

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720**District III**1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-145

August 1, 2011

Permit 166325

RCVD MAY 8 '13

OIL CONS. DIV.

DIST. 3

Change of Operator

Previous Operator Information

OGRID: 149678
 Name: KUKUI OPERATING COMPANY
 Address: PO BOX 369

City, State, Zip: IGNACIO, CO 81137

New Operator Information

Effective Date: January 1, 2013

OGRID: 37581
 Name: THOMPSON ENGR & PROD CORP
 Address: 7415 E MAIN

City, State, Zip: FARMINGTON, NM 87402

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, THOMPSON ENGR & PROD CORP 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.

THOMPSON ENGR & PROD CORP 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, THOMPSON ENGR & PROD CORP agrees to the following statements:

1. 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. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B 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 19.15.9.9.C(2) NMAC.
3. 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 19.15.7.24.C NMAC.
4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on 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. 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, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. I am responsible for reporting releases as defined by 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.
7. 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. See 19.15.26.8 NMAC.
8. 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. 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 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9.B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I

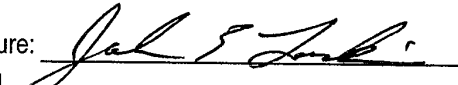
understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

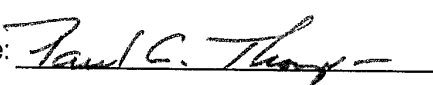
KUKUI OPERATING COMPANY, A WHOLLY OWNED
SUBSIDIARY OF ANIMAS ENERGY LLC

THOMPSON ENGINEERING & PRODUCTION CORP.

Previous Operator

New Operator

Signature: 
Printed Name: John E. Larkin

Signature: 
Printed Name: Paul C. Thompson

Title: Vice President of Operations

Title: President

Date: May 1, 2013 Phone: 970-563-5273

Date: May 1, 2013 Phone: 505-327-4892

From Operator KUKUI OPERATING COMPANY UGRID 149678
To Operator THOMPSON ENGR & PROD CORP OGRID 37581
Wells Selected for Transfer, Permit 166325
Permit Status: DRAFT

OCD District: Aztec

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
18888 C M MORRIS #005	F	H-15-27N-10W	H	30-045-06539	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18217 DAY B #013	F	L-8 -29N-08W	L	30-045-27454	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18209 ANGEL PEAK 11K #002	F	K-11-27N-10W	K	30-045-27613	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18210 ANGEL PEAK 13M #001	F	M-13-27N-10W	M	30-045-27618	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18208 ANGEL PEAK 11A #004	P	A-11-27N-10W	A	30-045-27741	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18211 ANGEL PEAK 14H #005	F	H-14-27N-10W	H	30-045-27747	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18213 ANGEL PEAK 15M #007	F	M-15-27N-10W	M	30-045-27748	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18207 ANGEL PEAK 10K #003	F	K-10-27N-10W	K	30-045-27780	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18206 ANGEL PEAK 9L #010	F	L-9 -27N-10W	L	30-045-27826	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18214 ANGEL PEAK 16L #011	F	L-16-27N-10W	L	30-045-27827	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18236 WILCH A #013	F	B-26-29N-08W	B	30-045-27837	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18216 ANGEL PEAK 24L #009	F	L-24-27N-10W	L	30-045-27839	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18222 HUGHES B #015	F	H-19-29N-08W	H	30-045-27844	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18221 HUGHES A #017	F	B-33-29N-08W	B	30-045-27936	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18205 ANGEL PEAK 9H #018	F	H-9 -27N-10W	H	30-045-28230	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18212 ANGEL PEAK 14L #006	F	L-14-27N-10W	L	30-045-28246	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18204 ANGEL PEAK 5L #012	F	L-5 -27N-10W	L	30-045-28295	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18203 ANGEL PEAK 1H #020	F	5-1 -27N-10W	H	30-045-28355	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18215 ANGEL PEAK 24H #014	F	2-24-27N-10W	H	30-045-28394	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18232 VANDEWART A #016	F	B-13-29N-08W	B	30-045-28411	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18227 HUGHES 33M #003	F	M-33-29N-08W	M	30-045-28413	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18218 FROST #502	F	M-25-27N-10W	M	30-045-28423	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18226 HUGHES 29L #001	F	L-29-29N-08W	L	30-045-28427	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18220 HARDIE 25L #007	F	L-25-29N-08W	L	30-045-28438	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18224 HUGHES 27G #004	F	G-27-29N-08W	G	30-045-28439	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18225 HUGHES 27L #005	F	L-27-29N-08W	L	30-045-28440	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18228 HUGHES 34B #006	F	B-34-29N-08W	B	30-045-28441	G	71629	BASIN FRUITLAND COAL (GAS)	12/12	0
18889 ANGEL PEAK 16A #019	F	A-16-27N-10W	A	30-045-28450	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18223 HUGHES 19N #002	F	N-19-29N-08W	N	30-045-28451	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18230 JONES 35L #010	F	L-35-29N-08W	L	30-045-28489	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18219 HARDIE 25B #008	F	B-25-29N-08W	B	30-045-28492	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18229 JONES 35A #009	F	A-35-29N-08W	A	30-045-28500	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
18232 VANDEWART A #015	F	A-24-29N-08W	A	30-045-28588	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
19006 ROELOFS 10B #011	F	B-10-29N-08W	B	30-045-28594	G	71629	BASIN FRUITLAND COAL (GAS)	02/13	0
32282 BW FEDERAL 29 29 8 #101	F	D-29-29N-08W	D	30-045-31180	G	71629	BASIN FRUITLAND COAL (GAS)	04/09	0
BW FEDERAL 29 29 8 #201	F	D-29-29N-08W	D	30-045-31181	G	71629	BASIN FRUITLAND COAL (GAS)		0
							BASIN FRUITLAND		

