

District I
1825 N. French Dr. Hobbs, NM 88240
Phone (505) 293-8101 Fax (505) 293-0720

District II
311 S. First St. Artes, NM 88210
Phone (505) 743-1233 Fax (505) 743-0720

District III
1000 Rio Grande Rd. Artes, NM 87410
Phone (505) 334-8170 Fax (505) 334-8170

District IV
1220 S. St. Francis Dr. Santa Fe, NM 87505
Phone (505) 478-2470 Fax (505) 478-2482

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 O-146
Revised May 19, 2017

Permit 260044

Previous Operator Information

OORID: 299027
Name: MCI OPERATING OF NM, LLC
Address: 3208c East Colonial Dr. #277

City, State, Zip: Orlando, FL 32803

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OORID: 373817
Name: Energy Acumen LLC
Address: 10103 Gutierrez Rd NE

City, State, Zip: Albuquerque, NM 87111

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, Energy Acumen 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.

Energy Acumen 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.

As the operator of record of wells in New Mexico, Energy Acumen LLC agrees to the following statements:

1. Initials EA 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 EA 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 EA 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 EA 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 EA 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 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 EA 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 EA 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 EA For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.28 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 EA 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 EA 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 EA 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 EA NMOC 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:

Cathy Cone

Printed

Name:

Cathy Cone

Title:

V.P. mdi OPERATING LLC

Date:

11/17/18

Phone:

832541-8842

New Operator

Signature:

Eric Buhr

Printed

Name:

ERIC BUHR

Title:

President

Date:

11/16/18

Phone:

310-917-7636

Permit 260044

11/16/2018

OCD Permitting

Wells Selected for Transfer

District I
 1825 N. French Dr. Hobbs NM 88240
 Phone (505) 323-8181 Fax (505) 323-8720
District II
 311 S. First St. Artesia NM 88210
 Phone (505) 748-1200 Fax (505) 748-9720
District III
 1000 Rio Grande Rd. Artesia NM 88210
 Phone (505) 324-8178 Fax (505) 324-8170
District IV
 1220 S. St Francis Dr. Santa Fe NM 87505
 Phone (505) 478-2470 Fax (505) 478-2482

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Permit: 200044

1 Well Selected for Transfer

From	MCI OPERATING OF NM, LLC	OCD	299027
To	Energy Acumen LLC	OCD	373817

OCD District: Artesia (1 Well selected)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Production	Single Well Bond Required for Inactive Well
312779	RED TWELVE FEDERAL #001	F	O-33-16S-29E		30-01S-2506S	O	28509	GRAY BL RD JACKSON; 8 R-Q-G-SA	09/10	0

Total of Single Well Bonds Required for Inactive Wells	0
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11/16/2018

OCD Permitting

Complete Well Listing

District I
1825 N. French Dr. Hobbs, NM 88240
Phone (505) 333-8181 Fax (505) 333-8730
District II
311 S. First St. Artesia, NM 88210
Phone (505) 748-1200 Fax (505) 748-9730
District III
1000 Rio Grande Rd. Artesia, NM 88210
Phone (505) 334-8178 Fax (505) 334-8170
District IV
1230 S. St. Francis Dr. Santa Fe, NM 87505
Phone (505) 478-2470 Fax (505) 478-2482

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Complete Well Listing

From	OCI OPERATING OF NM, LLC	OCRID	299027
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OCD District Hobbs

