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INFORMATION ONLY

October 8th, 2021

Mr. Bradford Billings
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
5200 Oakland Ave NE
Albuquerque, NM 87113

Re: Ongoing Corrective Actions/Remediations
Heritage COG Agreed Compliance Order-Releases

Dear Mr. Billings:

Please find attached list of open remediation sites (Attachment A) that were sold by Concho Resources (COG) prior to the acquisition of COG by ConocoPhillips Company (COP) in January 2021. These sites are included in the Agreed Compliance Order-Releases (ACO-R) between the New Mexico Oil Conservation Division (NMOCD) and COG dated November 20, 2018.

According to NMOCD records, these sites were transferred from COG to Legacy Reserves Operating, LP (Legacy) in December 2010, and the majority of these sites have since been transferred from Legacy to other operators, as indicated in Attachment A. These sites are not under COP control, and therefore it is not possible to conduct inspection nor remediation activities at these sites. Furthermore, the change in operatorship included the following conditions and agreement on the part of Legacy: "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 the operator of record." Therefore, COP respectfully requests that NMOCD disassociates these releases from COG (and now COP), and remove them from the November 20, 2018 ACO-R.

Please contact me if you require any additional information or if you have any questions or comments.

Sincerely,

Charles R. Beauvais II

Charles Beauvais

Enclosures – Attachment A

ATTACHMENT A

Incident ID	Entity	Sold to	Current Owner
nPAC0711538058	JALMAT YATES UNIT #006	Legacy Reserves Operating, LP	Extex Operating Company
nPAC0619940760	JALMAT YATES UNIT #007	Legacy Reserves Operating, LP	Extex Operating Company
nPAC0625645889	JALMAT YATES UNIT #007	Legacy Reserves Operating, LP	Extex Operating Company
nPAC0627754859	JALMAT YATES UNIT #012	Legacy Reserves Operating, LP	Extex Operating Company
nPAC0708526353	JALMAT YATES UNIT #012	Legacy Reserves Operating, LP	Extex Operating Company
nPRS0526556589	JALMAT YATES UNIT #017	Legacy Reserves Operating, LP	Extex Operating Company
nLAJ0510337579	JALMAT YATES UNIT #017	Legacy Reserves Operating, LP	Extex Operating Company
nPRS0520250259	JALMAT YATES UNIT #017	Legacy Reserves Operating, LP	Extex Operating Company
nPAC0715134461	JALMAT YATES UNIT #029	Legacy Reserves Operating, LP	Extex Operating Company
nPAC0623748110	JALMAT YATES UNIT #029	Legacy Reserves Operating, LP	Extex Operating Company
nPRS0526557452	JALMAT YATES UNIT #031	Legacy Reserves Operating, LP	Extex Operating Company
nPRS0608646696	JALMAT YATES UNIT #031	Legacy Reserves Operating, LP	Extex Operating Company
nJXK1535638800	LOWE 20 #001	Legacy Reserves Operating, LP	Extex Operating Company
nKMW1035745612	RED LAKE SAND UNIT #038	Legacy Reserves Operating, LP	George A Chase Jr DBA G and C Service
nMLB1031448887	RED LAKE SAND UNIT #038	Legacy Reserves Operating, LP	George A Chase Jr DBA G and C Service

nMLB1125155040	TRUE GRIT FEE #001	Legacy Reserves Operating, LP	Legacy Reserves Operating, LP
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District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

State of New Mexico
Energy, Minerals and Natural
Resources

Form C-145
Permit 124767

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 229137
Name: COG OPERATING LLC
Address: 550 W TEXAS
SUITE 1300
City, State, Zip: MIDLAND, TX 79701


New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 240974
Name: LEGACY RESERVES OPERATING, LP
Address: P. O. Box 10848
City, State, Zip: Midland, TX 79702

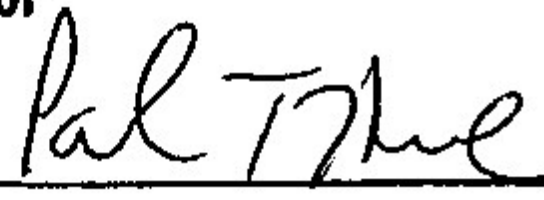
I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, LEGACY RESERVES OPERATING, LP certifies that it has read and understands the following synopsis of applicable rules.

Previous Operator

Signature: 
Printed Name: Kanicia Castillo
Title: Regulatory Analyst
Date: 12/20/10 Phone: 432-685-4332

New Operator

Signature: 
Printed Name: Paul T. Horne
Title: Executive Vice President - Operations
Date: 12/20/10 Phone: 432-689-5227

NMOCD Approval

Electronic Signature: Randy Dade, District 2
Date: December 29, 2010

12/20/2010

LEGACY RESERVES OPERATING, LP certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells are in compliance with 19.15.17 NMAC, have been closed pursuant to 19.15.17.13 NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

LEGACY RESERVES OPERATING, LP 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, LEGACY RESERVES OPERATING, LP agrees to the following statements:

1. 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. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B 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 19.15.9.9.C(2) NMAC.
3. 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 19.15.7.24.C NMAC.
4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on 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. 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, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. 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. 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. See 19.15.26.8 NMAC.
8. 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.

12/20/2010

9. 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 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9.B 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.

12/20/2010

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District III
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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

CONDITIONS

Action 55332

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 55332
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
amaxwell	Asset letter accepted for information only.	2/13/2023