C-145 Selected Wells

Page 2 of

32691 ANGEL PEAK 15 #007S	F	C-15-27N-10W	C	30-045-31642	G	71629 COAL (GAS)	02/13	0
32692 ANGEL PEAK 13 #001S	F	C-13-27N-10W	C	30-045-31644	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
32694 ANGEL PEAK 14 #006S	F	J-14-27N-10W	J	30-045-31645	G	71629 BASIN FRUITLAND COAL (GAS)	01/13	0
32337 ANGEL PEAK 11 #004S	F	E-11-27N-10W	E	30-045-31651	G	71629 BASIN FRUITLAND COAL (GAS)	08/12	0
32694 ANGEL PEAK 14 #005S	F	D-14-27N-10W	D	30-045-31677	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
32690 ANGEL PEAK 16 #011S	F	C-16-27N-10W	C	30-045-31683	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
32688 ANGEL PEAK 9 #018S	F	J-9 -27N-10W	J	30-045-31713	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
ANGEL PEAK 9 #010S	F	E-9 -27N-10W	E	30-045-31715	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
34252 ANGEL PEAK 5 #012S	F	E-5 -27N-10W	E	30-045-32386	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
32690 ANGEL PEAK 16 #019S	F	I-16-27N-10W	I	30-045-32387	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
32337 ANGEL PEAK 11 #002S	F	J-11-27N-10W	J	30-045-32388	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
34210 ANGEL PEAK 1 #020S	F	6-1 -27N-10W	I	30-045-32431	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
18218 FROST #502S	F	F-25-27N-10W	F	30-045-32432	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
34211 ANGEL PEAK 24 #009S	F	F-24-27N-10W	F	30-045-32433	G	71629 BASIN FRUITLAND COAL (GAS)	11/12	0
ANGEL PEAK 24 #014S	F	3-24-27N-10W	I	30-045-32434	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
34254 ANGEL PEAK 10 #003S	F	F-10-27N-10W	F	30-045-32445	G	71629 BASIN FRUITLAND COAL (GAS)	02/13	0
18888 C M MORRIS #005S	F	J-15-27N-10W	J	30-045-32446	G	71629 BASIN FRUITLAND COAL (GAS)	11/12	0
Total Additional bond								0

NMOCD ApprovalElectronic Signature: Charlie Perrin, District 3Date: May 10, 2013

ChangeOp Comments

OGRID: [149678] KUKUI OPERATING COMPANY
Permit Number: 166325
Permit Type: ChangeOp

Created By	Comment	Comment Date
WHITESKUNK	Kukui Operating Company, wholly owned subsidiary of Animas Energy LLC	5/1/2013