

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan-Grisham**  
Governor

**Erin Taylor**  
Acting Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



January 14, 2026

Jesus Villalobos, President  
Petro Mex, LLC  
P.O. Box 6724  
Farmington, New Mexico 87499  
[susan.64.wilson@gmail.com](mailto:susan.64.wilson@gmail.com)

cc: Ernie Padilla via email: [padillalawnm@outlook.com](mailto:padillalawnm@outlook.com)

Dear Mr. Villalobos:

It has come to the attention of the New Mexico Oil Conservation Division (“OCD”) that you have recently transferred a multitude of wells from SG Interests I, Ltd and Richardson Operating Co. to Petro Mex, LLC. These transfers occurred after OCD’s Notice to you of Petro Mex’s non-compliance with OCD rules and regulations and the Stipulated Final Order (“SFO”) you voluntarily obligated Petro Mex to comply with. Additionally, on October 17, 2025, notice was provided to your counsel, Ernie Padilla, of Petro Mex’s continued and egregious noncompliance with the SFO and Rules. *See* Exhibit A.

In reviewing the C-145s you submitted to OCD, you made material misrepresentations on those forms. Your certifications that Petro Mex was compliant with 19.15.5.9 NMAC, compliant with the inactive well rule, and compliant with orders requiring corrective action were false, and your misrepresentations caused OCD to approve the well transfers based upon the incorrect information you provided. OCD would have rejected the C-145s had you accurately and honestly represented Petro Mex’s noncompliance on the forms.

Accordingly, OCD hereby revokes the approvals of C-145s for the wells referenced in the attached Exhibit B.

If you have any questions about this Notice, please contact Michael Hall, Assistant General Counsel at (505) 479-1137 or [michael.hall@emnrd.nm.gov](mailto:michael.hall@emnrd.nm.gov).

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Regards,

*Albert Chang*

Albert C.S. Chang  
Director, Oil Conservation Division

State of New Mexico  
Energy, Minerals and Natural Resources Department

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EXHIBIT A

**Hall, Michael, EMNRD**

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**From:** Hall, Michael, EMNRD  
**Sent:** Friday, October 17, 2025 1:36 PM  
**To:** 'Ernest Padilla'  
**Subject:** Petro Mex, LLC

Dear Mr. Padilla:

I am writing in response to your email from yesterday to clarify an apparent misunderstanding about the timeline of non-compliance by Petro Mex as well as the effect of the auto generated message you forwarded me yesterday. First of all, as I mentioned, the document you sent me a screenshot of is an auto generated message that should not be viewed as compliance with the SFO. I should also point out that, regarding the Bob Blanche #001 well, the sundry Petro Mex filed indicates that the well was finally plugged on May 14, 2024. An initial plugging sundry was not submitted until May 14, 2025, which was rejected for cause. Petro Mex did not refile it until August 20, 2025, after the latest notice was issued. Pursuant to 19.15.7.14(F), this report was due within 30 days, which would have been on or about June 14, 2024. Thus, this filing was more than one year late. If OCD were to assess a penalty on this filing, it could be approximately \$200,000.00. Under the agreed SFO, the well was required to be plugged and released by March 31, 2023. Petro Mex filed the intent to plug on September 29, 2023, which is almost six months after the date Petro Mex agreed to. This is another violation of the SFO. In fact, the well is still out of compliance with this provision, since it still has not been released. This is another violation of the SFO. It is also a violation of 19.15.25.10(D), in that Petro Mex has not filed for release of the well for in excess of a year of the wellbore plugging date. This rule violation could be assessed at another approximately \$150,000.00 in civil penalties. Petro Mex has continued to disregard its obligations under the SFO and Rules, thus subjecting it to enforcement pursuant to the SFO and extensive civil penalties. Please contact me if you have any questions or concerns.

