

**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  
Revised May 19, 2017

Permit 242892

#### Previous Operator Information

OGRID:	13925
Name:	BLACK HILLS GAS RESOURCES, INC.
Address:	1515 Wynkoop St Suite 500
City, State, Zip:	Denver, CO 80202

#### New Operator Information

Effective Date:	Effective on the date of approval by the OCD
OGRID:	11859
Name:	JICARILLA ENERGY CO
Address:	P.O. Box 710
City, State, Zip:	Dulce, NM 87528

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, JICARILLA ENERGY CO 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(l) NMAC.

**JICARILLA ENERGY 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 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, JICARILLA ENERGY CO agrees to the following statements:**

1. Initials JEC 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 JEC 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 JEC 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 JEC 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 JEC I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or free 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 status", 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 JEC 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. Initials JEC 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 JEC 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 JEC 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 JEC 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 JEC 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 JEC 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:

Art Childers

Printed Name:

Art Childers

Title:

General Manager

Date:

6-20-2018 Phone: 303-566-3413**New Operator**

Signature:



Printed Name:

Mike Davis

Title:

PRESIDENT & CEO6-20-18 Phone: 303-618-4159**NMOCD Approval**Electronic Signature: Charlie T Perrin, District 3Date: September 07, 2018

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Wells Selected for Transfer

Permit 242892

**151 Wells Selected for Transfer**

From:	BLACK HILLS GAS RESOURCES, INC.	OGRID:	13925
To:	JICARILLA ENERGY CO	OGRID:	11859

**OCD District: Aztec (151 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
322325	CARSON 29 04 #004	F	N-24-29N-04W	N	30-039-20648	G	74960	CHOZA MESA PICTURED CLIFFS (GAS)
	CARSON 29 04 #005	F	H-12-29N-04W	H	30-039-20784	G	73720	CAMPO GALLUP (GAS)
	CARSON 29 04 #010	F	A-14-29N-04W	A	30-039-21586	G	74960	CHOZA MESA PICTURED CLIFFS (GAS)
322326	CARSON 29 04 11 #002	F	H-11-29N-04W	H	30-039-20649	G	74960	CHOZA MESA PICTURED CLIFFS (GAS)
322327	CARSON 29 04 28 #003	F	L-28-29N-04W	L	30-039-20681	G	72319	BLANCO-MESAVERDE (PRORATED GAS)
322328	CARSON 29 4 20 #007	F	E-20-29N-04W	E	30-039-20809	G	77440	GOBERNADOR PICTURED CLIFFS (GAS)
322329	JICARILLA 28 02 08 #044	J	P-08-28N-02W	P	30-039-29320	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322404	JICARILLA 28 02 10 #001	J	D-10-28N-02W	D	30-039-26097	G	71629	BASIN FRUITLAND COAL (GAS)
322330	JICARILLA 29 02 04 #001	J	L-04-29N-02W	L	30-039-26659	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 04 #021	J	4-04-29N-02W	D	30-039-27674	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 04 #143	J	O-04-29N-02W	O	30-039-30079	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322331	JICARILLA 29 02 05 #001	J	L-05-29N-02W	L	30-039-26328	G	97036	LA JARA CANYON TERTIARY
322332	JICARILLA 29 02 05 SJ #002	J	O-05-29N-02W	O	30-039-26661	G	97036	LA JARA CANYON TERTIARY
322333	JICARILLA 29 02 06 #001	J	6-06-29N-02W	L	30-039-26394	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 06 #002	J	I-06-29N-02W	I	30-039-26730	G	97036	LA JARA CANYON TERTIARY
322334	JICARILLA 29 02 08 #003	J	B-08-29N-02W	B	30-039-26863	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 08 #004	J	D-08-29N-02W	D	30-039-26864	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 08 #004	J	D-08-29N-02W	D	30-039-26864	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 08 #044	J	P-08-29N-02W	P	30-039-29304	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 08 #044	J	P-08-29N-02W	P	30-039-29304	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322335	JICARILLA 29 02 08 SJ #002	J	J-08-29N-02W	J	30-039-26660	G	97036	LA JARA CANYON TERTIARY
322336	JICARILLA 29 02 09 #001	J	L-09-29N-02W	L	30-039-26094	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 09 #001	J	L-09-29N-02W	L	30-039-26094	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 09 #002	J	D-09-29N-02W	D	30-039-26865	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 09 #002	J	D-09-29N-02W	D	30-039-26865	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 09 #024	J	H-09-29N-02W	H	30-039-30077	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 09 #024	J	H-09-29N-02W	H	30-039-30077	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 09 #143	J	O-09-29N-02W	O	30-039-30080	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 09 #143	J	O-09-29N-02W	O	30-039-30080	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322337	JICARILLA 29 02 15 #024	J	H-15-29N-02W	H	30-039-30535	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 15 #031	J	L-15-29N-02W	L	30-039-29395	G	71629	BASIN FRUITLAND COAL (GAS)
	JICARILLA 29 02 15 #031	J	L-15-29N-02W	L	30-039-29395	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 15 #031	J	L-15-29N-02W	L	30-039-29395	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322338	JICARILLA 29 02 16 #001	J	P-16-29N-02W	P	30-039-26108	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 16 #005	J	L-16-29N-02W	L	30-039-27402	G	97036	LA JARA CANYON TERTIARY
322339	JICARILLA 29 02 17 #024	J	H-17-29N-02W	H	30-039-29480	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 17 #024	J	H-17-29N-02W	H	30-039-29480	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 17 #043	J	O-17-29N-02W	O	30-039-29316	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 17 #043	J	O-17-29N-02W	O	30-039-29316	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 17 #043	J	O-17-29N-02W	O	30-039-29316	G	71629	BASIN FRUITLAND COAL (GAS)
322340	JICARILLA 29 02 17 SJ #002	J	F-17-29N-02W	F	30-039-26658	G	97036	LA JARA CANYON TERTIARY
322341	JICARILLA 29 02 21 #031	J	L-21-29N-02W	L	30-039-29523	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 21 #031	J	L-21-29N-02W	L	30-039-29523	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 21 #031	J	L-21-29N-02W	L	30-039-29523	G	71629	BASIN FRUITLAND COAL (GAS)
322342	JICARILLA 29 02 22 #031	J	L-22-29N-02W	L	30-039-29394	G	97036	LA JARA CANYON TERTIARY
322343	JICARILLA 29 02 23 #014	J	A-23-29N-02W	A	30-039-30839	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 23 #021	J	E-23-29N-02W	E	30-039-30747	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 23 #044	J	P-23-29N-02W	P	30-039-30864	G	97036	LA JARA CANYON TERTIARY
322344	JICARILLA 29 02 26 #021	J	E-26-29N-02W	E	30-039-30576	G	97036	LA JARA CANYON TERTIARY
322345	JICARILLA 29 02 27 #032	J	K-27-29N-02W	K	30-039-29386	G	97035	BURRO CANYON TERTIARY
	JICARILLA 29 02 27 #032	J	K-27-29N-02W	K	30-039-29386	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322346	JICARILLA 29 02 28 #002	J	J-28-29N-02W	J	30-039-27461	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 29 02 28 #002	J	J-28-29N-02W	J	30-039-27461	G	97036	LA JARA CANYON TERTIARY
322347	JICARILLA 29 02 29 #001	J	L-29-29N-02W	L	30-039-26115	G	97036	LA JARA CANYON TERTIARY
	JICARILLA 29 02 29 #001	J	L-29-29N-02W	L	30-039-26115	G	71629	BASIN FRUITLAND COAL (GAS)
	JICARILLA 29 02 29 #001	J	L-29-29N-02W	L	30-039-26115	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)





