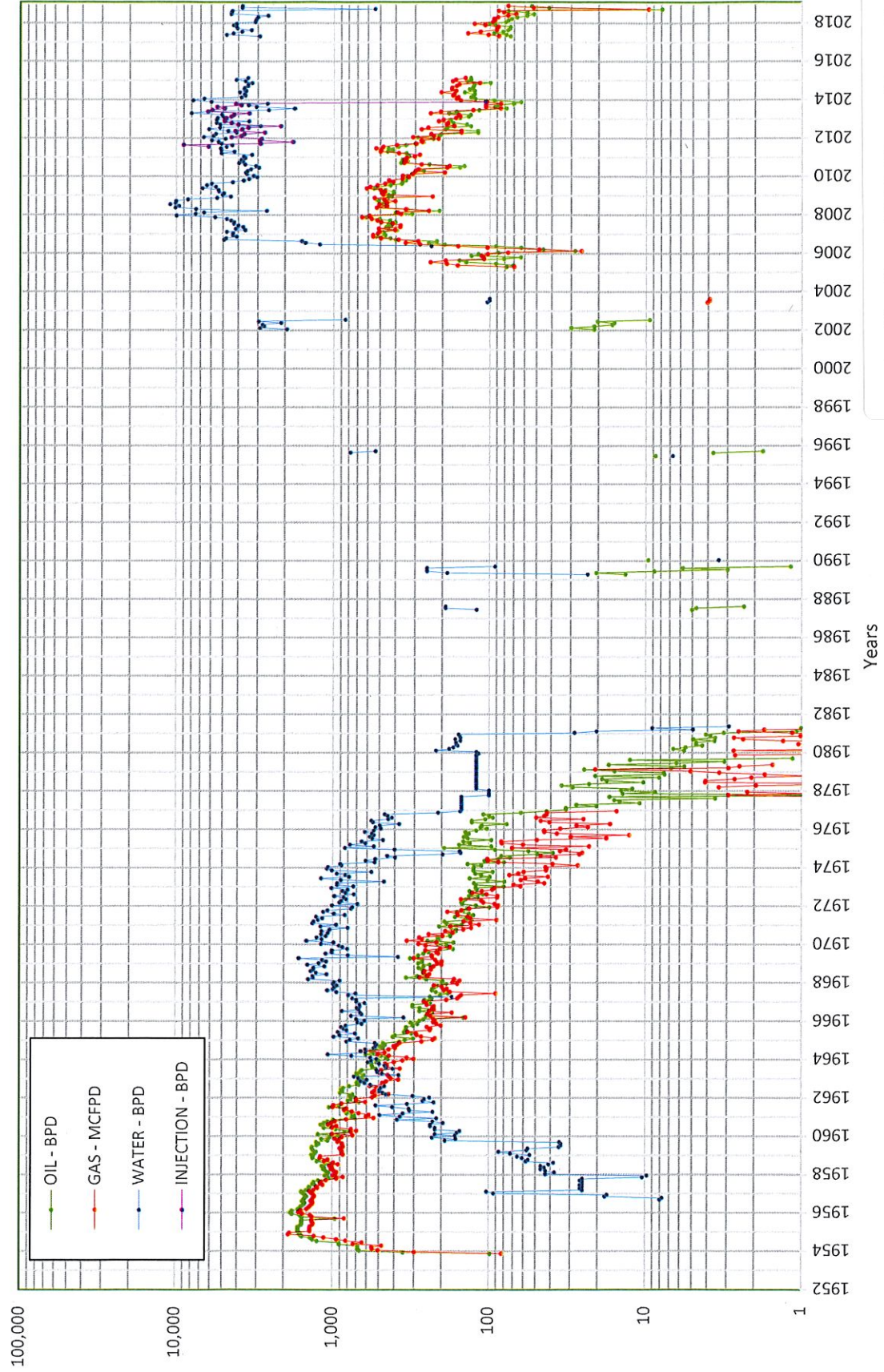


WISHBONE TEXAS OPERATING COMPANY - DENTON DEVONIAN FIELD  
Devonian Waterflood Pilot Project - Well Performance Evaluation

[illegible]

Wishbone Texas Operating Co. LLC  
**Denton Devonian Field Waterflood Pilot**  
 Cum Oil - 6,395 MBO, Cum Gas - 5,372 MMCF, Cum Water - 22, 856 MBW



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

NMOCD – ACOI- 369

IN THE MATTER OF WISHBONE TEXAS OPERATING COMPANY, LLC

Respondent.

