

9/9/2018

C-145

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) 745-1283 Fax:(575) 745-8720**District III**1000 Rio Brazos Rd., Artec, 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

Form C-145
Revised May 19, 2017

Permit 256769

**NM OIL CONSERVATION
ARTESIA DISTRICT**

OCT 15 2018

RECEIVED

Previous Operator Information**New Operator Information**

OGRID: 198688

Name: CAMBRIAN MANAGEMENT LTD

Address: P.O. Box 272

City, State, Zip: Midland, TX 79701

Effective Date: Effective on the date of approval by the OCD

OGRID: 373626

Name: Permian Water Solutions, LLC

Address: 600 Travis Street, Suite 4700

City, State, Zip: Houston, TX 77002

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, Permian Water Solutions, 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.

Permian Water Solutions, 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.

DENISE JONES (FOR CAMBRIAN MANAGEMENT LTD) SIGN OUT HELP

Wells Operator Data Submit Form Administration

OCD Permitting

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Operator Change, C-145 (256769)

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Operator Information	Properties	Wells	Comments	Forms	Warnings	Certification	Close

Permit Details

Current Operator: CAMBRIAN MANAGEMENT LTD

New Operator: Permian Water Solutions, LLC

Signed C-145Submit Signed C-145: [Operator Change, Cambrian, Permian, Exxon Wells, Signed \(560.9 Kb\)](#)*Note: Permit must be signed by both operators before it is submitted***Certifications:****Transfer-From Operator's Certification**

I certify that all selected wells are included in this operator change.

This operator change was certified for [198688] CAMBRIAN MANAGEMENT LTD by Denise Jones.

[Click here](#) to remove this certification.**Transfer-To Operator's Certification**

I certify that all selected wells are included in this operator change.

I certify that all below grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells are in compliance with 19.15.17 NMAC, have been closed pursuant to 19.15.17.13 NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

I understand 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

I have read and understand the following synopsis of applicable rules:

As the operator of record of wells in New Mexico,

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 Subsection B of 19.15.9.9 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

RV

approve the operator change if it may require me to enter into an enforceable agreement to return those wells to compliance. See Paragraph (2) of Subsection C of 19.15.9.9 NMAC. DENISE JONES (FOR CAMBRIAN MANAGEMENT LTD) SIGN OUT HELP

RV

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 Subsection C of 19.15.7.24 NMAC. Wells Operator Data Submit Form Administration

RV

4 I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in 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.

RV

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 a "blanket plugging financial assurance for wells in temporarily abandoned statuses", even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See Subsection C of 19.15.8.9 NMAC. I understand that I can check my compliance with the financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.

RV

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.

RV

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 and seek other relief. See 19.15.26.8 NMAC and 19.15.10 NMAC.

RV

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 19.15.25 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 19.15.25.11 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 19.15.25.12 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 19.15.25.15 NMAC.

RV

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 Subsection C of 19.15.9.8 NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."

RV

10 If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See Subsection B of 19.15.9.9 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.

RV

11 No person with an interest exceeding 25% in the undersigned company is, or was within the last 5 years, an officer, director, partner or person with a 25% or greater interest in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC.

RV

12 NMOC Rule Subsection E and F of 19.15.16.9 NMAC: An operator shall have 60 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension time, for good cause shown, along with a schedule for making the changes. Each sign shall show the (1) well number, (2) property name, (3) operator's name, (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and (5) API number.

This operator change was certified for [373626] Permian Water Solutions, LLC by Brian Wood.

[Click here](#) to remove this certification.

[Submit To OCD](#)

9/5/2018

C-145

I hereby certify I understand the above. The statements I have made are true and correct and a condition precedent to the Oil Conservation Division accepting this Change of Operator.

Previous Operator

Signature:

Andy Rickard

Printed
Name:

Andy Rickard

Title:

V P Operations

Date:

Sept 10 2018 ⁴³² Phone: 620-9181

New Operator

Signature:

Robert Hendricks

Printed
Name:

Robert Hendricks

Title:

Manager

Date:

9-6-18 Phone: 713-554-6701

Permit 256769

9/8/2018

OCD Permitting

Wells Selected for Transfer

District I

1625 N. French Dr., Hobbs, NM 88240

Phone:(575) 393-6181 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210

Phone:(575) 748-1283 Fax:(575) 748-0720

District III

1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6179

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

Phone:(505) 476-3470 Fax:(505) 476-3482

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

Permit 256789

17 Wells Selected for Transfer

From:	CAMBRIAN MANAGEMENT LTD	OGRID:	198888
To:	Permian Water Solutions, LLC	OGRID:	373626

OCD District Hobbs (4 Wells selected)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Producing	Single Well Bond Required for Inactive Well
317112	KAISER STATE SWD #009	S	F-13-21S-34E	F	30-025-02538	S	96141	SWD; YATES-SEVEN RIVERS	04/18	0
317103	A N ETZ #001	P	P-26-19S-38E	P	30-025-07713	S	96121	SWD; SAN ANDRES	04/18	0
317113	RICE SWD F #029	P	F-29-18S-38E	F	30-025-12802	S	96121	SWD; SAN ANDRES	12/17	0
317111	HOBBS STATE #010	S	F-29-18S-38E	F	30-025-35915	M	96173	BSW; SALADO		0

