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C-145

Form C-145  
Revised May 19, 2017

Permit 307401

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

**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: 372233

Name: MAMMOTH EXPLORATION, LLC

Address: 200 North Loralne Street  
Suite 1100

City, State, Zip: Midland, TX 79701

**New Operator Information**

Effective Date:	Effective on the date of approval by the OCD
OGRID:	<u>24558</u>
Name:	<u>WALSH &amp; WATTS INC</u>
Address:	<u>155 Walsh Drive</u>
City, State, Zip:	<u>Aledo, TX 76008</u>

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, WALSH & WATTS INC 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.

**WALSH & WATTS INC 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, WALSH & WATTS INC agrees to the following statements:**

1. Initials W 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 W 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 W 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 W 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 W I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state of 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 W 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 W 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 W 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 W 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 W 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 W 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 W 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.

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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: Lucas T. Hawkins  
Printed Name: LUCAS T. HAWKINS  
Title: CHIEF FINANCIAL OFFICER  
Date: 2/1/22 Phone: (432) 242-2836

**New Operator**

Signature: Owen W. Windham  
Printed Name: Owen W. Windham  
Title: V.P. Operations  
Date: 2/1/2022 Phone: 817 3128507

Permit 307401

**NMOCD Approval**Electronic Signature(s): Rob Jackson, District 1Date: March 01, 2022

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Phone:(505) 476-3470 Fax:(505) 476-3462

