST	O
	SHELLEY 35 STATE #003	S	J-35-19S-37E	J	30-025-36078	47090	MONUMENT; TUBB	O

	SHELLEY 35 STATE #004	S	G-35-19S-37E	G	30-025-35838			O
	SHELLEY 35 STATE #006	S	I-35-19S-37E	I	30-025-36231			O
	SHELLEY 35 STATE #007	S	P-35-19S-37E	P	30-025-36463			O
	SHELLEY 35 STATE #008	S	C-35-19S-37E	C	30-025-36504			O
328959	SHELLEY 36 STATE #001	S	F-36-19S-37E	F	30-025-36162	57000	SKAGGS; DRINKARD	O
	SHELLEY 36 STATE #003	S	L-36-19S-37E	L	30-025-36433	57000	SKAGGS; DRINKARD	O
	SHELLEY 36 STATE #004	S	K-36-19S-37E	K	30-025-36308	57000	SKAGGS; DRINKARD	O
328962	WILLIAMS 34 #003	P	O-34-19S-37E	O	30-025-35711	96768	SKAGGS; DRINKARD, NORTHWEST	O
					30-025-35711	97203	SKAGGS; GLORIETA, NORTHWEST	

OCD District: Artesia (21 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
328939	COLTON 7 FEDERAL #001	F	C-07-21S-27E	C	30-015-33101	73440	BURTON FLAT; STRAWN, WEST (GAS)	G
					30-015-33101	73280	BURTON FLAT; MORROW (PRO GAS)	
328942	FEDERAL #001	F	I-05-18S-31E	I	30-015-25490			O
	FEDERAL #002	F	J-05-18S-31E	J	30-015-25716	56405	SHUGART; BONE SPRING, NORTH	O
	FEDERAL #003	F	P-05-18S-31E	P	30-015-25751	56405	SHUGART; BONE SPRING, NORTH	O
	FEDERAL #004	F	O-05-18S-31E	O	30-015-25784	56405	SHUGART; BONE SPRING, NORTH	O
328943	FEDERAL 9 #001	F	D-09-18S-31E	D	30-015-25840	56405	SHUGART; BONE SPRING, NORTH	O
328953	MAGNUM 5 FEDERAL COM #001	F	G-05-18S-31E	G	30-015-31312	85305	SHUGART; MORROW, NORTH (GAS)	G
	MAGNUM 5 FEDERAL COM #002	F	O-05-18S-31E	O	30-015-31570	97239	SHUGART; STRAWN	O
	MAGNUM 5 FEDERAL COM #003	F	P-05-18S-31E	P	30-015-32651	97239	SHUGART; STRAWN	O
	MAGNUM 5 FEDERAL COM #004	F	I-05-18S-31E	I	30-015-33116	97239	SHUGART; STRAWN	O
328955	NESTE 6 #002	S	I-06-18S-31E	I	30-015-25868	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE 6 #003	S	O-06-18S-31E	O	30-015-25869	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE 6 #004	S	J-06-18S-31E	J	30-015-25906	56405	SHUGART; BONE SPRING, NORTH	O
328956	NESTE TOMANO FEDERAL #001	F	1-06-18S-31E	A	30-015-25947	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE TOMANO FEDERAL #002	F	2-06-18S-31E	B	30-015-25948			O
328907	NESTE WILLIAMS FEDERAL #001	F	H-06-18S-31E	H	30-015-25917	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE WILLIAMS FEDERAL #003	F	K-06-18S-31E	K	30-015-25945	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE WILLIAMS FEDERAL #004	F	N-06-18S-31E	N	30-015-25946	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE WILLIAMS FEDERAL #005	F	6-06-18S-31E	L	30-015-26053	56405	SHUGART; BONE SPRING, NORTH	O
	NESTE WILLIAMS FEDERAL #006	F	7-06-18S-31E	M	30-015-26054	56405	SHUGART; BONE SPRING, NORTH	O
328960	STATE 25 COM #001	S	K-25-19S-29E	K	30-015-22985	49637	PARKWAY; WOLFCAMP	O
					30-015-22985	49630	PARKWAY; STRAWN	

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Comments

Permit 280879

CHANGEOP COMMENTS

Operator: CIMAREX ENERGY CO. OF COLORADO 600 N. Marienfeld Street Midland, TX 79701	OGRID: 162683
	Permit Number: 280879
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
kcollins	The C-145 must be signed by both operators. This will not be processed until it is corrected.	5/12/2020
kcollins	C-145 must be signed by both parties. This can not be processed without both signatures.	5/15/2020
emathes	Cimarex Energy Co. of Colorado did not sign the uploaded C-145 form. The New Mexico Oil Conservation Division requires the signature of both operators on all C-145 forms. Special Energy Corp is not in compliance with 5.9	5/29/2020
emathes	Total of Single Well Bonds Required for Inactive Wells 1 Lea AQ State #003 30-025-28435 \$36,870.00	7/29/2020