

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
August 1, 2011

Permit 173694

Previous Operator Information

OGRID: 5380
Name: XTO ENERGY, INC
Address: XTO Energy, Inc.
382 Road 3100
City, State, Zip: Aztec, NM 87410

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 298299
Name: CROSS TIMBERS ENERGY, LLC
Address: 400 West 7th Street

City, State, Zip: Fort Worth, TX 75070

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, CROSS TIMBERS ENERGY, 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.

CROSS TIMBERS ENERGY, 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.

C-145

Page 2 of 3

As the operator of record of wells in New Mexico, CROSS TIMBERS ENERGY, LLC 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 regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in the OCD's rules. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Criteria 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 operations on the wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing an 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 I cannot 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 temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment. See 19.15.25.8 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "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. 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 to take corrective action for releases at my wells and related facilities, including releases that occurred before I became the operator. See 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 OCD, 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 allowed to obtain any new injection permits. See 19.15.18.19 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.
7. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in accordance 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 no production from an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for the project 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 before approving that transfer. See 19.15.26.15 NMAC.
8. 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."
9. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations on the wells. 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 while I operated the wells and related facilities.

C-145

Page 3 of 3

Previous Operator

Signature:

Diane G. Montano

Printed Name:

Diane G. Montano

Title:

Mgr. Regulatory Compliance

Date:

11/13/13

Phone

303-397-3715**New Operator**

Signature:

Robbie A. Grigg

Printed Name:

Robbie A. Grigg

Title:

Reg Compliance

Date:

11/15/13

Phone

817-334-9842

OCD Permitting

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

Wells Selected for Transfer

 Permit 173694
Permit Status: DRAFT

Wells Selected for Transfer

From:	XTO ENERGY, INC	OGRID:	5380
To:	CROSS TIMBERS ENERGY, LLC	OGRID:	298299

OCD District Aztec

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
303838	JENKINS #002X	F	K-15-26N-07W	K	30-039-06454	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	JENKINS #003	F	I-15-26N-07W	I	30-039-06474	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
303815	BURNS #001	P	H-15-26N-07W	H	30-039-06490	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
303838	JENKINS #001	F	C-15-26N-07W	C	30-039-06516	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
303839	MILES FEDERAL #002	F	N-7 -26N-07W	N	30-039-06533	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
303838	JENKINS #004	F	N-10-26N-07W	N	30-039-06547	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
303840	MKL #011	F	4-7 -26N-07W	M	30-039-06554	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #008	F	I-7 -26N-07W	I	30-039-06572	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0

	MKL #013	F	A-7 -26N-07W	A	30-039-06615	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	04/13	0
	MKL #007	F	D-8 -26N-07W	D	30-039-06617	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #019	F	B-8 -26N-07W	B	30-039-06621	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #010	F	1-7 -26N-07W	D	30-039-06632	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #003	F	P-6 -26N-07W	P	30-039-06657	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #009	F	6-6 -26N-07W	L	30-039-06673	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #002	F	L-5 -26N-07W	L	30-039-06674	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #017	F	6-6 -26N-07W	L	30-039-06688	G	72319	BLANCO- MESAVERT (PRORATED GAS)	09/13	0
	MKL #014	F	E-5 -26N-07W	E	30-039-06712	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #005	F	2-6 -26N-07W	B	30-039-06727	G	72319	BLANCO- MESAVERT (PRORATED GAS)	09/13	0
	MKL #015	F	1-5 -26N-07W	A	30-039-06747	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
	MKL #006	F	4-6 -26N-07W	D	30-039-06751	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	0
303816	BURNS FEDERAL #001	F	1-5 -26N-07W	A	30-039-06756	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
303839	MILES FEDERAL #001	F	3-5 -26N-07W	C	30-039-06759	G	72319	BLANCO- MESAVERT (PRORATED GAS)	09/13	0
303810	BURNS FEDERAL #002	F	2-5 -26N-07W	B	30-039-22392	G	72319	BLANCO- MESAVERT (PRORATED GAS)	09/13	0
	BURNS FEDERAL #002	F	2-5 -26N-07W	B	30-039-22392	G	82329	OTERO CHACRA (GAS)	09/13	