INACTIVE WELL  
AGREED COMPLIANCE ORDER

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended ("Act") and OCD Rule 19.15.5.10(E) NMAC, the Director of the Oil Conservation Division ("OCD") and Wishbone Texas Operating Company, LLC ("Operator") enter into this Inactive Well Agreed Compliance Order ("Order" or "ACOI"). Operator agrees to plug, place on approved temporary abandonment status, or restore to production or other beneficial use the wells identified herein in accordance with the following agreed schedule and procedures, or face the possibility of no further agreed compliance orders. See 19.15.25.8 NMAC

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the Act, and rules and orders adopted pursuant to the Act.
2. Operator is a Company doing business in the state of New Mexico.
3. Operator is the operator of record under OGRID 370256 for the wells identified in Exhibit "A," attached.
4. OCD Rule 19.15.25.8 NMAC states, in relevant part:

"A. The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.

B. The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:

....

....

(3) a period of one year in which a well has been continuously inactive."

5. The wells identified in Exhibit "A"

ACOI

- (a) have been continuously inactive for a period of one year plus 90 days;
  - (b) are not plugged or abandoned in accordance with OCD Rule 19.15.25.9 NMAC through 19.15.25.11 NMAC; and
  - (c) are not on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.
6. An operator faces sanctions if it is out of compliance with OCD Rule 19.15.5.9 NMAC. Sanctions include possible denial of registration by operator or certain related entities (OCD Rule 19.15.9.8B NMAC), possible denial of change of operator that would transfer wells to the noncompliant operator (OCD Rule 19.15.9.9C.1 NMAC), mandatory denial of injection permits (OCD Rule 19.15.26.8A NMAC), possible revocation of injection permits after notice and hearing (OCD Rule 19.15.26.8A NMAC), possible denial of applications for a drilling permit (OCD Rule 19.15.14.10A NMAC), and mandatory denial of allowable and authorization to transport (OCD Rule 19.15.16.19A NMAC).
7. Operator is currently out of compliance with OCD Rule 19.15.5.9.A(4) NMAC because it has too many wells out of compliance with OCD Rule 19.15.25.8 NMAC (the inactive well rule) that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance with the inactive well rule and imposing sanctions if the schedule is not met. See OCD Rule 19.15.5.9(A)(4) NMAC.
8. As the operator of record of 49 wells, to be in compliance with OCD Rule 19.15.5.9.A(4) NMAC, Operator may have no more than 2 wells out of compliance with OCD Rule 19.15.25.8 NMAC (inactive well rule). See OCD Rule 19.15.5.9A(4)(b) NMAC. According to the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC, Operator has 9 wells out of compliance as of **January 29, 2019**. The Operator's inactive well list, dated **January 29, 2019** is attached as Exhibit "A." Operator faces sanctions for being out of compliance with OCD Rule 19.15.5.9 NMAC.
9. Operator intends to seek privileges from the OCD that would be subject to sanction due to Operator being out of compliance with OCD Rule 19.15.5.9 NMAC. By placing the wells identified in Exhibit "A" under this Order, Operator will not face sanctions for being out of compliance with OCD Rule 19.15.5.9 NMAC.

### CONCLUSIONS

1. The OCD has jurisdiction over the parties and subject matter in this proceeding.

2. The wells identified in Exhibit "A" are out of compliance or will be out of compliance with OCD Rule 19.15.25.8 NMAC.
3. As operator of the wells identified in Exhibit "A," Operator is responsible for bringing those wells into compliance with OCD Rule 19.15.25.8 NMAC.
4. The OCD and Operator enter into this Order to remove the wells identified in Exhibit "A" from the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC and consideration of Operator's compliance with the inactive well rule for purposes of Operator's compliance with OCD Rule 19.15.5.9 NMAC. Operator remains subject to sanctions for being out of compliance with OCD Rule 19.15.5.9 NMAC IF Operator becomes out of compliance with OCD Rule 19.15.5.9 NMAC for any reason other than the inactive wells identified in Exhibit "A."

