

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

Previous Operator Information

OGRID:	299027
Name:	MCI OPERATING OF NM, LLC
Address:	107 Main Street
City, State, Zip:	Sealy, TX 77474

New Operator Information

Effective Date:	Effective on the date of approval by the OCD
OGRID:	333444
Name:	3 Knight's LLC
Address:	4023 HARMON LN
City, State, Zip:	Carlsbad, NM 88220

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, 3 Knight's 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.

3 Knight's 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, 3 Knight's LLC agrees to the following statements:

1. Initials JK 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. Initials JK 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 approve the operator change 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.
3. Initials JK 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.
4. Initials JK 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.
5. Initials JK 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.
6. Initials JK I am responsible for reporting and remediating releases pursuant to 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. 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 JK 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 19.15.5.10 NMAC.
8. Initials JK 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 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 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 JK 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."
10. Initials JK 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.
11. Initials JK 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.
12. Initials JK NMOCD Rule Subsection E and F of 19.15.16.8 NMAC: An operator shall have 90 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.

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:

Charles Cleveland for
Catherine Cone

Printed Name:

CHARLES CLEVELAND

Title:

various owner

Date:

01/09/24

Phone:

832-541-8842

New Operator

Signature:

Jan Kodytek

Printed Name:

JAN KODYTEK

Title:

OWNER

1-14-26

Phone: 630-670-6280

Permit 406564

NMOCD ApprovalElectronic Signature(s): Rob Jackson, District 5Date: January 16, 2026

Form 3160-5
(June 2019)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

5. Lease Serial No.

multiple

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPPLICATE - Other instructions on page 2

1. Type of Well

 Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No.

2. Name of Operator

3 Knights LLC

8. Well Name and No.

multiple

9. API Well No.

multiple

3a. Address

4023 Harmon Ln.
Carlsbad, NM 88220

3b. Phone No. (include area code)

10. Field and Pool or Exploratory Area
Multiple

4. Location of Well (Footage, Sec., T.R.M., or Survey Description)

*multiple*11. Country or Parish, State
Lea and Eddy

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION							
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off				
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity				
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other				
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon					
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal					

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This is notification that 3 Knight's LLC is taking over operations of the wells indicated in the attachment.

3 Knight's LLC as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concerning operations, stipulations, and restrictions concerning operations conducted on these leases.

Bond Coverage BLM Bond File No. LJCX1975623

Change from Former Operation Effective May 1, 2025

Former Operator: MCI Operating OF NM LLC - *312754*

See attachment for all lease information

See Conditions of Approval

Like Approval by NMOCD

Wells in (ABD) abandoned status cannot be entered without a new permit

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Jan Kopytek

Title

President

Signature

Date

Dr. Charles R. Cleland, Jr.
for Cathy Cone

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by:

Petroleum Engineer

Date

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

RFO

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Wells

Criteria: OperatorSearchClause=BeginsWith, ogrid_name=MCI, WellSearchClause=BeginsWith, WellNumberSearchClause=BeginsWith, PoolSearchClause=BeginsWith, section=00, CancelledAPDs=Exclude, PluggedWells=Exclude, SearchLocation=Surface

