

7/28/2020

C-145

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 284877

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

Previous Operator Information

OGRID: 370292
Name: SOUTHLAND ROYALTY COMPANY LLC
Address: 400 West 7th Street

City, State, Zip: Fort Worth, TX 76102

New Operator Information

Effective
Date:

Effective on the date of approval by the OCD

OGRID: 305892
Name: MORNINGSTAR PARTNERS, L.P.
Address: 400 West 7th Street

City, State, Zip: Fort Worth, TX 76102

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, MORNINGSTAR PARTNERS, L.P. 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.

MORNINGSTAR PARTNERS, L.P. 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.

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As the operator of record of wells in New Mexico, MORNINGSTAR PARTNERS, L.P. agrees to the following statements:

1. Initials ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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 ELW 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.

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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:

Frank A. Pometti

Title:

Chief Restructuring Officer

Date:

07/14/2020

Phone:

917-340-3719

New Operator

Signature:

Printed
Name:

Eric Kittinger

Title:

Supervisor, Regulatory Reporting

Date:

7/28/2020

Phone:

817-334-8302

Permit 284877

NMOCD ApprovalElectronic Signature(s): Daniel J Sanchez, District 3

Date:

July 29, 2020

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1625 N. French Dr., Hobbs, NM 88240
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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 284877

