

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 398596

**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: 328992

OGRID: 333695

Name: Sabinal Energy Operating, LLC

Name: BCE-Mach III LLC

Address: 1780 HUGHES LANDING BLVD  
STE 1200

Address: 14201 Wireless Way, STE 300

City, State, Zip: THE WOODLANDS, TX 77380

City, State, Zip: Oklahoma City, OK 73134

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, BCE-Mach III 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.

**BCE-Mach III 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, BCE-Mach III LLC agrees to the following statements:

1. Initials JD 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 JD 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 JD 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 JD 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 JD 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 JD 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 JD 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 JD 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 JD 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 JD 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 JD 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 JD 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: Jamy Smith  
Printed Name: Jamy Smith  
Title: Regulatory Analyst  
Date: 09/16/2025 Phone: 346-224-9889

**New Operator**

Signature: Justin Flanagan  
Printed Name: Justin Flanagan  
Title: UP-EH&S Regulatory  
Date: 9-16-2025 Phone: 580 226 0713

Permit 398596



Form 3160-5  
(October 2024)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0220  
Expires: October 31, 2027**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.****SUBMIT IN TRIPLICATE - Other instructions on page 2**

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **BCE-MACH III LLC**3a. Address **14201 WIRELESS WAY, SUITE 300  
OKLAHOMA CITY, OK 73134**3b. Phone No. (include area code)  
**(405) 252-8100**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area

11. Country or Parish, State

**LEA COUNTY, NEW MEXICO****12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

## TYPE OF SUBMISSION

## TYPE OF ACTION

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

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 recompletion 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 determined that the site is ready for final inspection.)

THIS IS NOTIFICATION THAT BCE-MACH III LLC IS TAKING OVER OPERATIONS FROM SABINAL ENERGY OPERATING LLC. BCE-MACH III LLC, AS A NEW OPERATOR, ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THESE LEASES, OR PORTION OF LEASE DESCRIBED.

BOND COVERAGE: BLM BOND FILE NO: NB106749198

CHANGE OF OPERATOR EFFECTIVE: 09/16/2025

FORMER OPERATOR: SABINAL ENERGY OPERATING, LLC (328992)

LANGLIE LYNN QUEEN UNIT #012; API 30-025-20052; LEASE #8910123970

LANGLIE LYNN QUEEN UNIT #015; API 30-025-21067; LEASE #8910123970

LANGLIE LYNN QUEEN UNIT #018; API 30-025-21458; LEASE #8910123970

LANGLIE LYNN QUEEN UNIT #021; API 30-025-34917; LEASE #8910123970

LANGLIE LYNN QUEEN UNIT #022; API 30-025-34918; LEASE #8910123970

STUART LANGLEY MATTIX UNIT #114; API 30-025-11528; LEASE #LC 057180

STUART LANGLEY MATTIX UNIT #115; API 30-025-11516; LEASE #LC 057180

WEST LOVINGTON STRAWN UNIT #001; API 30-025-31531; LEASE #LC 04411

WEST LOVINGTON STRAWN UNIT #003; API 30-025-32184; LEASE #LC 04411

WEST LOVINGTON STRAWN UNIT #004; API 30-025-32230; LEASE #LC 04411

WEST LOVINGTON STRAWN UNIT #012; API 30-025-33068; LEASE #LC 04411

WEST LOVINGTON STRAWN UNIT #024; API 30-025-36145; LEASE #LC 04411

See Conditions of Approval

Like Approval by NMOCD

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

Jamy Smith

Regulatory Analyst

Title

Signature

*Jamy Smith*

Date

09/30/2025

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

JENNIFER SANCHEZ

Digitally signed by JENNIFER

SANCHEZ

Date: 2025.10.02 12:53:53 -06'00'

