

5/4/2016

C-145

Form C-145
August 1, 2011
Permit 220352

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) 748-9720

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
Change of Operator**

HOBBS OCD

MAY 12 2016

RECEIVED

Previous Operator Information

OGRID: 25575
Name: YATES PETROLEUM CORPORATION
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: 231429
Name: MANZANO LLC
Address: PO BOX 2107

City, State, Zip: ROSWELL , NM 882022107

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, MANZANO 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.

MANZANO 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, MANZANO LLC 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 have familiarized myself with all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules (19.15.2-19.15.112 NMAC) and the Water quality Control Commission's rules (20.6.2-20.6.7 NMAC) are available at the New Mexico State Records Center and Archives website (www.nmcpr.state.nm.us).
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, or blanket plugging financial assurance for wells in temporarily abandoned status, 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 "Rule 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 19.15.5.9 NMAC, 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 19.15.5.9 NMAC the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
8. For injection (or disposal) wells, I acknowledge that I have read and agree to operate my wells in compliance with 19.15.26 NMAC. I acknowledge that I have read and agree to the terms of my injection permit. I understand that I must report injection volume and injection pressure on my monthly C-115 report. 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 any injection well to another operator, the OCD must approve the transfer or 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.

5/4/2016

C-145

Previous Operator

Signature: Kathy H. Porter

Printed Name: Kathy H. Porter

Title: Attorney-in-Fact

Date: 5/10/16 Phone: 575-748-1471

New Operator

Signature: K. Barbe Jr.

Printed Name: Kenneth Barbe Jr.

Title: Manager

Date: 5/4/16 Phone: 575-623-1996

Permit 220352

5/4/2016

OCD Permitting

Wells Selected for Transfer

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

 Permit 220352
 Permit Status: DRAFT
Wells Selected for Transfer

From:	YATES PETROLEUM CORPORATION	OGRID:	25575
To:	MANZANO LLC	OGRID:	231429

OCD District Hobbs

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
✓ 28042	ADOBE SCOTT AYE #001Y	P	J-11-15S-34E	J	30-025-29457	G	81460	MORTON;MORROW (GAS)	03/16	0
✓ 24397	PAPALOTES ATA STATE #001	S	I-34-14S-34E	I	30-025-33275	O	97609	HIGH PLAINS;ABO	03/16	0
✓ 18677	MORTON UNIT #001	S	2-05-15S-35E	B	30-025-33314	O	96676	MORTON;ATOKA, NORTH (GAS)	03/16	0
✓ 25300	BIG BEAR ATN #002	P	L-29-15S-35E	L	30-025-35261	G	97214	BIG DOG;MORROW (GAS)	03/16	0
✓	BIG BEAR ATN #002	P	L-29-15S-35E	L	30-025-35261	G	97118	BIG DOG;ATOKA	03/16	
✓	BIG BEAR ATN #002	P	L-29-15S-35E	L	30-025-35261	G	97215	BIG DOG;MISS, NORTHWEST (GAS)	03/16	
✓ 34390	NORTH PAPALOTES BFF STATE #001	S	A-36-14S-34E	A	30-025-35327	O	47350	MORTON;PERMO UPPER PENN, NORTH	03/16	0
✓ 27070	PARDNER AXO STATE COM #001	S	F-19-15S-35E	F	30-025-35331	G	76360	EIDSON;MORROW, NORTH (GAS)	03/16	0
✓ 18677	MORTON UNIT #003	S	P-32-14S-35E	P	30-025-35422	G	96676	MORTON;ATOKA, NORTH (GAS)	03/16	0
✓ 36435	NEW GRASS BJV STATE COM #001	S	A-22-15S-34E	A	30-025-35842	G	97235	GRASSLAND;AUSTIN (GAS)	03/16	0
✓	NEW GRASS BJV STATE COM #001	S	A-22-15S-34E	A	30-025-35842	G	97391	WC-025 S153425I;ATOKA (GAS)	03/16	
✓ 37348	MANDRELL BMR STATE COM #001	S	I-19-14S-35E	D	30-025-36402	G	97345	ESTACADO;MORROW (GAS)	03/16	0
✓ 34358	BUFFETT BFF STATE #001	S	N-15-12S-38E	N	30-025-36917	O	59890	TRINITY;WOLFCAMP	03/16	0
✓ 36434	NEW GRASS BJV STATE COM #003	S	P-15-15S-34E	P	30-025-37454	G	97235	GRASSLAND;AUSTIN (GAS)	03/16	0
✓	NEW GRASS BJV STATE COM #003	S	P-15-15S-34E	P	30-025-37454	G	97337	GRASSLAND;MISS, NORTHEAST (GAS)	03/16	
✓ 35625	DOOR BIW STATE #001Y	S	P-15-15S-35E	P	30-025-38018	O	96690	BIG DOG;STRAWN, SOUTH	03/16	0

NMOCD Approval

Electronic Signature: Paul Kautz, District 1

Total Additional bond

Date: May 12, 2016

0

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Comments
Permit 220352

CHANGEOP COMMENTS

Operator: YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210	OGRID: 25575
	Permit Number: 220352
	Permit Type: ChangeOp

Comments

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