

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural
Resources

Form C-145
Revised May 19, 2017

Permit 390797

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Change of Operator

Previous Operator Information

New Operator Information

Effective Date:	Effective on the date of approval by the OCD
OGRID:	329344
Name:	Prima Exploration, Inc.
Address:	250 Fillmore Street, Ste. 500
City, State, Zip:	Denver, CO 80206
OGRID:	332449
Name:	Paloma Permian AssetCo, LLC
Address:	1100 Louisiana, Ste. 5100
City, State, Zip:	Houston, TX 77002

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, Paloma Permian AssetCo, 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.

Paloma Permian AssetCo, 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, Paloma Permian AssetCo, LLC agrees to the following statements:

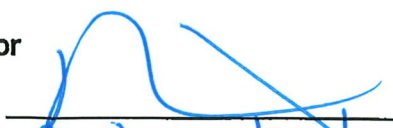
1. Initials AK I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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: 
Printed Name: Chris Stevenson
Title: Sr. Production Eng.
Date: 5/27/25 Phone: 303-268-0921

New Operator

Signature: 
Printed Name: Andrew Kout
Title: SVP-Land
Date: 5/27/2025 Phone: 715-650-8500

Permit 390797

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease Serial No. **Multiple - See Attached.**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **PALOMA PERMIAN ASSETCO, LLC**3a. Address **1100 LOUISIANA, STE 5100
HOUSTON, TX 77002**3b. Phone No. (include area code)
(713) 650-85004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple - See Attached

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. **Multiple - See Attached**9. API Well No. **Multiple - See Attached**10. Field and Pool or Exploratory Area
DELAWARE11. Country or Parish, State
LEA COUNTY, NM**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

THIS IS NOTIFICATION THAT PALOMA PERMIAN ASSETCO, LLC IS TAKING OVER OPERATIONS OF THE ATTACHED PRIMA EXPLORATION, INC. WELLS.

PALOMA PERMIAN ASSETCO, LLC, AS NEW OPERATOR, ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THESE LEASES, OR PORTION OF LEASES DESCRIBED.

BOND COVERAGE: BLM BOND FILE NO.: NMB106367636

CHANGE OF OPERATOR EFFECTIVE: 02/04/2025

FORMER OPERATOR: PRIMA EXPLORATION, INC.

See Conditions of Approval**Like Approval by NMOCD***Christopher Stevenson*

Chris Stevenson
Production Engineer

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Andrew N. Keck

Senior Vice President - Land

Title

Signature

Andrew N. Keck

Date

02/13/2025

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Petroleum Engineer

Title

03/24/2025

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **RFO**

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

PROPERTY/WELL NAME	COUNTY	STATE	LOCATION	OPERATOR	API NUMBER	LEASE
Archie Federal #001	LEA	NM	SENE 26-18S-33E	Prima Exploration, Inc.	30-025-36507	NMNM96242
Dorothy Federal #001	LEA	NM	SESE 25-18S-33E	Prima Exploration, Inc.	30-025-28462	NMNM19448
Dorothy Federal #002	LEA	NM	NESE 25-18S-33E	Prima Exploration, Inc.	30-025-35717	NMNM19448
Edith Federal #001	LEA	NM	SESW 25-18S-33E	Prima Exploration, Inc.	30-025-28856	NMNM0245247
Edith Federal #002	LEA	NM	SWNE 25-18S-33E	Prima Exploration, Inc.	30-025-29120	NMNM116166
Edith Federal #003	LEA	NM	SWNW 25-18S-33E	Prima Exploration, Inc.	30-025-29369	NMNM0245247
Edith Federal #004	LEA	NM	NESW 25-18S-33E	Prima Exploration, Inc.	30-025-36058	NMNM0245247
EK 29 BS2 Federal Com #001H	LEA	NM	E2E2 29-18S-34E	Prima Exploration, Inc.	30-025-43687	NMNM0245247
EK 29 BS2 Federal Com #002H	LEA	NM	W2E2 29-18S-34E	Prima Exploration, Inc.	30-025-43676	NMNM0245247
EK 29 BS2 Federal Com #003H	LEA	NM	E2W2 29-18S-34E	Prima Exploration, Inc.	30-025-42699	NMNM0245247
EK 29 BS2 Federal Com #004H	LEA	NM	W2W2 29-18S-34E	Prima Exploration, Inc.	30-025-42700	NMNM0245247
EK 30 BS2 Federal Com #001H	LEA	NM	E2E2 30-18S-34E	Prima Exploration, Inc.	30-025-42701	NMNM0245247
EK 30 BS2 Federal Com #002H	LEA	NM	W2E2 30-18S-34E	Prima Exploration, Inc.	30-025-43883	NMNM0245247
EK 31 BS2 Federal Com #001H	LEA	NM	E2E2 31-18S-34E	Prima Exploration, Inc.	30-025-43884	NMNM0245247
McElvain #002	LEA	NM	NWSW 29-18S-34E	Prima Exploration, Inc.	30-025-27543	NMNM0245247
McElvain #004	LEA	NM	SWSE 25-18S-33E	Prima Exploration, Inc.	30-025-28997	NMNM0245247
McElvain #005	LEA	NM	SWSW 25-18S-33E	Prima Exploration, Inc.	30-025-29051	NMNM0245247
McElvain #006	LEA	NM	NWSW 25-18S-33E	Prima Exploration, Inc.	30-025-37948	NMNM0245247
McElvain #007	LEA	NM	NWSE 25-18S-33E	Prima Exploration, Inc.	30-025-38040	NMNM0245247
McElvain #009	LEA	NM	SENW 25-18S-33E	Prima Exploration, Inc.	30-025-38481	NMNM0245247
McElvain #010	LEA	NM	NWSW 31-18S-34E	Prima Exploration, Inc.	30-025-39520	LC069457
SV Bobwhite Federal #001	LEA	NM	NWSW 04-18S-34E	Prima Exploration, Inc.	30-025-32963	NMNM9414

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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 390797

1 Well Selected for Transfer

From:	Prima Exploration, Inc.	OGRID:	329344
To:	Paloma Permian AssetCo, LLC	OGRID:	332449

OCD District Hobbs (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
337130	MCELVAIN #004	F	O-25-18S-33E	O	30-025-28997			O