Title

Petroleum Engineer

Date

10/02/2025

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)

| US Well Number | APD Type | Well Name            | Well Number | Lease Number | Status |
|----------------|----------|----------------------|-------------|--------------|--------|
| 30-025-21229   | APD      | LANGLIE LYNN QN      | 16          | NMLC030139B  | ABD    |
| 30-025-20335   | APD      | LANGLIE LYNN QN      | 13          | NMLC030139B  | ABD    |
| 30-025-20521   | APD      | LANGLIE LYNN QN      | 11          | NMLC030139B  | ABD    |
| 30-025-20191   | APD      | LANGLIE LYNN QN      | 14          | NMLC030139B  | ABD    |
| 30-025-20049   | NON      | LANGLIE LYNN QN      | 9           | STATE        | WIW    |
| 30-025-34916   | NON      | LANGLIE LYNN QN UNIT | 20          | STATE        | POW    |
| 30-025-34919   | NON      | LANGLIE LYNN QN UNIT | 23          | STATE        | WIWSI  |
| 30-025-11533   | APD      | STUART L-M UNIT      | 119         | NMLC032511F  | ABD    |
| 30-025-11536   | APD      | STUART L-M UNIT      | 120         | NMLC032511F  | ABD    |
| 30-025-11403   | NON      | STUART L-M UNIT      | 101         | STATE        | POW    |
| 30-025-11409   | NON      | STUART L-M UNIT      | 105         | STATE        | POW    |
| 30-025-11410   | NON      | STUART L-M UNIT      | 106         | STATE        | POW    |
| 30-025-11519   | NON      | STUART L-M UNIT      | 124         | FEE          | POW    |
| 30-025-11523   | NON      | STUART L-M UNIT      | 116         | FEE          | POW    |
| 30-025-11524   | NON      | STUART L-M UNIT      | 118         | FEE          | POW    |
| 30-025-11527   | NON      | STUART L-M UNIT      | 113         | FEE          | POW    |
| 30-025-22771   | NON      | STUART L-M UNIT      | 125         | FEE          | WIW    |
| 30-025-09731   | NON      | STUART L-M UNIT      | 117         | FEE          | WIW    |
| 30-025-03732   | NON      | WLSU                 | 25          | FEE          | POW    |
| 30-025-34282   | NON      | WLSU                 | 16          | FEE          | POW    |
| 30-025-34606   | NON      | WLSU                 | 17          | FEE          | POW    |
| 30-025-34684   | NON      | WLSU                 | 14          | STATE        | POW    |
| 30-025-32812   | NON      | WLSU                 | 9           | FEE          | POW    |
| 30-025-37530   | NON      | WLSU                 | 22          | FEE          | POW    |
| 30-025-37846   | NON      | WLSU                 | 23          | FEE          | POW    |
| 30-025-35704   | NON      | WLSU                 | 21          | FEE          | POW    |
| 30-025-31830   | NON      | WLSU                 | 5           | STATE        | POW    |
| 30-025-32291   | NON      | WLSU                 | 8           | FEE          | WIW    |

**Change of Operator  
Conditions of Approval**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank) within 90 days.
2. Submit for approval of water disposal method within 60 days, if changes have been made from previously approved disposal method.
3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

**JAM**

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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 398596

1 Well Selected for Transfer

|       |                               |        |        |
|-------|-------------------------------|--------|--------|
| From: | Sabinal Energy Operating, LLC | OGRID: | 328992 |
| To:   | BCE-Mach III LLC              | OGRID: | 333695 |

OCD District Hobbs (1 Well selected.)

| Property | Well                | Lease Type | ULSTR        | OCD Unit | API          | Pool ID | Pool Name | Well Type |
|----------|---------------------|------------|--------------|----------|--------------|---------|-----------|-----------|
| 337788   | LAMBIRTH STATE #001 | S          | H-36-05S-32E | H        | 30-041-20514 |         |           | S         |

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

COMMENTS

Action 398596

COMMENTS

|                                                                                                   |                                               |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Operator:<br>Sabinal Energy Operating, LLC<br>1780 HUGHES LANDING BLVD<br>THE WOODLANDS, TX 77380 | OGRID:<br>328992                              |
|                                                                                                   | Action Number:<br>398596                      |
|                                                                                                   | Action Type:<br>[C-145] EP Change of Operator |

Comments

| Created By  | Comment                                                                                                                                                                                                                                                          | Comment Date |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| abustamante | Permit ID# 398277 of the attached 3-page C-145 does not match according to the electronic filing # 398596. Please read the "Notice" prior to uploading the complete/signed 3-page C-145 form into OCD permitting to avoid rejected incorrect filings. Thank you. | 9/24/2025    |
| rjackson    | Receiving operator had too many inactive wells to take on any more per Rule NMAC 19.15.5.9.                                                                                                                                                                      | 10/1/2025    |