OCD District: Artesia (13 Wells selected)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Producing	Single Well Bond Required for Inactive Well
317109	EXXON STATE #001	S	J-15-21S-27E	J	30-015-01091	O	42750	MAGRUDER; YATES	09/16	0
	EXXON STATE #002	S	J-15-21S-27E	J	30-015-01092	O	42750	MAGRUDER; YATES	09/16	0
	EXXON STATE #003	S	O-15-21S-27E	O	30-015-01096	O	42750	MAGRUDER; YATES	08/16	5589
	EXXON STATE #007	S	O-15-21S-27E	O	30-015-01100	O	42750	MAGRUDER; YATES	09/16	0
317115	WILLOW LAKE #001	F	C-22-24S-28E	C	30-015-21499	S	96095	SWD; BONE SPRING	03/17	0
317109	EXXON STATE #008	S	O-15-21S-27E	O	30-015-22055	S	96090	SWD; YATES	04/18	0
317104	ANN SWD #001	P	G-18-19S-26E	G	30-015-23580	S	96184	SWD; CANYON	12/17	0
317107	DORSTATE SWD #001	S	H-27-25S-28E	H	30-015-23728	S	96095	SWD; BONE SPRING	04/18	0
317105	CLARK SWD #001	P	G-11-26S-28E	G	30-015-24305	S	96100	SWD; DELAWARE	09/16	0
317106	DELAWARE RIVER #002	P	E-11-26S-28E	E	30-015-24784	S	96101	SWD; DEVONIAN	12/17	0
317114	ROHMER #001	P	F-23-22S-27E	F	30-015-25722	S	96100	SWD; DELAWARE	04/18	0
317108	DUNAWAY #001	P	F-23-22S-27E	F	30-015-28083	M	96173	BSW; SALADO		0
	DUNAWAY #002	P	F-23-22S-27E	F	30-015-28084	M	96173	BSW; SALADO		0

Total of Single Well Bonds Required for Inactive Wells	5589
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NOCD Approval

Electronic Signature: Paul F Kautz, District 1

Date: October 16, 2018

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 1625 N. French Dr., Hobbs, NM 88240
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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

Wells Selected for Transfer

Permit 256769

17 Wells Selected for Transfer

From:	CAMBRIAN MANAGEMENT LTD	OGRID:	198688
To:	Permian Water Solutions, LLC	OGRID:	373626

OCD District Hobbs (4 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
322728	A N ETZ #001	P	P-26-19S-38E	P	30-025-07713	S	96121	SWD; SAN ANDRES
322734	HOBBS STATE #010	S	F-29-18S-38E	F	30-025-35915	M	96173	BSW; SALADO
322735	KAISER STATE SWD #009	S	F-13-21S-34E	F	30-025-02538	S	96141	SWD; YATES-SEVEN RIVERS
322736	RICE SWD F #029	P	F-29-18S-38E	F	30-025-12802	S	96121	SWD; SAN ANDRES

OCD District: Artesia (13 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
322729	ANN SWD #001	P	G-18-19S-26E	G	30-015-23580	S	96184	SWD; CANYON
322730	CLARK SWD #001	P	G-11-26S-28E	G	30-015-24305	S	96100	SWD; DELAWARE
322731	DELAWARE RIVER #002	P	E-11-26S-28E	E	30-015-24784	S	96101	SWD; DEVONIAN
322732	DORSTATE SWD #001	S	H-27-25S-28E	H	30-015-23728	S	96095	SWD; BONE SPRING
322739	DUNAWAY #001	P	F-23-22S-27E	F	30-015-28083	M	96173	BSW; SALADO
	DUNAWAY #002	P	F-23-22S-27E	F	30-015-28084	M	96173	BSW; SALADO
322733	EXXON STATE #001	S	J-15-21S-27E	J	30-015-01091	O	42750	MAGRUDER; YATES
	EXXON STATE #002	S	J-15-21S-27E	J	30-015-01092	O	42750	MAGRUDER; YATES
	EXXON STATE #003	S	O-15-21S-27E	O	30-015-01096	O	42750	MAGRUDER; YATES
	EXXON STATE #007	S	O-15-21S-27E	O	30-015-01100	O	42750	MAGRUDER; YATES
	EXXON STATE #008	S	O-15-21S-27E	O	30-015-22055	S	96090	SWD; YATES
322737	ROHMER #001	P	F-23-22S-27E	F	30-015-25722	S	96100	SWD; DELAWARE
322738	WILLOW LAKE #001	F	C-22-24S-28E	C	30-015-21499	S	96095	SWD; BONE SPRING

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

Comments

Permit 256769

CHANGEOP COMMENTS

Operator: CAMBRIAN MANAGEMENT LTD P.O. Box 272 Midland , TX 79701	OGRID: 198688
	Permit Number: 256769
	Permit Type: ChangeOp

Comments

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