	BURNS FEDERAL #001M	F	I-5 -26N-07W	I	30-039-22393	G	72319	BLANCO-MESAVERDE (PRORATED GAS)	09/13	0
	BURNS FEDERAL #001M	F	I-5 -26N-07W	I	30-039-22393	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	
303839	MILES FEDERAL #001A	F	F-5 -26N-07W	F	30-039-22916	G	72319	BLANCO-MESAVERDE (PRORATED GAS)	09/13	0
	MILES FEDERAL #001A	F	F-5 -26N-07W	F	30-039-22916	G	82329	OTERO CHACRA (GAS)	09/13	
303840	MKL #016R	F	J-5 -26N-07W	J	30-039-22917	G	82329	OTERO CHACRA (GAS)	09/13	0
	MKL #016R	F	J-5 -26N-07W	J	30-039-22917	G	72439	BLANCO P. C. SOUTH (PRORATED GAS)	09/13	
303839	MILES FEDERAL #001E	F	N-6 -26N-07W	N	30-039-22918	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	MILES FEDERAL #001E	F	N-5 -26N-07W	N	30-039-22918	G	72319	BLANCO-MESAVERDE (PRORATED GAS)	09/13	
303840	MKL #005A	F	O-6 -26N-07W	O	30-039-22932	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	MKL #005A	F	O-6 -26N-07W	O	30-039-22932	G	72319	BLANCO-MESAVERDE (PRORATED GAS)	09/13	
303828	FEDERAL 8 #022	F	F-8 -26N-07W	F	30-039-22933	G	72319	BLANCO-MESAVERDE (PRORATED GAS)	09/13	0
	FEDERAL 8 #022	F	F-8 -26N-07W	F	30-039-22933	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	
303827	FEDERAL 6 #032	F	G-6 -26N-07W	G	30-039-22963	G	82329	OTERO CHACRA (GAS)	09/13	0
	FEDERAL 6 #032	F	G-6 -26N-07W	G	30-039-22963	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	
22713	FOSTER #002E	F	3-18-26N-07W	L	30-039-23243	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
303840	MKL #002R	S	N-5 -26N-07W	N	30-039-24611	G	71629	BASIN FRUITLAND COAL (GAS)	09/13	0
303841	MKL 6 #042	F	H-6 -26N-07W	H	30-039-25244	G	71629	BASIN FRUITLAND COAL (GAS)	09/13	0
	MKL 6 #011	F	4-6 -26N-07W	D	30-039-26506	G	72319	BLANCO-MESAVERDE (PRORATED GAS)	09/13	0
303842	MKL 7 #003	F	H-7 -26N-07W	H	30-039-26680	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0

36992	HUERFANO UNIT #310	F	O-9 -25N-09W	O	30-045-34562	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	HUERFANO UNIT #310	F	O-9 -25N-09W	O	30-045-34562	G	97232	BASIN MANCOS	09/13	
	HUERFANO UNIT #320	F	A-14-25N- 09W	A	30-045-34563	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	HUERFANO UNIT #320	F	A-14-25N- 09W	A	30-045-34563	G	97232	BASIN MANCOS	09/13	
	HUERFANO UNIT #306	F	J-4 -25N-09W	J	30-045-34565	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	HUERFANO UNIT #306	F	J-4 -25N-09W	J	30-045-34565	G	97232	BASIN MANCOS	09/13	
	HUERFANO UNIT #313	F	F-11-25N-09W	F	30-045-34566	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	HUERFANO UNIT #313	F	F-11-25N-09W	F	30-045-34566	G	97232	BASIN MANCOS	09/13	
	HUERFANO UNIT #321	F	L-3 -25N-09W	L	30-045-34947	G	71599	BASIN DAKOTA (PRORATED GAS)		0
	HUERFANO UNIT #322	F	G-10-25N- 09W	G	30-045-34948	G	71599	BASIN DAKOTA (PRORATED GAS)		0
	HUERFANO UNIT #323	F	N-10-25N- 09W	N	30-045-34963	G	71599	BASIN DAKOTA (PRORATED GAS)		0
	HUERFANO UNIT #324	S	H-16-25N- 09W	H	30-045-34980	G	71599	BASIN DAKOTA (PRORATED GAS)	09/13	0
	HUERFANO UNIT #318	F	G-15-25N- 09W	G	30-045-35041	G	71599	BASIN DAKOTA (PRORATED GAS)		0
	HUERFANO UNIT #318	F	G-15-25N- 09W	G	30-045-35041	G	97232	BASIN MANCOS		
	HUERFANO UNIT #319	F	K-14-25N- 09W	K	30-045-35100	G	97232	BASIN MANCOS		0
	HUERFANO UNIT #319	F	K-14-25N- 09W	K	30-045-35100	G	71599	BASIN DAKOTA (PRORATED GAS)		
Total Additional bond										0

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

Comments
Permit 173694

CHANGEOP COMMENTS

Operator: XTO ENERGY, INC XTO Energy, Inc. Aztec, NM 87410	OGRID: 5380
	Permit Number: 173694
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
------------	---------	--------------

There are no Comments for this Permit