56 Wells Selected for Transfer

From:	SOUTHLAND ROYALTY COMPANY LLC	OGRID:	370292
To:	MORNINGSTAR PARTNERS, L.P.	OGRID:	305892

OCD District: Aztec (56 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
328517	ANGEL PEAK #002E	F	D-20-27N-11W	D	30-045-26246	71599	BASIN DAKOTA (PRORATED GAS)	G
328523	ATLANTIC 32 #001A	S	C-32-31N-10W	C	30-045-33059	71629	BASIN FRUITLAND COAL (GAS)	G
328535	BULLRIDGE #100	F	P-33-32N-05W	P	30-039-26950	71629	BASIN FRUITLAND COAL (GAS)	G
328539	CAMPBELL 30-11-30 #001	P	A-30-30N-11W	A	30-045-29060	71629	BASIN FRUITLAND COAL (GAS)	G
328541	CANDELARIO ET AL #001E	I	2-01-27N-09W	B	30-045-26047	71599	BASIN DAKOTA (PRORATED GAS)	G
328549	CARRACAS 13B #007	F	G-13-32N-04W	G	30-039-24559	71629	BASIN FRUITLAND COAL (GAS)	G
328557	CARRACAS 18 B #003	F	4-18-32N-04W	M	30-039-30606	71629	BASIN FRUITLAND COAL (GAS)	G
328575	CARRACAS 2A #011	F	K-02-31N-05W	K	30-039-26474	71629	BASIN FRUITLAND COAL (GAS)	G
328596	CARRACAS UNIT FR #103	F	A-14-32N-05W	A	30-039-24555	71629	BASIN FRUITLAND COAL (GAS)	G
328599	CARSON #201	F	K-07-30N-04W	K	30-039-26878	71629	BASIN FRUITLAND COAL (GAS)	G
328600	CARSON SWD #001	P	2-26-30N-04W	D	30-039-26868	96162	SWD; MORRISON BLUFF ENTRADA	S
328602	CHAPSON 29-10-20 #002S	P	J-20-29N-10W	J	30-045-32791	71629	BASIN FRUITLAND COAL (GAS)	G
328605	CITY OF FARMINGTON #001E	F	O-35-30N-13W	O	30-045-24987	71599	BASIN DAKOTA (PRORATED GAS)	G
	CITY OF FARMINGTON #002	F	L-35-30N-13W	L	30-045-09006	71599	BASIN DAKOTA (PRORATED GAS)	G
328606	COHN 29 10 25 #001	P	A-25-29N-10W	A	30-045-28710	71629	BASIN FRUITLAND COAL (GAS)	G
328610	CULPEPPER MARTIN #003N	P	1-07-31N-12W	D	30-045-31200	71599	BASIN DAKOTA (PRORATED GAS)	G
					30-045-31200	72319	BLANCO-MESAVERDE (PRORATED GAS)	
328621	ELK HORN #100	F	M-29-32N-05W	M	30-039-27337	71629	BASIN FRUITLAND COAL (GAS)	G
	ELK HORN #101S	F	A-32-32N-05W	A	30-039-09812	71629	BASIN FRUITLAND COAL (GAS)	G
328635	FEDERAL 28 8 36 #001	F	B-36-28N-08W	B	30-045-28885	71629	BASIN FRUITLAND COAL (GAS)	G
328637	FEDERAL 28 9 9 #001	F	N-09-28N-09W	N	30-045-28815	71629	BASIN FRUITLAND COAL (GAS)	G
328641	FEDERAL 29 9 1 #002	F	N-01-29N-09W	N	30-045-28787	71629	BASIN FRUITLAND COAL (GAS)	G
328644	FEDERAL 29 9 12 #001	F	L-12-29N-09W	L	30-045-28135	71629	BASIN FRUITLAND COAL (GAS)	G
328653	FEDERAL 29 9 28 #002	F	M-28-29N-09W	M	30-045-28740	71629	BASIN FRUITLAND COAL (GAS)	G
	FEDERAL 29 9 28 #003	F	F-28-29N-09W	F	30-045-32096	71629	BASIN FRUITLAND COAL (GAS)	G
328660	FEDERAL 30 9 35 #001	F	B-35-30N-09W	B	30-045-28171	71629	BASIN FRUITLAND COAL (GAS)	G
328693	HART CANYON 26 #002S	F	I-26-31N-10W	I	30-045-32825	71629	BASIN FRUITLAND COAL (GAS)	G
328715	JICARILLA 98 #002A	J	O-19-26N-03W	O	30-039-21284	72319	BLANCO-MESAVERDE (PRORATED GAS)	G
					30-039-21284	85920	TAPACITO PICTURED CLIFFS (PRO GAS)	
	JICARILLA 98 #006	J	A-17-26N-03W	A	30-039-06486	85920	TAPACITO PICTURED CLIFFS (PRO GAS)	G
	JICARILLA 98 #010	J	M-17-26N-03W	M	30-039-25306	72319	BLANCO-MESAVERDE (PRORATED GAS)	G
					30-039-25306	85920	TAPACITO PICTURED CLIFFS (PRO GAS)	
	JICARILLA 98 #011A	J	F-18-26N-03W	F	30-039-25308	72319	BLANCO-MESAVERDE (PRORATED GAS)	G
					30-039-25308	85920	TAPACITO PICTURED CLIFFS (PRO GAS)	
328728	LDS 29 10 31 #001S	F	I-31-29N-10W	I	30-045-32904	71629	BASIN FRUITLAND COAL (GAS)	G
328734	LOCKE #002	F	G-10-29N-14W	G	30-045-25867	71599	BASIN DAKOTA (PRORATED GAS)	G
328738	MARSHALL COM #001	F	L-14-27N-09W	L	30-045-11844	71599	BASIN DAKOTA (PRORATED GAS)	G
328739	MARTIN FEDERAL COM #001	F	H-13-29N-11W	H	30-045-13087	71599	BASIN DAKOTA (PRORATED GAS)	G
328745	MCCORD #002	F	L-34-30N-13W	L	30-045-08995	71599	BASIN DAKOTA (PRORATED GAS)	G
	MCCORD #005	F	N-27-30N-13W	N	30-045-09146	71599	BASIN DAKOTA (PRORATED GAS)	G
328747	MEXICO FEDERAL R #001	F	H-12-31N-13W	H	30-045-22126	72319	BLANCO-MESAVERDE (PRORATED GAS)	G
328753	NAVAJO LAKE #102	P	I-10-32N-06W	I	30-045-34115	71629	BASIN FRUITLAND COAL (GAS)	G
328756	NEWSOM B #012	F	G-17-26N-08W	G	30-045-11828	71599	BASIN DAKOTA (PRORATED GAS)	G
328764	QUIGLEY A #001	F	7-01-29N-10W	C	30-045-08812	72359	BLANCO PICTURED CLIFFS (GAS)	G
328770	RIDDLE B #224	F	9-27-30N-10W	I	30-045-27077	71629	BASIN FRUITLAND COAL (GAS)	G
328771	RIDDLE E #002	F	4-04-30N-09W	D	30-045-26425	72359	BLANCO PICTURED CLIFFS (GAS)	G
328772	ROELOFS A #007	F	N-10-29N-08W	N	30-045-26416	72359	BLANCO PICTURED CLIFFS (GAS)	G
328777	ROWLEY D #002	F	M-27-27N-10W	M	30-045-06214	77200	FULCHER KUTZ PICTURED CLIFFS (GAS)	G
328781	SAN JUAN 30 4 UNIT #008	F	P-16-30N-04W	P	30-039-07827	72400	BLANCO PICTURED CLIFFS, EAST (GAS)	G
	SAN JUAN 30 4 UNIT #039	F	F-18-30N-04W	F	30-039-22210	72319	BLANCO-MESAVERDE (PRORATED GAS)	G
328787	SANTA ROSA 16 #001	F	B-16-29N-09W	B	30-045-27828	71629	BASIN FRUITLAND COAL (GAS)	G
328789	SANTA ROSA 29 9 17 #004	F	I-17-29N-09W	I	30-045-31857	71629	BASIN FRUITLAND COAL (GAS)	G
328798	SANTA ROSA 4 #002	P	N-04-29N-09W	N	30-045-28159	71629	BASIN FRUITLAND COAL (GAS)	G
	SANTA ROSA 4 #003	P	3-04-29N-09W	C	30-045-31441	71629	BASIN FRUITLAND COAL (GAS)	G
328802	SANTA ROSA 8 #002	P	N-08-29N-09W	N	30-045-27974	71629	BASIN FRUITLAND COAL (GAS)	G
328812	SHEETS C #008	F	N-31-26N-07W	N	30-039-06210	71439	BALLARD PICTURED CLIFFS (GAS)	G

328815	STATE 29 10 2 #001	S	G-02-29N-10W	G	30-045-28705	71629	BASIN FRUITLAND COAL (GAS)	G
328823	SUMMIT #015	F	C-34-29N-11W	C	30-045-25707	2290	ARMENTA-GALLUP (O)	G
328829	TALIAFERRO #003E	F	O-31-31N-12W	O	30-045-25078	71599	BASIN DAKOTA (PRORATED GAS)	G
328833	TIBBAR FEDERAL #001E	F	M-13-26N-09W	M	30-045-29141	71599	BASIN DAKOTA (PRORATED GAS)	G

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Comments

Permit 284877

CHANGEOP COMMENTS

Operator: SOUTHLAND ROYALTY COMPANY LLC 400 West 7th Street Fort Worth, TX 76102	OGRID: 370292
	Permit Number: 284877
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
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There are no Comments for this Permit