Records Returned: 20
Printed On: Wednesday, May 14 2025

API	Well	Type	Work Type	Mineral Owner	Surface Owner	Status	Location (ULSTR)	OCD Unit Letter	Last Production	Spud Date	Plugged On	Current Operator
30-025-08155	BRADLEY FEDERAL #002	Oil	New	Federal	Federal	Active	H-22-24S-32E	H	10/2019	07/25/1962		[299027] MCI OPERATING OF NM, LLC
30-015-02784	CAVE POOL UNIT #001	Oil	New	Federal	Federal	Active	O-33-16S-29E	O	2/2010	10/24/1957		[299027] MCI OPERATING OF NM, LLC
30-025-28753	FEDERAL CG 22 #001	Oil	New	Federal	Federal	Active	F-22-24S-32E	F	9/2015			[299027] MCI OPERATING OF NM, LLC
30-025-28655	GRAHAM FEDERAL #003	Oil	New	Federal	Federal	Active	E-22-24S-32E	E	9/2010			[299027] MCI OPERATING OF NM, LLC
30-025-08145	GULF HANAGAN FEDERAL #002	Oil	New	Federal	Federal	Active	O-11-24S-32E	O	9/2010	05/01/1962		[299027] MCI OPERATING OF NM, LLC
30-025-08151	HANAGAN B FEDERAL #001	Oil	New	Federal	Private	Active	O-15-24S-32E	O	10/2014	04/01/1961		[299027] MCI OPERATING OF NM, LLC
30-025-08152	HANAGAN B FEDERAL #002	Oil	New	Federal	Private	Active	P-15-24S-32E	P	9/2010	05/27/1961		[299027] MCI OPERATING OF NM, LLC
30-025-08141	HANAGAN D FEDERAL #002	Oil	New	Federal	Federal	Active	J-11-24S-32E	J	10/2019	07/22/1962		[299027] MCI OPERATING OF NM, LLC
30-015-02898	HODGES FEDERAL #002	Oil	New	Federal	Federal	Active	I-05-17S-29E	A	5/2018	04/19/1958		[299027] MCI OPERATING OF NM, LLC
30-025-08148	JENNINGS FEDERAL #001	Salt Water Disposal	New	Federal	State	Active	C-14-24S-32E	C	3/2009	07/01/1962		[299027] MCI OPERATING OF NM, LLC
30-025-08149	JENNINGS FEDERAL #002	Oil	New	Federal	Private	Active	M-14-24S-32E	M	1/2019	09/20/1962		[299027] MCI OPERATING OF NM, LLC
30-025-25149	JENNINGS FEDERAL #004	Oil	New	Federal	State	Active	K-14-24S-32E	K	6/2019			[299027] MCI OPERATING OF NM, LLC
30-025-28754	JENNINGS FEDERAL #005	Oil	New	Federal	State	Active	F-14-24S-32E	F	8/2019			[299027] MCI OPERATING OF NM, LLC
30-025-28755	JENNINGS FEDERAL #006	Oil	New	Federal	State	Active	J-14-24S-32E	J	6/2019			[299027] MCI OPERATING OF NM, LLC
30-015-25091	LEVERS FEDERAL #007	Oil	New	Federal	Federal	Active	J-33-16S-29E	J	6/2008	12/01/1984		[299027] MCI OPERATING OF NM, LLC
30-015-25059	RED TWELVE FEDERAL #002	Oil	New	Federal	Federal	Active	P-33-16S-29E	P	7/2008	10/25/1984		[299027] MCI OPERATING OF NM, LLC
30-025-08157	U S SMELTING FEDERAL #001	Oil	New	Federal	Federal	Active	B-22-24S-32E	B	1/2015	12/15/1960		[299027] MCI OPERATING OF NM, LLC
30-025-08159	U S SMELTING FEDERAL #003	Oil	New	Federal	Federal	Active	I-22-24S-32E	I	4/2010	08/21/1962		[299027] MCI OPERATING OF NM, LLC
30-025-08160	U S SMELTING FEDERAL #004	Oil	New	Federal	Federal	Active	G-22-24S-32E	G	1/2015	08/30/1962		[299027] MCI OPERATING OF NM, LLC
30-025-08161	U S SMELTING FEDERAL SWD #005	Salt Water Disposal	New	Federal	Federal	Active	P-22-24S-32E	P	9/2010	10/04/1962		[299027] MCI OPERATING OF NM, LLC

STATUTORY DURABLE POWER OF ATTORNEY

NOTICE: THE POWERS GRANTED BY THIS DOCUMENT ARE BROAD AND SWEEPING. THEY ARE EXPLAINED IN THE DURABLE POWER OF ATTORNEY ACT, CHAPTER XII, TEXAS PROBATE CODE. IF YOU HAVE ANY QUESTIONS ABOUT THESE POWERS, OBTAIN COMPETENT LEGAL ADVICE. THIS DOCUMENT DOES NOT AUTHORIZE ANYONE TO MAKE MEDICAL AND OTHER HEALTH-CARE DECISIONS FOR YOU. YOU MAY REVOKE THIS POWER OF ATTORNEY IF YOU LATER WISH TO DO SO.

I, CHARLES R. CLEVELAND, whose address is 3505 Peters San Felipe Road, Sealy, Austin County, Texas 77474, appoint CATHY C. CONE, whose address is 7505 Memorial Woods Drive #60, Houston, Harris County, Texas 77024, as my agent (attorney-in-fact) to act for me in any lawful way with respect to all of the following powers except for a power that I have crossed out below.

TO WITHHOLD A POWER, YOU MUST CROSS OUT EACH POWER WITHHELD.

Real property transactions;
 Tangible personal property transactions;
 Stock and bond transactions;
 Commodity and option transactions;
 Banking and other financial institution transactions;
 Business operating transactions;
 Insurance and annuity transactions;
 Estate, trust, and other beneficiary transactions;
 Claims and litigation;
 Personal and family maintenance;
 Benefits from social security, Medicare, Medicaid, or other governmental programs or civil or military service;
 Retirement plan transactions;
 Tax matters.

IF NO POWER LISTED ABOVE IS CROSSED OUT, THIS DOCUMENT SHALL BE CONSTRUED AND INTERPRETED AS A GENERAL POWER OF ATTORNEY AND MY AGENT (ATTORNEY IN FACT) SHALL HAVE THE POWER AND AUTHORITY TO PERFORM OR UNDERTAKE ANY ACTION I COULD PERFORM OR UNDERTAKE IF I WERE PERSONALLY PRESENT.