Sincerely,  
Michael Hall  
Assistant General Counsel  
New Mexico Energy, Minerals & Natural Resources Department  
1220 South St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 479-1137  
E-mail: [Michael.Hall@emnrd.nm.gov](mailto:Michael.Hall@emnrd.nm.gov)



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State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan-Grisham**  
Governor

**Melanie A. Kenderdine**  
Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Erin Taylor**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



**NOTICE OF INTENT TO PLUG PURSUANT TO STIPULATED FINAL ORDER, CASE NO.  
22817**

**BY ELECTRONIC AND CERTIFIED MAIL**

August 13, 2025

Jesus Villalobos, President  
Petro Mex, LLC  
P.O. Box 6724  
Farmington, NM 87499  
[susan.64.wilson@gmail.com](mailto:susan.64.wilson@gmail.com)

Dear Mr. Villalobos:

The Director of the Oil Conservation Division (“OCD”) hereby issues this Notice to Operator that the OCD intends to plug five (5) of Petro Mex’s (“Operator”) wells due to noncompliance with the Stipulated Final Order executed on November 16, 2022, in OCD Case No. 22817. The Stipulated Final Order in OCD Case No. 22817, signed and agreed to by you on November 16, 2022 is incorporated by reference herein as though set forth in full.

As you are aware, OCD previously sent Operator a Notice of Intent to Plug four (4) of the wells on or about October 27, 2023.

Operator has violated paragraphs 6 and 8 a., b., and c. of the Stipulated Final Order with regard to the following wells:

Dorothy #001 (API No. 30-045-24262), Bob Blanche #001 (API No. 30-045-24743), Kirtland 14 #001 (API No. 30-045-25922), Kirtland 18 #001 (API No. 30-045-26203, and TRS-EVI #001 (API No. 30-045-24633).

Pursuant to Paragraph 8 d. of the Stipulated Final Order, OCD intends to immediately plug and abandon the five aforementioned wells. OCD also intends to immediately forfeit all financial assurance provided by Operator.

OCD reserves the right to, and intends to seek indemnification for all costs to plug and abandon, remediate, and reclaim the wells and any associated facilities.

Operator is in violation of 19.15.25.8, 19.15.5.9, and 19.15.5.10 NMAC, as well as the Stipulated Final Order, and, thus, may not be eligible to acquire, transfer, or apply for any new wells.

Please contact Michael Hall, Assistant General Counsel, at [Michael.Hall@emnrd.nm.gov](mailto:Michael.Hall@emnrd.nm.gov) with any questions you may have about this Notice.

Regards,



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**Albert C.S. Chang**  
Division Director  
Oil Conservation Division

8/13/2025

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**Date**

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**EXHIBIT B**

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

Form C-145  
Revised May 19, 2017

Permit 403347

**Change of Operator**

**Previous Operator Information**

**New Operator Information**

	Effective Date:	<div style="border: 1px solid black; padding: 2px;">Effective on the date of approval by the OCD</div>
OGRID:	<u>19219</u>	OGRID: <u>236452</u>
Name:	<u>RICHARDSON OPERATING CO</u>	Name: <u>PETRO MEX LLC</u>
Address:	<u>4601 DTC Boulevard, Suite 725</u>	Address: <u>P.O. Box 6724</u>
City, State, Zip:	<u>Denver, CO 80237</u>	City, State, Zip: <u>Farmington, NM 87499</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, PETRO MEX 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.

**PETRO MEX 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, PETRO MEX LLC agrees to the following statements:**

1. Initials JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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:

David B. Richardson, Jr.

Printed Name:

David B. Richardson, Jr.

Title:

President

Date:

11-13-2025 Phone: 303-830-8000

**New Operator**

Signature:

Jesus Villalobos

Printed Name:

Jesus Villalobos

Title:

President

Date:

11/14/2025 Phone: 505-634-1500

Permit 403347

**NMOCD Approval**

Electronic Signature(s): Rob Jackson, District 5

Date: November 14, 2025

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

Wells Selected for Transfer

Permit 403347

**1 Well Selected for Transfer**

From: RICHARDSON OPERATING CO	OGRID: 19219
To: PETRO MEX LLC	OGRID: 236452

**OCD District: Aztec (1 Well selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
338068	FEDERAL 14-14 #002	F	J-14-28N-08W	J	30-045-31950			G

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

General Information  
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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**  
**Change of Operator**

Form C-145  
Revised May 19, 2017  
Permit 403331

**Previous Operator Information**

**New Operator Information**

	Effective Date:	<div style="border: 1px solid black; padding: 2px;">Effective on the date of approval by the OCD</div>
OGRID:	<u>19219</u>	OGRID: <u>236452</u>
Name:	<u>RICHARDSON OPERATING CO</u>	Name: <u>PETRO MEX LLC</u>
Address:	<u>4601 DTC Boulevard, Suite 725</u>	Address: <u>P.O. Box 6724</u>
City, State, Zip:	<u>Denver, CO 80237</u>	City, State, Zip: <u>Farmington, NM 87499</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, PETRO MEX 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(l) NMAC.