### ORDER

1. Operator agrees to bring 5 wells identified in Exhibit "A" into compliance with OCD Rule 19.15.25.8 NMAC by **August 1, 2019** via
  - (a) restoring the well to production or other OCD-approved beneficial use and filing a C-115 documenting such production or use;
  - (b) causing the wellbore to be plugged in accordance with OCD Rule 19.15.25.10(B) NMAC and filing a C-103 describing the completed work; or
  - (c) placing the well on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.
2. **Prior to completing the term of this agreement, the operator agrees to provide a comprehensive plan, acceptable to the division, as to how it will address the remaining inactive wells on Exhibit "A". Failure to provide such a plan may result in the division denying future amendments to this agreement.** Oil and gas produced during swabbing does not count as production for purposes of this Order.
3. Operator shall file a **monthly** compliance report, **due on the last day of each month**, identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status.) Transfer of a well identified on Exhibit "A" to another operator does not count towards Operator's obligation to return wells to compliance under the terms of this Order, but does reduce the total number of wells for which Operator is responsible under the terms of this Order. The final written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager and to the OCD attorney in charge of inactive well agreed

compliance orders so that it is received by the compliance deadline of **August 1, 2019**. The total length of this Agreed Compliance Order is six months.

4. Operator understands that if it fails to meet the terms of this Order, the OCD may decide not to enter into any further agreed compliance orders with Operator. **If any more wells become inactive during the duration of this ACOI or the operator is in any other way in violation of OCD Rule 19.15.5.9 NMAC, this ACOI may terminate, at the sole discretion of the Division.**
5. This Order shall expire on **September 1, 2019**. At that time, any wells on Exhibit "A" not in compliance with OCD Rule 19.15.25.8 NMAC will appear on the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC, and will be considered when determining Operator's compliance with OCD Rule 19.15.5.9 NMAC.
6. By signing this Order, Operator expressly:
  - (a) acknowledges the correctness of the Findings and Conclusions set forth in this Order;
  - (b) agrees to return to compliance 5 wells identified in Exhibit "A" by **August 1, 2019**;
  - (c) agrees to submit a compliance report as required in Ordering Paragraph 3 by the **August 1, 2019** compliance deadline set by this Order;
  - (d) waives any right, pursuant to the Oil and Gas Act or otherwise, to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order other than a hearing on a request for waiver; and
  - (e) agrees that the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act.
7. This Order applies only to the enforcement of OCD Rule 19.15.25.8 NMAC against those wells identified in Exhibit "A." Other wells operated by Operator out of compliance with OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules. Wells identified in Exhibit "A" that are out of compliance with the Oil and Gas Act or OCD Rules other than OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules.
8. The OCD reserves the right to file an application for hearing to obtain authority to plug any well identified in Exhibit "A" and forfeit the applicable financial assurance if the well poses an immediate environmental threat.



Done at Santa Fe, New Mexico this 18<sup>th</sup> day of February, 2019

By: \_\_\_\_\_  
Gabriel Wade  
Acting Director, Oil Conservation

Division

**ACCEPTANCE**

**Wishbone Texas Operating Company, LLC** hereby accepts the foregoing Order and agrees to all of the terms and provisions set forth in that Order.

By: \_\_\_\_\_  
(Please print name) H CRAIG CLARK  
Title: CEO  
Date: 2/11/19

**Exhibit "A" to Agreed Compliance Order for Wishbone Texas Operating Company, LLC**

**Total Well Count: 49 Inactive Well Count: 9  
Printed On: Tuesday, January 29 2019**

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-05122	BUCKLEY A #004	N-25-14S-37E	N	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	01/2014	DEVONIAN	T	11/16/2018
1	30-025-05127	BUCKLEY B #004	F-25-14S-37E	F	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	06/2017	PENN RETURN TO PROD 11/07/2007		
1	30-025-07303	J G COX SWD #001	C-13-17S-38E	C	370256	WISHBONE TEXAS OPERATING COMPANY LLC		S	08/2016	SAN ANDRES/BONE SPRING		
1	30-025-09863	PRIEST #003	3-01-15S-37E	C	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	07/2012		T	9/19/2017
1	30-025-05133	SHELTON #006	D-26-14S-37E	D	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	05/2008		T	1/28/2018
1	30-025-05229	State T Devonian #004	M-02-15S-37E	M	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	08/2011		T	9/8/2018
1	30-025-25570	State T Devonian #009	N-02-15S-37E	N	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	05/2006	DEVONIAN TA 01/08/09 TA EXP 01/14/2016	T	3/28/2018
1	30-025-37175	T D POPE 35 #003H	G-35-14S-37E	G	370256	WISHBONE TEXAS OPERATING COMPANY LLC		O	08/2012	DEVONIAN / DIRECTIONAL DRILL		
1	30-025-39999	T D POPE 36 #010	D-36-14S-37E	D	370256	WISHBONE TEXAS OPERATING COMPANY LLC		I	10/2012	DEVONIAN CONVERT TO INJ 12/29/2011		

