

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 303549

Previous Operator Information

OGRID: 230387
Name: PARALLEL PETROLEUM LLC
Address: 1004 N Big Spring
Suite 400
City, State, Zip: Midland, TX 79701

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 330984
Name: Amalgamated Sludge NM, LLC
Address: 539 W. Commerce St, #7330
City, State, Zip: Dallas, TX 75208

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, Amalgamated Sludge NM, 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.

Amalgamated Sludge NM, 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, Amalgamated Sludge NM, LLC agrees to the following statements:

1. Initials AS 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 AS 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 AS 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 AS 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 AS 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 AS 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 AS 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 AS 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 AS 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 AS 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 AS 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 AS 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: KYUNGTAE JUNG
Title: President & COO
Date: 11-6-2021 Phone: 832 829 5577

New Operator

Signature: [Signature]
Printed Name: Daniel Morrison
Title: MANAGING MEMBER
Date: 11-5-2021 Phone: 2142237571

Permit 303549

NMOCD Approval
Electronic Signature(s): <u>Karen S Collins, District 2</u>
Date: <u>November 18, 2021</u>

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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 303549

55 Wells Selected for Transfer

From:	PARALLEL PETROLEUM LLC	OGRID:	230387
To:	Amalgamated Sludge NM, LLC	OGRID:	330984

OCD District: Artesia (55 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
331749	ALL ALONG 1525-17 FED COM #001H	F	L-16-15S-25E	L	30-005-63925	97631	WALNUT CREEK; WOLFCAMP (G)	G
331750	ALSAB 1525-21 FEDERAL #001H	F	D-21-15S-25E	D	30-005-63938	97631	WALNUT CREEK; WOLFCAMP (G)	G
331751	ALYSHEBA 1426-34 #001	P	D-34-14S-26E	D	30-005-63839	96542	WILDCAT; GRANITE	G
					30-005-63839	97574	LAKE ARTHUR; WOLFCAMP (G)	
331752	ASSAULT #001	P	D-27-14S-26E	D	30-005-63782	97574	LAKE ARTHUR; WOLFCAMP (G)	G
331753	BOLD VENTURE #001H	P	B-27-14S-26E	B	30-005-63783	97574	LAKE ARTHUR; WOLFCAMP (G)	G
331754	BOXTOP 1921-1 FEDERAL #001	F	M-01-19S-21E	M	30-015-34374	84350	RUNYAN RANCH; MORROW (GAS)	G
					30-015-34374	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331755	BUBBLING OVER 1525-20 FEDERAL COM #001H	F	L-21-15S-25E	L	30-005-63933	97631	WALNUT CREEK; WOLFCAMP (G)	G
331756	CHARISMATIC 1525-5 #001	P	1-05-15S-25E	A	30-005-63919	97631	WALNUT CREEK; WOLFCAMP (G)	G
331757	CHATTER BOX 1823-19 STATE COM #001	P	1-30-18S-23E	1	30-015-34917	97415	FOUR MILE DRAW; WOLFCAMP (G)	G
331758	DASH FOR CASH #001	P	2-04-15S-26E	B	30-005-63785	97574	LAKE ARTHUR; WOLFCAMP (G)	G
331759	DREWFOOD'S BOOM BOX 1921-19 STATE C #001	P	1-19-19S-21E	D	30-015-35134	77340	GARDNER DRAW; MORROW (GAS)	G
					30-015-35134	96542	WILDCAT; GRANITE	
					30-015-35134	97605	BUNTING RANCH; WOLFCAMP (G)	
331760	DUKE 4 FEDERAL #002E	F	P-04-19S-21E	P	30-015-35120	96086	WC; WOLFCAMP (GAS) DO NOT USE	G
					30-015-35120	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331761	FOREGO 1525-16B #001	P	B-16-15S-25E	B	30-005-63830	97631	WALNUT CREEK; WOLFCAMP (G)	G
331762	FUNNY CIDE 15258 FED COM #001H	F	I-08-15S-25E	I	30-005-63949	97631	WALNUT CREEK; WOLFCAMP (G)	G
331763	GATE DANCER 1525-32 #001Y	F	A-32-15S-25E	A	30-005-63885	75250	COTTONWOOD CREEK; WOLFCAMP (GAS)	O
	GATE DANCER 1525-32 #002	P	H-32-15S-25E	H	30-005-64025	75250	COTTONWOOD CREEK; WOLFCAMP (GAS)	G
331764	GIACOMO 1525-8 FED COM #001H	F	A-08-15S-25E	A	30-005-63946	97631	WALNUT CREEK; WOLFCAMP (G)	G
331765	GO FOR GIN 1525-3A #001	S	P-03-15S-25E	P	30-005-63974	97631	WALNUT CREEK; WOLFCAMP (G)	G
331766	GO FOR WIND 1525-29 FEDERAL COM #001H	F	D-28-15S-25E	D	30-005-63966	75250	COTTONWOOD CREEK; WOLFCAMP (GAS)	G
					30-005-63966	97631	WALNUT CREEK; WOLFCAMP (G)	
331767	GRINDSTONE 1525-5 #001	P	I-05-15S-25E	I	30-005-63918	97631	WALNUT CREEK; WOLFCAMP (G)	G
331768	HANNAH 33 FEDERAL #004	F	A-33-18S-21E	A	30-015-35087	96086	WC; WOLFCAMP (GAS) DO NOT USE	G
					30-015-35087	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331769	HOPE UNIT 1821-16 STATE #001Y	P	P-16-18S-21E	P	30-015-35561	97641	WC HOPE MOUND; WOLFCAMP (G)	G
331770	ICE BOX 1823-30 ST COM #001	P	1-30-18S-23E	1	30-015-34885	97415	FOUR MILE DRAW; WOLFCAMP (G)	G
331771	JEWELRY BOX FEDERAL #001	F	P-11-19S-21E	P	30-015-34724	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	G
331772	JOHN TOWN 1525-29 #001	P	I-29-15S-25E	I	30-005-63880	97631	WALNUT CREEK; WOLFCAMP (G)	O
	JOHN TOWN 1525-29 #002H	P	M-28-15S-25E	M	30-005-64034	97631	WALNUT CREEK; WOLFCAMP (G)	O
331773	JUKE BOX 1921-10 FEDERAL #001Y	F	P-10-19S-21E	P	30-015-35347	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	G
331774	LETTERS 1525-20 FEDERAL #011H	F	D-21-15S-25E	D	30-005-63934	97631	WALNUT CREEK; WOLFCAMP (G)	G
331775	MATCH BOX FEDERAL #001	F	O-01-19S-21E	O	30-015-34640	78600	HOPE PENN, SOUTH (GAS)	G
					30-015-34640	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331797	MUSIC BOX FEDERAL #001	F	N-12-19S-21E	N	30-015-34726	96086	WC; WOLFCAMP (GAS) DO NOT USE	G
					30-015-34726	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331776	NATIVE DANCER 1525-28 #001	P	D-28-15S-25E	D	30-005-63916	97631	WALNUT CREEK; WOLFCAMP (G)	G
331777	NOOR 1525-21 FEDERAL COM #001H	F	L-21-15S-25E	L	30-005-63935	97631	WALNUT CREEK; WOLFCAMP (G)	G
331778	OLD ROSEBUD 1524-36A STATE #001	P	P-36-15S-24E	P	30-005-63928	75260	COTTONWOOD CREEK; WC, WEST (GAS)	G
331779	PARIS DRAW STATE COM 1624-21 #007	P	A-20-16S-24E	A	30-015-35856	75260	COTTONWOOD CREEK; WC, WEST (GAS)	G
331780	PARIS DRAW STATE UNIT #001	P	P-20-16S-24E	P	30-015-35554	75260	COTTONWOOD CREEK; WC, WEST (GAS)	G
	PARIS DRAW STATE UNIT #008	P	A-20-16S-24E	A	30-015-35857	75260	COTTONWOOD CREEK; WC, WEST (GAS)	G
331781	PERSONALLY 1525-33 #001	P	D-33-15S-25E	D	30-005-63852	75250	COTTONWOOD CREEK; WOLFCAMP (GAS)	G
					30-005-63852	96086	WC; WOLFCAMP (GAS) DO NOT USE	

