

**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**

179676

**Previous Operator Information**

OGRID: 265779  
Name: AGUA SUCIA LLC  
Address: P.O. Box 2081  
City, State, Zip: Livingston, NM 88260

**New Operator Information**

Effective Date: Effective on the date of approval by the OCD  
OGRID: 124768  
Name: MNA ENTERPRISES LTD CO  
Address: 106 W ALABAMA  
City, State, Zip: HOBBS, NM 88242

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

Additionally, by signing below, MNA ENTERPRISES LTD CO certifies that it has read and understands the following synopsis of api PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the sel 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) hav retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(i) NMAC.

MNA ENTERPRISES LTD CO 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 w selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated wil selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferer OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.



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As the operator of record of wells in New Mexico, MNA ENTERPRISES LTD CO 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 rules referenced in the OCD's rules are available 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. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells, before the OCD will approve the operator change it may require me to enter into an enforceable agreement for environmental cleanup, 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 allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the C-115 reports are allowable and authorization 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. 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 been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance. The well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using "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 take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator.
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 the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.26.8 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 produce 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 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 approving that transfer. See 19.15.26.15 NMAC.
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 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 operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which I operated the wells and related facilities.



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<b>Previous Operator</b>		<b>New Operator</b>	
Signature:	<u>[Signature]</u>	Signature:	<u>David M. Alexander</u>
Printed Name:	<u>DEANIS SCHENKELER</u>	Printed Name:	<u>David M. Alexander</u>
Title:	<u>M.M.</u>	Title:	<u>Managing Member</u>
Date:	<u>7/30/14</u>	Date:	<u>7/30/14</u>
Phone:	<u>918-704-5552</u>	Phone:	<u>505-392-2702</u>

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/C104A/C104AReport.aspx?PermitID=...> 7/25/2014

**NMOCD Approval**Electronic Signature: Randy Dade, District 2Date: August 01, 2014



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Comments  
 Permit 179676

**CHANGEOP COMMENTS**

Operator: AGUA SUCIA LLC P.O. Box 2081 Lovington, NM 88260	OGRID: 265779
	Permit Number: 179676
	Permit Type: ChangeOp

**Comments**

Created By	Comment	Comment Date
DEGALLEGOS	Additional bonding required for Saladar B #002 API: 30-015-02450 \$5,690	1/10/2014
DEGALLEGOS		1/10/2014