WHERE Operator:370256, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Well Under ACOI, Excludes Wells in Approved TA Period

By: H. G. [Signature]  
Title: CEO

ACOI



State of New Mexico  
Energy, Minerals and Natural Resources

Submit 1 Copy To Appropriate District  
Office

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505		WELL API NO. 30-025-05122
SUNDRIY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. State Oil & Gas Lease No.
2. Name of Operator Wishbone Texas Operating Company LLC		7. Lease Name or Unit Agreement Name Buckley A
3. Address of Operator 10613 W. Sam Houston Pkwy N #400, Houston, Texas, 77064		8. Well Number 4
4. Well Location Unit Letter N : 330 feet from the South line and 1650' feet from the West line Section 25 Township 14S Range 37E NMPM County Lea 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3807'		9. OGRID Number 370256
		10. Pool name or Wildcat Denton Devonian

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input checked="" type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>
--	---

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

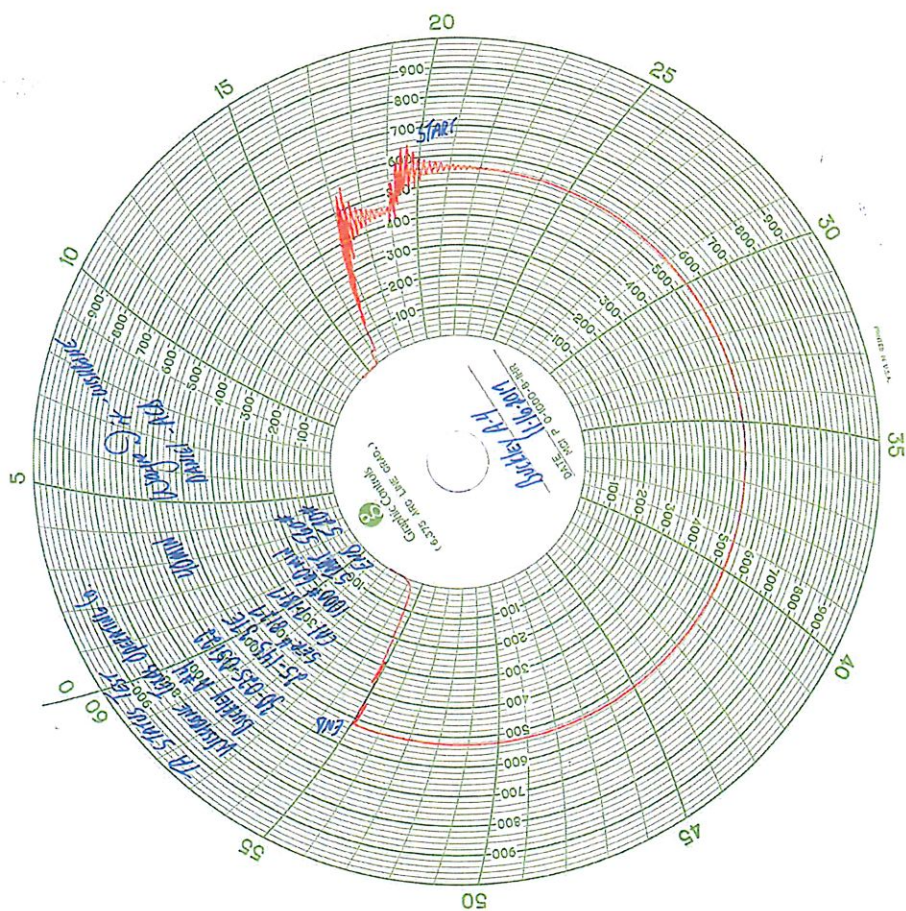
11-13-2017 (1) MIRU Pulling Unit  
11-15-2017 (2) RU W/L TH w/ 5 1/2" CIBP. Set @ 12,200' Cap w/ 35' Cement. RD WL.  
11-15-2017 (3) Notify NMOC of casing integrity test.  
11-16-2017 (4) PU & TH w/ Tbg. Displace hole w/ corrosion inhibitor and fresh water.  
11-16-2017 (5) Pressure Test the casing to 500# (with chart recorder) for 30 minutes.  
TBD (6) Evaluate for disposal well.

