

C-145

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/C1...>**District I**1625 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) 748-8720**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) 478-3470 Fax:(505) 478-3462

**State of New Mexico**  
**Energy, Minerals and Natural**  
**Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**Change of Operator**

Permit #  
192834

HOBBS OCD

OCT 06 2014

RECEIVED

**Previous Operator Information**

OGRID: 265779  
Name: AGUA SUCIA LLC  
Address: P.O. Box 2081  
  
City, State, Zip: Lovington, NM 88260

**New Operator Information**

Effective Date: Effective on the date of approval by the OCD  
OGRID: 160825  
Name: BC OPERATING, INC.  
Address: P O Box 50820  
  
City, State, Zip: Midland, TX 79710

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the of wells is true to the best of my knowledge and belief.

Additionally, by signing below, BC OPERATING, INC. certifies that it has read and understands the following synopsis of applicable PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the sel 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) hav retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(l) NMAC.

BC OPERATING, 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-grade tank or closed-loop system associated w selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated wit selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferer OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

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As the operator of record of wells in New Mexico, BC OPERATING, INC. 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 filing regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in the permit. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission's 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 operations on 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, 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 the well, and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD can 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. See 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 "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. 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 to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator.
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 maintain the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the OCD, and agree to be bound by a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25 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 eligible to apply for 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 on an injection well in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection well 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 before 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 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 I committed while I operated the wells and related facilities.

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Date: \_\_\_\_\_

Phone: \_\_\_\_\_

**NMOCD Approval**Electronic Signature: Paul Kautz, District 1Date: October 09, 2014

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Comments  
Permit 192839

**CHANGEOP COMMENTS**

Operator: AGUA SUCIA LLC P.O. Box 2081 Lovington, NM 88260	OGRID: 265779
	Permit Number: 192839
	Permit Type: ChangeOp

**Comments**

Created By	Comment	Comment Date
There are no Comments for this Permit		