Property	Well	License Type	ULS IFR	OCD Unit	API	Well Type	Pool ID	Pool Name	Local Producing	Selected Wells
312785	HANAGAN FEDERAL #002	+	J-11-245-32E	J	30-025-00141	O	10000	DOUBLE X DELAWARE	02113	
312780	GULF HANAGAN FEDERAL #002	+	O-11-245-32E	O	30-025-00145	O	10000	DOUBLE X DELAWARE	02110	
312789	JENNINGS FEDERAL #002	+	M-14-245-32E	M	30-025-00149	O	10000	DOUBLE X DELAWARE	02113	
312784	HANAGAN B FEDERAL #001	+	O-15-245-32E	O	30-025-00151	O	10000	DOUBLE X DELAWARE	10114	
	HANAGAN B FEDERAL #002	+	P-15-245-32E	P	30-025-00152	O	10000	DOUBLE X DELAWARE	02110	
312784	BRADLEY FEDERAL #002	+	H-22-245-32E	H	30-025-00150	O	10000	DOUBLE X DELAWARE	02113	
312789	JENNINGS FEDERAL #008	+	J-14-245-32E	J	30-025-00756	O	10000	DOUBLE X DELAWARE	02113	
	JENNINGS FEDERAL #004	+	K-14-245-32E	K	30-025-00149	O	10000	DOUBLE X DELAWARE	02113	
312787	U S SMELTING FEDERAL #001	+	E-22-245-32E	E	30-025-00157	O	10000	DOUBLE X DELAWARE	01115	
	U S SMELTING FEDERAL #003	+	I-22-245-32E	I	30-025-00159	O	10000	DOUBLE X DELAWARE	04110	
	U S SMELTING FEDERAL #004	+	G-22-245-32E	G	30-025-00160	O	10000	DOUBLE X DELAWARE	01115	
312782	GRAHAM FEDERAL #001	+	E-22-245-32E	E	30-025-00166	O	10000	DOUBLE X DELAWARE	02110	
312781	FEDERAL CG 22 #001	+	I-22-245-32E	I	30-025-00753	O	10000	DOUBLE X DELAWARE	02115	
312789	JENNINGS FEDERAL #005	+	I-14-245-32E	I	30-025-00754	O	10000	DOUBLE X DELAWARE	02113	
	JENNINGS FEDERAL #001	+	C-14-245-32E	C	30-025-00143	S	98100	SAND DELAWARE	03009	
312783	U S SMELTING FEDERAL SAND #005	+	P-22-245-32E	P	30-025-00181	S	98100	SAND DELAWARE	02110	

OCD District: Artesia

Property	Well	License Type	ULS IFR	OCD Unit	API	Well Type	Pool ID	Pool Name	Local Producing	Selected Wells
312773	LEVERS #008	+	L-03-185-23E	L	30-015-02002	G	20500	GRAYBURG JACKSON SRD-G-SA	05003	
	LEVERS #005	+	M-03-185-23E	M	30-015-02443	O	20500	GRAYBURG JACKSON SRD-G-SA	02110	
312779	RED TWELVE FEDERAL #001	+	O-03-185-23E		30-015-02003	O	20500	GRAYBURG JACKSON SRD-G-SA	02110	X
	RED TWELVE FEDERAL #002	+	P-03-185-23E	P	30-015-02009	O	20500	GRAYBURG JACKSON SRD-G-SA	07003	
312774	LEVERS FEDERAL #007	+	J-03-185-23E	J	30-015-02001	O	20500	GRAYBURG JACKSON SRD-G-SA	05003	
312760	CAVEPOOL UNIT #001	+	O-03-185-23E	O	30-015-02794	O	20500	GRAYBURG JACKSON SRD-G-SA	02110	
312773	LEVERS #007	+	N-03-185-23E	N	30-015-02737	O	20500	GRAYBURG JACKSON SRD-G-SA	02110	
312769	HODGES FEDERAL #002	+	A-05-175-23E	A	30-015-02268	O	20500	GRAYBURG JACKSON SRD-G-SA	05113	

<https://wwwapps.emrd.state.nm.us/OCD/OCDPermitting/Report/OC104/OC1044CurrentOpWells.aspx?PermID=246,213,49,10,37,82,212,26>

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11/16/2018

OOD Permitting

SA

11/16/2018

OCD Permitting

Comments

District I
 1825 N. French Dr. Hobbs NM 88240
 Phone (505) 323-8181 Fax (505) 323-8720
District II
 311 S. First St. Artesa NM 88210
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State of New Mexico
Energy, Minerals and Natural
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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Permit: 260044

CHANGEOP COMMENTS

Operator MCI OPERATING OF NM, LLC 3208c East Colonial Dr. #277 Orlando, FL 32803	OGRID
	299027
	Permit Number
	260044
	Permit type
	ChangeOp

Comments

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

NMOCD ApprovalElectronic Signature: Raymond Podany, District 2Date: December 06, 2018

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 260044

1 Well Selected for Transfer

From:	MCI OPERATING OF NM, LLC	OGRID:	299027
To:	Energy Acumen LLC	OGRID:	373817

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
322977	RED TWELVE FEDERAL #001	F	O-33-16S-29E		30-015-25058	O	28509	GRAYBURG JACKSON; SR-Q-G-SA

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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

Comments

Permit 260044

CHANGEOP COMMENTS

Operator: MCI OPERATING OF NM, LLC 7505 Memorial Woods # 60 Houston, TX 77024	OGRID: 299027
	Permit Number: 260044
	Permit Type: ChangeOp

Comments

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