**PETRO MEX 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, PETRO MEX LLC agrees to the following statements:**

1. Initials JV 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.
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3. Initials JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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: David B. Richardson, Jr.

Printed Name: David B. Richardson, Jr.

Title: President

Date: 11/13/2025 Phone: 303-830-8000

**New Operator**

Signature: Jesus Villalobos

Printed Name: Jesus Villalobos

Title: President

Date: 11/14/2025 Phone: 505-634-1500

Permit 403331

<b><u>NMOCD Approval</u></b>	
Electronic Signature(s):	<u>Rob Jackson, District 5</u>
Date:	<u>November 14, 2025</u>

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

Wells Selected for Transfer

Permit 403331

**34 Wells Selected for Transfer**

From: RICHARDSON OPERATING CO	OGRID: 19219
To: PETRO MEX LLC	OGRID: 236452

**OCD District: Aztec (34 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
338069	FEDERAL 13-13 #001	F	B-13-28N-08W	B	30-045-28053			G
	FEDERAL 13-13 #002	F	J-13-28N-08W	J	30-045-31940			G
338070	FEDERAL 13-22 #001	F	B-22-28N-08W	B	30-045-28342			G
	FEDERAL 13-22 #002	F	C-22-28N-08W	C	30-045-31982			G
338068	FEDERAL 14-14 #001	F	A-14-28N-08W	A	30-045-28054			G
338071	FEDERAL 14-25 #001	N	A-25-28N-09W	A	30-045-28464			G
338073	FEDERAL 23-32 #001	F	G-32-28N-09W	G	30-045-28473			G
	FEDERAL 23-32 #002	F	D-32-28N-09W	D	30-045-31832			G
338074	FEDERAL 24-15 #001	F	H-15-28N-08W	H	30-045-28336			G
	FEDERAL 24-15 #002	F	I-15-28N-08W	I	30-045-31953			G
338075	FEDERAL 24-25 #001	F	H-25-28N-08W	H	30-045-28056			G
338076	FEDERAL 24-36 #001	F	H-36-28N-09W	H	30-045-28465			G
338077	FEDERAL 31-15 #002	F	L-15-28N-08W	L	30-045-28144			G
	FEDERAL 31-15 #003	F	F-15-28N-08W	F	30-045-31977			G
338078	FEDERAL 31-23 #002	F	L-23-28N-08W	L	30-045-28057			G
	FEDERAL 31-23 #003	F	D-23-28N-08W	D	30-045-31981			G
338079	FEDERAL 31-24 #002	F	L-24-28N-08W	L	30-045-28058			G
	FEDERAL 31-24 #003	F	J-24-28N-08W	J	30-045-31988			G
338081	FEDERAL 31-32 #002	F	L-32-28N-09W	L	30-045-28474			G
	FEDERAL 31-32 #003	F	I-32-28N-09W	I	30-045-31833			G
338080	FEDERAL 32-13 #002	F	K-13-28N-08W	K	30-045-28335			G
	FEDERAL 32-13 #003Y	F	C-13-28N-08W	C	30-045-32597			G
338083	FEDERAL 32-17 #002	F	K-17-28N-08W	K	30-045-28472			G
	FEDERAL 32-17 #003	F	J-17-28N-08W	J	30-045-31979			G
338082	FEDERAL 41-11 #002	F	M-11-28N-08W	M	30-045-28060			G
	FEDERAL 41-11 #003	F	O-11-28N-08W	O	30-045-31943			G
338087	FEDERAL 41-25 #002	F	M-25-28N-08W	M	30-045-28061			G
	FEDERAL 41-25 #003	F	C-25-28N-08W	C	30-045-31998			G
338084	FEDERAL 41-8 #002	F	M-08-28N-08W	M	30-045-28059			G
	FEDERAL 41-8 #003	F	I-08-28N-08W	I	30-045-31941			G
338085	FEDERAL 42-10 #002	F	N-10-28N-08W	N	30-045-28062			G
	FEDERAL 42-10 #003	F	O-10-28N-08W	O	30-045-31942			G
338086	FEDERAL 42-16 #002	F	N-16-28N-08W	N	30-045-28337			G
	FEDERAL 42-16 #003	F	F-16-28N-08W	F	30-045-31978			G

