

District I
 1501 N. Nevada Dr., Suite 100
 Phoenix, AZ 85016
 District II
 411 E. First St., Suite 100
 Phoenix, AZ 85004
 District III
 1001 N. Central Ave., Suite 100
 Phoenix, AZ 85004
 District IV
 1001 N. Central Ave., Suite 100
 Phoenix, AZ 85004

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 O-145
 Revised May 19, 2017
 Permit 201766

Previous Operator Information

OGRID: 37188
 Name: OIL CONSERVATION OIL, LLC
 Address: 402 W Main Suite 6
 P.O. Box 1176
 City, State, Zip: Albuquerque, NM 87108

New Operator Information

Effective Date: Effective on the date of approval by the OGD
 OGRID: 37188
 Name: ROVER OPERATING, LLC
 Address: 17304 Preston Road
 Suite 300
 City, State, Zip: Dallas, TX 75252

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, ROVER OPERATING, 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 10, 2005 associated with the associated wells being transferred are either (1) in compliance with 19.15.17 NMAC, or have been closed pursuant to 19.15.17 NMAC, or (2) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17 NMAC.

ROVER OPERATING, 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 tanker, closed-loop system associated with the associated wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 10, 2005 associated with the associated 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, ROVER OPERATING, LLC agrees to the following statements:

1. Initials: LR 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, and for the rules referenced in this act. 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 under "Regulatory." I understand that the rules are subject to change without notice.
2. Initials: LR 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 NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or abandoned wells, before the OCD will approve the operator change I 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 NMAC.
3. Initials: LR I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowance and authorization to transport, and injection for each injection well. See 19.15.24 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 19.15.24 NMAC.
4. Initials: LR I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or plugged in approved temporary abandonment. See 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25 NMAC by using the Tractive Well List on OCD's website.
5. Initials: LR I must have current and accurate information for well plugging. I understand that New Mexico requires each state or federal 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 "barrier plugging financial assurance" for wells in temporarily abandoned status, even if the well is also covered by a well financial assurance and even if the well is in approved temporary abandonment status. See Subsection C of 19.15.25 NMAC. I understand that I must check my compliance with the financial assurance requirement by using the "Inactive Well Abandonment Financial Assurance" report on the OCD's website.
6. Initials: LR I am responsible for reporting and remedying releases pursuant to 19.15.29 NMAC. I understand that 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. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases.
7. Initials: LR I have read 19.15.9 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 certain reporting and remedial actions, my permits associated with the wells are approved by the OCD, and I must have 100% of my wells out of compliance with the inactive well rule (19.15.25.9 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 19.15.10 NMAC, 19.15.25 NMAC, 19.15.9 NMAC and 19.15.14, 19.15 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 NMAC and 19.15.10 NMAC.
8. Initials: LR For injection wells, I understand that I must report injection on my monthly C-115 report and must provide my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that when there is a continuous or year period of non-injection into a well in an injection or storage project or into a saltwater disposal well or second person injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer ownership 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. Initials: LR 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 NMAC. I understand that I am responsible for updating that information on the OCD's website under "Electronic Filing."
10. Initials: LR 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 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 other violation which occurred while I operated the wells and related facilities.
11. Initials: LR An operator with an interest exceeding 25% in the ownership, management, or sales 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 19.15.9 NMAC.
12. Initials: LR NMOC Rule Subsections E and F of 19.15.15 NMAC. An operator shall have 60 days from the effective date of an operator change to change the operator name on the well sign, unless the division grants a 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 latitude, longitude, quarter section, township and range (or grid letter) can be associated for the quarter-section section, and (5) API number.

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: Rikole Fulton
 Name: Rikole Fulton
 Title: Chief Executive Officer
 Date: 4/10/2019 Phone: 505-486-4294

New Operator

Signature: Raymond Podany
 Name: Raymond Podany
 Title: Sr. Engineer
 Date: 4/10/19 Phone: 214-234-9145

PD/MS 281766

NMOCD Approval

Electronic Signature: Raymond Podany, District 2

Date: August 21, 2019

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

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Wells Selected for Transfer

Permit 261766

2 Wells Selected for Transfer

From:	SELLERS&FULTON OIL LLC	OGRID:	371978
To:	ROVER OPERATING, LLC	OGRID:	371484

OCD District: Artesia (2 Wells selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
326051	DOVE STATE #001	S	J-16-16S-29E	J	30-015-34157	O	97479	HIGH LONESOME; GB-SA
326052	ILES FEDERAL #001Y	F	P-17-16S-29E	P	30-015-02754	O	30780	HIGH LONESOME; QUEEN

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Comments

Permit 261766

CHANGEOP COMMENTS

Operator: SELLERS&FULTON OIL LLC 422 W Main Suite 5 Artesia, NM 88210	OGRID: 371978
	Permit Number: 261766
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
degalligos	Additional bonding required for: 30-015-03013 - \$29,572	1/28/2019
degalligos	Additional bonding required for: 30-015-03013 - \$29,572	1/28/2019
degalligos	Rover Operating, LLC must increase blanket bond to \$250,000 and all single well bonds on file to comply with new financial assurance rule.	4/18/2019
degalligos	Rover Operating, LLC must increase blanket bond to \$250,000 and all single well bonds on file to comply with new financial assurance rule.	4/18/2019