Wells Selected for Transfer

Permit 307401

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

**41 Wells Selected for Transfer**

From:	MAMMOTH EXPLORATION, LLC	OGRID:	372233
To:	WALSH & WATTS INC	OGRID:	24558

**OCD District Hobbs (41 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
332443	ADOBE SCOTT AYE #001Y	P	J-11-15S-34E	J	30-025-29457	81460	MORTON; MORROW (GAS)	G
					30-025-29457	96586	TRES PAPALOTES; ATOKA (GAS)	
332444	ART YEAGER #001	F	J-25-21S-37E	J	30-025-22888	6660	BLINEBRY OIL AND GAS (OIL)	O
					30-025-22888	19190	DRINKARD	
					30-025-22888	62700	WANTZ; ABO	
332445	BIG BEAR ATN #002	P	L-29-15S-35E	L	30-025-35261	97118	BIG DOG; ATOKA	G
					30-025-35261	97214	BIG DOG; MORROW (GAS)	
					30-025-35261	97215	BIG DOG; MISS, NORTHWEST (GAS)	
332446	COCHISE 1 FEDERAL #002	F	E-01-19S-32E	E	30-025-31626	8180	BUFFALO; YATES	O
	COCHISE 1 FEDERAL #003	F	D-01-19S-32E	D	30-025-31627	8180	BUFFALO; YATES	O
332447	COCHISE 2 STATE #001	S	H-02-19S-32E	H	30-025-31605	8180	BUFFALO; YATES	O
	COCHISE 2 STATE #005	S	C-02-19S-32E	C	30-025-31671	8180	BUFFALO; YATES	O
	COCHISE 2 STATE #006	S	D-02-19S-32E	D	30-025-31672	8180	BUFFALO; YATES	O
332448	DOOR BIW STATE #001Y	S	I-01-16S-35E	I	30-025-38016	96690	BIG DOG; STRAWN, SOUTH	O
332313	LANGLIE MATTIX UNIT #002	P	L-14-24S-37E	L	30-025-11101	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
	LANGLIE MATTIX UNIT #003	P	M-14-24S-37E	M	30-025-11099	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	I
	LANGLIE MATTIX UNIT #004	P	N-14-24S-37E	N	30-025-11100	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
	LANGLIE MATTIX UNIT #006	P	B-23-24S-37E	B	30-025-11223	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
	LANGLIE MATTIX UNIT #008	P	D-23-24S-37E	D	30-025-11216	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
	LANGLIE MATTIX UNIT #012	P	H-23-24S-37E	H	30-025-11215	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
	LANGLIE MATTIX UNIT #014	P	J-23-24S-37E	J	30-025-11222	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
	LANGLIE MATTIX UNIT #018	P	P-23-24S-37E	P	30-025-11220			O
	LANGLIE MATTIX UNIT #019	P	G-23-24S-37E	G	30-025-30158	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	O
332315	LEA A STATE #002	S	K-08-17S-34E	K	30-025-01981	62180	VACUUM; GRAYBURG-SAN ANDRES	O
	LEA A STATE #003	S	D-08-17S-34E	D	30-025-01982	62180	VACUUM; GRAYBURG-SAN ANDRES	O
	LEA A STATE #004	S	E-08-17S-34E	E	30-025-01983	62180	VACUUM; GRAYBURG-SAN ANDRES	O
	LEA A STATE #005	S	L-08-17S-34E	L	30-025-24691	62180	VACUUM; GRAYBURG-SAN ANDRES	O
	LEA A STATE #006	S	N-08-17S-34E	N	30-025-25477	62180	VACUUM; GRAYBURG-SAN ANDRES	O
332449	LEA OR STATE #001	S	K-12-18S-36E	K	30-025-22484	2500	ARKANSAS JUNCTION; SAN ANDRES	O
	LEA OR STATE #002	S	O-12-18S-36E	O	30-025-22947	2500	ARKANSAS JUNCTION; SAN ANDRES	O
	LEA OR STATE #003	S	P-12-18S-36E	P	30-025-23096	96121	SWD; SAN ANDRES	S
332450	MADERA 10 #001	P	M-10-26S-33E	M	30-025-28231	53420	SALADO DRAW; DELAWARE	O
332451	MANDRELL BMR STATE COM #001	S	I-19-14S-35E	D	30-025-36402	97345	ESTACADO; MORROW (GAS)	G
332452	MORTON UNIT #001	S	2-05-15S-35E	B	30-025-33314	96676	MORTON; ATOKA, NORTH (GAS)	O
	MORTON UNIT #003	S	P-32-14S-35E	P	30-025-35422	96676	MORTON; ATOKA, NORTH (GAS)	G
					30-025-35422	47350	MORTON; PERMO UPPER PENN, NORTH	
332453	NEW GRASS BJV STATE COM #001	S	A-22-15S-34E	A	30-025-35842	97235	GRASSLAND; AUSTIN (GAS)	G
					30-025-35842	97391	WC-025 S153425I; ATOKA (GAS)	
332454	NEW GRASS BJY STATE COM #003	S	P-15-15S-34E	P	30-025-37454	97235	GRASSLAND; AUSTIN (GAS)	G
					30-025-37454	97337	GRASSLAND; MISS, NORTHEAST (GAS)	
332455	NORA BERRY #006	P	P-31-18S-38E	P	30-025-12502	7220	BOWERS; SEVEN RIVERS	O
	NORA BERRY #007	P	J-31-18S-38E	J	30-025-12503	7220	BOWERS; SEVEN RIVERS	O
332456	NORTH PAPALOTES BFP STATE #001	S	A-36-14S-34E	A	30-025-35327	47350	MORTON; PERMO UPPER PENN, NORTH	O
332457	PAPALOTES ATA STATE #001	S	I-34-14S-34E	I	30-025-33275	97609	HIGH PLAINS; ABO	O
332458	PARDNER AXO STATE COM #001	S	F-19-15S-35E	F	30-025-35331	76360	EIDSON; MORROW, NORTH (GAS)	G
332459	PETERSON FEDERAL #001	F	3-04-23S-38E	D	30-025-23061	7900	BRUNSON; DRINKARD-ABO, SOUTH	O
332460	STATE #001	S	L-01-18S-36E	L	30-025-34746	70600	ARKANSAS JUNCTION; QUEEN (GAS)	G
332461	STATE 197 #001	S	P-06-17S-34E	P	30-025-01972	62180	VACUUM; GRAYBURG-SAN ANDRES	O
332462	STATE KR-11 #001	S	P-11-18S-36E	P	30-025-03964	70600	ARKANSAS JUNCTION; QUEEN (GAS)	G

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**State of New Mexico**  
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COMMENTS

Action 307401

**COMMENTS**

Operator: MAMMOTH EXPLORATION, LLC 200 North Loraine Street Midland, TX 79701	OGRID: 372233
	Action Number: 307401
	Action Type: [C-145] EP Change of Operator

**Comments**

Created By	Comment	Comment Date
abustamante	Page 2 of the 3-page C-145 is missing from the submittal.	2/4/2022
abustamante	Walsh & Watts is currently in non-compliance with rule 5.9 since acquiring new wells from Mammoth effective 2/4/2022. Please read #7, page 2 of the C-145.	2/7/2022