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

Form C-145  
Revised May 19, 2017

General Information  
Phone: (505) 629-6116

Permit 399607

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

# State of New Mexico Energy, Minerals and Natural Resources

## 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: 20572

OGRID: 236452

Name: SG INTERESTS I LTD

Name: PETRO MEX LLC

Address: SG Interests I, Ltd.  
100 Waugh Dr., Ste. 400

Address: P.O. Box 6724

City, State, Zip: Houston, TX 77007

City, State, Zip: Farmington, NM 87499

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, PETRO MEX 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(l) NMAC.

**PETRO MEX 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, PETRO MEX LLC agrees to the following statements:**

1. Initials JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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:

Matt Sansone

Printed Name:

Matt Sansone

Title:

VP of Land

Date:

10/31/25

Phone:

713-951-0100

**New Operator**

Signature:

Jesus Villalobos

Printed Name:

Jesus Villalobos

Title:

PRESIDENT

Date:

10/31/2025

Phone:

505-634-1500

Permit 399607

**NMOCD Approval**

Electronic Signature(s): Rob Jackson, District 5

Date: November 06, 2025

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

Wells Selected for Transfer

Permit 399607

**1 Well Selected for Transfer**

From: SG INTERESTS I LTD	OGRID: 20572
To: PETRO MEX LLC	OGRID: 236452

**OCD District: Aztec (1 Well selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
337841	SOUTHEAST CHA CHA UNIT #019	F	E-15-28N-13W	E	30-045-07471			O

State's Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

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

Form C-145  
Revised May 19, 2017

Permit 399609

# State of New Mexico Energy, Minerals and Natural Resources

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

### Change of Operator

#### Previous Operator Information

OGRID: 20572  
Name: SG INTERESTS I LTD  
Address: SG Interests I, Ltd.  
100 Waugh Dr., Ste. 400  
City, State, Zip: Houston, TX 77007

#### New Operator Information

Effective Date: Effective on the date of approval by the OCD  
OGRID: 236452  
Name: PETRO MEX LLC  
Address: P.O. Box 6724  
  
City, State, Zip: Farmington, NM 87499

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, PETRO MEX 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.

#### PETRO MEX 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, PETRO MEX LLC agrees to the following statements:**

1. Initials JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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 JV 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: Matt Sansone

Title: VP of Land

Date: 10/31/25 Phone: 713-951-0100

**New Operator**

Signature: 

Printed Name: Jesus Villalobos

Title: PRESIDENT

Date: 10/31/2025 Phone: 505-634-1500

Permit 399609

**NMOCD Approval**

Electronic Signature(s): Rob Jackson, District 5

Date: October 31, 2025

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

Wells Selected for Transfer

Permit 399609

**3 Wells Selected for Transfer**

From: SG INTERESTS I LTD	OGRID: 20572
To: PETRO MEX LLC	OGRID: 236452

**OCD District: Aztec (3 Wells selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
337841	SOUTHEAST CHA CHA UNIT #036	F	2-08-28N-13W	J	30-045-24159			O
	SOUTHEAST CHA CHA UNIT #037	F	O-15-28N-13W	O	30-045-24160			S
	SOUTHEAST CHA CHA UNIT #039	F	O-07-28N-13W	O	30-045-24815			O

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

General Information  
Phone: (505) 629-6116

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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**

CONDITIONS

Action 576474

**CONDITIONS**

Operator: SG INTERESTS I LTD SG Interests I, Ltd. Houston, TX 77007	OGRID: 20572
	Action Number: 576474
	Action Type: [IM-SD] Well File Support Doc (ENG) (IM-AWF)

**CONDITIONS**

Created By	Condition	Condition Date
ahvermersch	None	4/16/2026