	JICARILLA 464 #007	J	D-29-30N-03W	D	30-039-24301	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 464 #007	J	D-29-30N-03W	D	30-039-24301	G	97037	CABRESTO CANYON TERTIARY
	JICARILLA 464 #008	J	K-29-30N-03W	K	30-039-24253	G	97037	CABRESTO CANYON TERTIARY
	JICARILLA 464 #008	J	K-29-30N-03W	K	30-039-24253	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 464 #724	J	H-30-30N-03W	H	30-039-30278	G	97232	BASIN MANCOS
322395	JICARILLA 464 29 #009	J	G-29-30N-03W	G	30-039-25765	G	97037	CABRESTO CANYON TERTIARY
	JICARILLA 464 29 #009	J	G-29-30N-03W	G	30-039-25765	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 464 29 #014	J	1-29-30N-03W	A	30-039-29313	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 464 29 #016	J	C-29-30N-03W	C	30-039-27776	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 464 29 #716	J	C-29-30N-03W	C	30-039-29888	M	71599	BASIN DAKOTA (PRORATED GAS)
	JICARILLA 464 29 #716	J	C-29-30N-03W	C	30-039-29888	M	97232	BASIN MANCOS
322396	JICARILLA 464 30 #010	J	2-30-30N-03W	F	30-039-25788	G	97037	CABRESTO CANYON TERTIARY
	JICARILLA 464 30 #010	J	2-30-30N-03W	F	30-039-25788	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322397	JICARILLA 464 31 #011	J	C-31-30N-03W	C	30-039-27731	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322398	JICARILLA 464 32 #011	J	B-32-30N-03W	B	30-039-25762	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	JICARILLA 464 32 #111	J	D-32-30N-03W	D	30-039-29887	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322399	MANY CANYONS 29 4 11 #134	F	I-11-29N-04W	I	30-039-29981	G	74960	CHOZA MESA PICTURED CLIFFS (GAS)
322400	MANY CANYONS 29 4 25 #123	F	G-25-29N-04W	G	30-039-30161	G	74960	CHOZA MESA PICTURED CLIFFS (GAS)
322401	MANY CANYONS 30 04 12 #124	F	HC8-12-30N-04	H	30-039-29968	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
	MANY CANYONS 30 04 12 #144	P	HC8-12-30N-04	P	30-039-29971	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322402	MANY CANYONS 30 04 13 #111	F	HC9-13-30N-04	D	30-039-29969	G	72400	BLANCO PICTURED CLIFFS, EAST (GAS)
322403	SIMMS FEDERAL #001	P	9-13-30N-04W	J	30-039-22756	S	96436	SWD; ENTRADA

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Comments

Permit 242892

**CHANGEOP COMMENTS**

Operator:  BLACK HILLS GAS RESOURCES, INC. 1515 Wynkoop St Denver, CO 80202	OGRID:
	13925
	Permit Number: 242892

Permit Type:  
ChangeOp**Comments**

Created By	Comment	Comment Date
ahvermersch	BLM and Jicarilla approval rec'd ok for OCD review and approval.	7/20/2018
ahvermersch	Rejected--signed C-145 has incorrect permit ID does not match permit id 242892. Spoke with and emailed Daniel Manus for correction	7/20/2018
degallegos	Additional bonding required for API: 30-039-22756 - \$14,731 and API: 30-039-29971 - \$11,817	7/24/2018
ahvermersch	BLM and Jicarilla approval rec'd ok for OCD review and approval	8/7/2018
ahvermersch	OCD Financial assurance posted ok for review and approval	9/6/2018
cperrin	Reminder: Operator to include the maximum surface pressure observed for the reporting period of the C115.	9/7/2018