331782	PRESS BOX 1923-5 ST COM #001	P	E-05-19S-23E	E	30-015-34844	96086	WC; WOLFCAMP (GAS) DO NOT USE	G
					30-015-34844	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331783	REAL QUIET 1525-4 FED COM #001H	F	1-05-15S-25E	A	30-005-63947	97631	WALNUT CREEK; WOLFCAMP (G)	G
331784	SEA HERO 1525-2A #001E	S	P-03-15S-25E	P	30-005-63972	97604	HAGERMAN CANAL; WOLFCAMP (G)	O
331785	SEABISCUIT #002	P	P-33-14S-26E	P	30-005-63786	97574	LAKE ARTHUR; WOLFCAMP (G)	G
331786	SILVER CHARM 1525-17 FEDERAL #001H	F	A-17-15S-25E	A	30-005-63932	97631	WALNUT CREEK; WOLFCAMP (G)	G
331787	SMARTY JONES 1525-9 #001	P	A-08-15S-25E	A	30-005-63917	97631	WALNUT CREEK; WOLFCAMP (G)	G
331788	SQUEEZE BOX FEDERAL #001	F	P-12-19S-21E	P	30-015-34725	96086	WC; WOLFCAMP (GAS) DO NOT USE	G
					30-015-34725	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331789	STRONG BOX 1921 11 FEDERAL #001	F	H-11-19S-21E	H	30-015-35143	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	G
331790	SWALE STATE COM 1525-16 #001	P	L-16-15S-25E	L	30-005-63886	97631	WALNUT CREEK; WOLFCAMP (G)	G
	SWALE STATE COM 1525-16 #002	P	M-16-15S-25E	M	30-005-63924	97631	WALNUT CREEK; WOLFCAMP (G)	O
331791	THUNDER GULCH1525 FED COM #001	F	I-05-15S-25E	I	30-005-63948	97631	WALNUT CREEK; WOLFCAMP (G)	G
331792	TOY BOX 1921-22 FEDERAL #001	F	A-22-19S-21E	A	30-015-35147	73100	BUNTING RANCH; MORROW (GAS)	G
					30-015-35147	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	
331793	UNBRIDLED 1525 28 #001H	P	I-29-15S-25E	I	30-005-63879	97631	WALNUT CREEK; WOLFCAMP (G)	O
	UNBRIDLED 1525 28 #002	P	M-28-15S-25E	M	30-005-64035	97631	WALNUT CREEK; WOLFCAMP (G)	O
331794	WALNUT DRAW UNIT 1821-25 STATE #001	P	A-25-18S-21E	A	30-015-35376	97553	FOUR MILE DRAW; WOLFCAMP, SW (G)	G
331795	WAR CLOUD STATE COM 1425-36 #001	P	P-36-14S-25E	P	30-005-63881	97604	HAGERMAN CANAL; WOLFCAMP (G)	O
	WAR CLOUD STATE COM 1425-36 #003Y	S	H-36-14S-25E	H	30-005-63944	97604	HAGERMAN CANAL; WOLFCAMP (G)	G
331796	WAR EMBLEM 1525-9 FEDERAL COM #001H	F	I-08-15S-25E	I	30-005-63950	97631	WALNUT CREEK; WOLFCAMP (G)	G