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State of New Mexico
Energy, Minerals and Natural
Resources

Form C-145
Permit 120541

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

Change of Operator

Previous Operator Information

OGRID: 25513
Name: YATES DRILLING CO
Address: 105 S 4TH ST
City, State, Zip: ARTESIA, NM 88210

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 16696
Name: OXY USA INC
Address: PO Box 4294
City, State, Zip: Houston, TX 77210

I hereby certify that the rules of the Oil Conservation Division 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, OXY USA INC certifies that it has read and understands the following synopsis of applicable rules.

Previous Operator

Signature: Toby Rhodes
Printed Name: Toby Rhodes
Title: Operations Manager
Date: 9/17/10 Phone: 575.748.1471

New Operator

Signature: Brent G. Sonnier
Printed Name: Brent G. Sonnier
Title: Sr. Regulatory Advisor
Date: 9/16/10 Phone: 713.366.5654

NMOCD Approval

Electronic Signature: Randy Dade, District 2
Date: October 22, 2010

OXY USA INC certifies that all below-grade tanks constructed and installed prior to J with the selected wells are in compliance with 19.15.17 NMAC, have been closed pur NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subject NMAC.

OXY USA 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-g system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and in 2008 associated with the selected wells, regardless of whether the transferor ha of those below-grade tanks to the transferee or to the OCD, and regardless of w tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, OXY USA INC agrees to the follow

1. I am responsible for ensuring that the wells and related facilities comply with a rules, and am responsible for all regulatory filings with the OCD. I am respons applicable statutes and rules, not just the rules referenced in this list. I understa are available on the OCD website under "Rules," and that the Water Quality Co are available on the OCD website on the "Publications" page.
2. I understand that if I acquire wells from another operator, the OCD must appro before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that facilities subject to a compliance order addressing inactive wells or environmen OCD will approve the operator change it may require me to enter into an enfor those wells to compliance. See 19.15.9.9.C(2) NMAC.
3. I must file a monthly C-115 report showing production for each non-plugged w the OCD has approved an allowable and authorization to transport, and injectic See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMA
4. I understand that New Mexico requires wells that have been inactive for certain plugged or placed on approved temporary abandonment. See 19.15.25.8 NMA requirements for plugging and approved temporary abandonment in 19.15.25 N can check my compliance with the basic requirements of 19.15.25.8 NMAC by List" on OCD's website.
5. I must keep current with financial assurances for well plugging. I understand th each state or fee well that has been inactive for more than two years and has no released to be covered by a single-well financial assurance, even if the well is a financial assurance and even if the well is on approved temporary abandonmen NMAC. I understand that I can check my compliance with the single-well fina requirement by using the "Inactive Well Additional Financial Assurance Repor
6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I unders me as the operator of record to take corrective action for releases at my wells a including releases that occurred before I became operator of record.

- [illegible]

ChangeOp Comments

OGRID: [25513] YATES DRILLING CO
Permit Number: 120541
Permit Type: ChangeOp

Created By	Comment	Comment Date
JProuty	The C-145 is for permit 120466; this is permit 120541. Please resubmit the C-145 with permit 120541 on it. Also, please submit all three pages of the C-145.	10/7/2010