SPECIAL INSTRUCTIONS: Special instructions applicable to gifts (initial in front of the following sentence to have it apply):

____ I grant my agent (attorney in fact) the power to apply my property to make gifts, except that the amount of a gift to an individual may not exceed the amount of annual exclusions allowed from the federal gift tax for the calendar year of the gift.

____ I authorize, but do not require, that my agent may make such gifts out of my property to my spouse, children, and/or grandchildren, and take such other actions as may be necessary so that I may qualify for Medicaid or similar type governmental assistance.

ON THE FOLLOWING LINES YOU MAY GIVE SPECIAL INSTRUCTIONS LIMITING OR EXTENDING THE POWERS GRANTED TO YOUR AGENT. This Power of Attorney supersedes any previous Power of Attorney, currently in place regarding any Financial Matter with regard to my ownership in any property, oil leases, places of business or companies I may have ownership in as of April 21, 2017. I revoke any previous POWER OF ATTORNEY given to James Russell Cleveland or any other party with regard to the management of my Financial Matters effective April 21, 2017.

UNLESS YOU DIRECT OTHERWISE ABOVE, THIS POWER OF ATTORNEY IS EFFECTIVE IMMEDIATELY AND WILL CONTINUE UNTIL IT IS REVOKED.

CHOOSE ONE OF THE FOLLOWING ALTERNATIVES BY CROSSING OUT THE ALTERNATIVE NOT CHOSEN:

(A) This power of attorney is not affected by my subsequent disability or incapacity.
 (B) This power of attorney becomes effective upon my disability or incapacity.

YOU SHOULD CHOOSE ALTERNATIVE (A) IF THIS POWER OF ATTORNEY IS TO BECOME EFFECTIVE ON THE DATE IT IS EXECUTED.

IF NEITHER (A) NOR (B) IS CROSSED OUT, IT WILL BE ASSUMED THAT YOU CHOSE ALTERNATIVE (A).

If Alternative (B) is chosen and a definition of my disability or incapacity is not contained in this power of attorney, I shall be considered disabled or incapacitated for purposes of this power of attorney if a physician certifies in writing at a date later than the date this power of attorney is executed that, based on the physician's medical examination of me, I am mentally incapable of managing my financial affairs. I authorize the physician who examines me for this purpose to disclose my physical or mental condition to another person for purposes of this power of attorney. A third party who accepts this power of attorney is fully protected from any action taken under this power of attorney that is based on the determination made by a physician of my disability or incapacity.

I agree that any third party who receives a copy of this document may act under it. Revocation of the durable power of attorney is not effective as to a third party until the third party receives actual notice of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance on this power of attorney.

If any agent named by me dies, becomes legally disabled, resigns, or refuses to act, I name the following (each to act alone and successively, in the order named) as successor(s) to that agent:

LISA OREN, 12606 Mostyn Way, Magnolia, Texas 77354, (832)723-9488

Signed this 21 day of April, 2017.

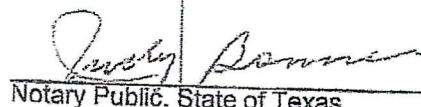


Dr. CHARLES R. CLEVELAND, JR.

STATE OF TEXAS

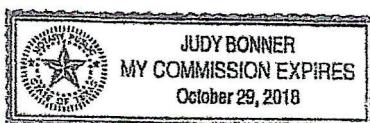
COUNTY OF FORT BEND, TEXAS

This document was acknowledged before me on the 21 day of APRIL, 2017, by DR. CHARLES R. CLEVELAND, JR.



Notary Public, State of Texas

THE ATTORNEY IN FACT OR AGENT, BY ACCEPTING OR ACTING UNDER THE APPOINTMENT, ASSUME THE FIDUCIARY OR OTHER LEGAL RESPONSIBILITIES OF AN AGENT.



Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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 406564

1 Well Selected for Transfer

From:	MCI OPERATING OF NM, LLC	OGRID:	299027
To:	3 Knight's LLC	OGRID:	333444

OCD District Hobbs (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
338782	HANAGAN D FEDERAL #002	F	J-11-24S-32E	J	30-025-08141			O

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

COMMENTS

Action 406564

COMMENTS

Operator: MCI OPERATING OF NM, LLC 107 Main Street Sealy, TX 77474	OGRID: 299027
	Action Number: 406564
	Action Type: [C-145] EP Change of Operator

Comments

Created By	Comment	Comment Date
twfolsom	The plan is to work on well and establish production, and place well back into production status.	1/10/2026