

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**

**NM OIL CONSERVATION
ARTESIA DISTRICT**

DEC 01 2016

RECEIVED

Previous Operator Information

OGRID: 287300
Name: GUARDIAN OPERATING CORP.
Address: 6824 Island Cir.

City, State, Zip: Midland, TX 79707

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 24010
Name: V-F PETROLEUM INC
Address: P. O. BOX 1889

City, State, Zip: MIDLAND , TX 79702

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

Additionally, by signing below, V-F PETROLEUM 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) have retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(I) NMAC.

V-F PETROLEUM 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 with selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee, 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, V-F PETROLEUM 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 regulatory filings with the OCD. I have familiarized myself with all applicable statutes and rules, not just the rules referenced in this agreement. I understand that the OCD's rules (19.15.2-19.15.112 NMAC) and the Water Quality Control Commission's rules (20.6.2-20.6.112 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 operation. 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 and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may exercise 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 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 "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 assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9(C) NMAC. I understand that I must comply with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Form" on 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 "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 OCD, agree to be bound by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.5.9 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 eligible 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 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 pressure on my monthly C-115 report. I understand that I must conduct mechanical integrity tests on my injection wells at least 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 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 operation. 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 or my predecessor operated the wells and related facilities.

Previous Operator

Signature:

Printed Name:

Title:

Date:

[Signature]
RAWDAUL CATE
PRESIDENT
11/30/2016 Phone: 432-553-1849

New Operator

Signature:

Printed Name:

Title:

Date:

[Signature]
Sandra K Lawlis
Vice President
11/30/16 Phone: 432-683-3344

1

OCD Permitting - Operator Change

Page 1 of 1

SKLAWLIS (MANAGER FOR V-F PETROLEUM INC) SIGN OUT HELP

[Wells](#) [Operator Data](#) [Submit Form](#) [Administration](#)**OCD Permitting**[Home](#) [Other Forms](#) [Operator Change](#)**Operator Change, C-145 (229172)**

1	2	3	4	5	6	7	8
Operator Information	Properties	Wells	Comments	Forms	Warnings	Certification	Close

Permit Details

Current Operator: GUARDIAN OPERATING CORP

New Operator: V-F PETROLEUM INC

Wells

All A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

<input checked="" type="checkbox"/>	CROW FLATS A FEDERAL #001	H-30-16S-28E	30-015-24876	0	DOG CANYON.WOLFCAMP	9/16	0
<input checked="" type="checkbox"/>	CROW FLATS A FEDERAL #002H	A-30-16S-29E	30-015-39800	0	DOG CANYON.WOLFCAMP	9/16	0

[Select All](#) [Unselect All](#)

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1220 South St. Francis Drive | Santa Fe, NM 87505 | P: (505) 476-3200 | F: (505) 476-3220

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District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
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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

Comments
Permit 229172

CHANGEOP COMMENTS

Operator: GUARDIAN OPERATING CORP. 6824 Island Cir. Midland, TX 79707	OGRID: 287300
	Permit Number: 229172
	Permit Type: ChangeOp

Comments

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