

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico Energy, Minerals and Natural Resources

Form C-145
Revised May 19, 2017

Permit 393363

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Change of Operator

Previous Operator Information

New Operator Information

Effective
Date:

Effective on the date of approval by the OCD

OGRID: 19381

OGRID: 333444

Name: ROBERT H FORREST JR OIL LLC

Name: 3 Knight's LLC

Address: 609 Elora Dr

Address: 4023 HARMON LN

City, State, Zip: Carlsbad, NM 88220

City, State,
Zip: Carlsbad, NM 88220

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, 3 Knight's 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.

3 Knight's 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, 3 Knight's LLC agrees to the following statements:

1. Initials JK 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 JK 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 JK 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 JK 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 JK 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 JK 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 JK 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 JK 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 JK 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 JK 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 JK 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 JK 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

Signature:

Printed
Name:

Title:

Date:

Phone:

New Operator

Signature:

Printed
Name:

Title:

Date:

Phone:

Permit 393363

NMOCD ApprovalElectronic Signature(s): Rob Jackson, District 5Date: July 25, 2025

Form 3160-5
(March 2012)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <u>Multiple</u>
2. Name of Operator <u>3 Knight's LLC</u>		6. If Indian, Allottee or Tribe Name
3a. Address <u>4023 Harmon Ln. Carlsbad NM 88220</u>	3b. Phone No. (include area code) <u>630-670-6280</u>	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)		8. Well Name and No. <u>Multiple</u>
		9. API Well No. <u>Multiple</u>
		10. Field and Pool or Exploratory Area <u>Multiple</u>
		11. County or Parish, State <u>Eddy County, NM</u>

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

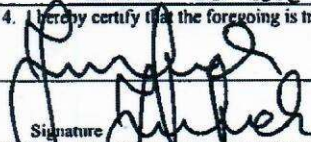
This is notification that 3 Knight's LLC is taking over operation of the wells indicated in the attachment.

3 Knight's LLC, as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on these leases.

See Conditions of Approval

Like Approval by NMOCD

Bond Coverage BLM Bond File No. - L/CX 1975025
Change of former operation Effective - 05-01-2025
Former Operator: Robert H. Forrest, Jr. Oil LLC - 19381
See attachment for all lease information.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <u>JAN KOPYREK</u>		Title <u>PRESIDENT</u>
Signature 		Date <u>07/14/25</u>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Petroleum Engineer	Date <u>06/06/2025</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office <u>RFO</u>	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Attachment To Form 3160-5

Change Of Operator

To: 3 Knight's LLC

From: ROBERT H FORREST JR OIL LLC

Dated 03/28/2025

BLM Federal Wells

Lease # 307857

Skink Sink Federal 27 #1 API # 30-015-26892

E - Section 27 TWP 26S RGE 29E

2600' FNL 675' FWL - OIL

Eddy County, New Mexico

Lease # 307856

Coyote Federal 27 #1 API 30-015-26800

M - Section 27 TWP 26S RGE 29E

990' FSL 1493' FWL - OIL

Eddy County, New Mexico

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Wells Selected for Transfer

Permit 393363

8 Wells Selected for Transfer

From:	ROBERT H FORREST JR OIL LLC	OGRID:	19381
To:	3 Knight's LLC	OGRID:	333444

OCD District Hobbs (4 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
337491	MAHAFFEY BRYAN #002	P	M-13-19S-35E	M	30-025-29153			O
337492	MELBA GOINS #001	P	P-27-23S-37E	P	30-025-10846			O
337489	OHIO STATE #001	S	D-16-26S-32E	D	30-025-27525			O
	OHIO STATE #002	S	E-16-26S-32E	E	30-025-27526			O

OCD District: Artesia (4 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
337493	COYOTE FEDERAL 27 #001	F	M-27-26S-29E	M	30-015-26800			O
337490	GUMBY #001	P	I-23-24S-28E	I	30-015-27205			O
337495	PARDUE #001Q	P	C-21-24S-28E	C	30-015-31360			O
337494	SKINK FEDERAL 27 #001	F	E-27-26S-29E	E	30-015-26892			O

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COMMENTS

Action 393363

COMMENTS

Operator: ROBERT H FORREST JR OIL LLC 609 Elora Dr Carlsbad, NM 88220	OGRID: 19381
	Action Number: 393363
	Action Type: [C-145] EP Change of Operator

Comments

Created By	Comment	Comment Date
twfolsom	3 Knight's LLC will clean lease as required and maintain wells in production.	7/8/2025