Spud Date:	Rig Release Date:
------------	-------------------

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE <u>Wayne L. ...</u>	TITLE <u>Production Foreman</u>	DATE <u>11-19</u>
Type or print name <u>Wayne L. ...</u>	E-mail address: <u>wayne@wntexasop.com</u>	PHONE: <u>970-566-5933</u>
APPROVED BY: <u>...</u>	TITLE <u>...</u>	DATE <u>...</u>
Conditions of Approval (if any):		

Application of Wishbone Texas Operating  
Company, LLC  
Case No. 20406  
C-103s EXHIBIT #11



Submit 1 Copy To Appropriate District

Office:  
District I - (375) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (505) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Slate of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

SUNDY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Wishbone Texas Operating Company LLC

3. Address of Operator  
10613 W. Sam Houston Pkwy N #400, Houston, Texas, 77064

4. Well Location  
Unit Letter D : 990 feet from the North line and 660 feet from the West line  
Section 26 Township 14S Range 37E NMPM County Lea  
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3822'

WELL API NO.  
30-025-05133

5. Indicate Type of Lease  
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
Shelton

8. Well Number 006

9. OGRID Number 370256

10. Pool name or Wildcat  
Devonian

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

MIT TA Extension

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Wayne Ditz TITLE Regional Foreman DATE 3/20/19

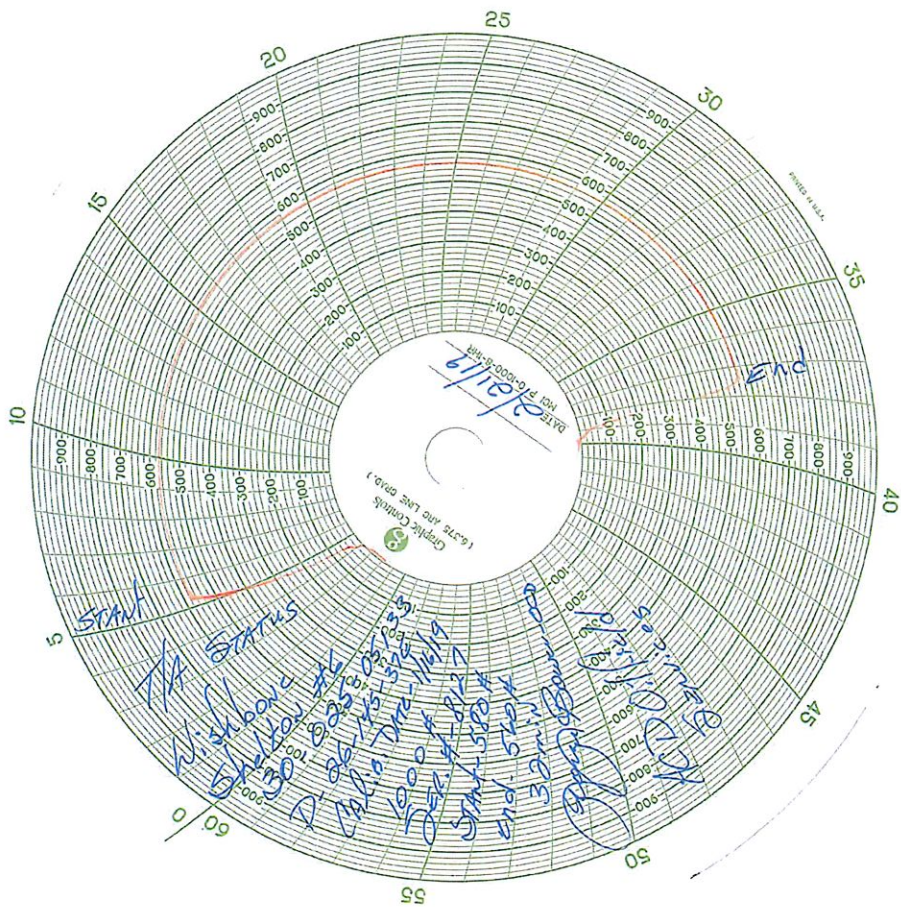
Type or print name Wayne Ditz E-mail address: WDIT@nmsl.com PHONE: 505-586-5123

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_





Submit 1 Copy To Appropriate District Office

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210

District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.  
30-025-25570

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
State T Devonian

8. Well Number 9

9. OGRID Number 370256

10. Pool name or Wildcat  
Devonian

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Wisbottne Texas Operating Company LLC

3. Address of Operator  
10613 W. Sam Houston Pkwy N #400, Houston, Texas, 77064

4. Well Location  
Unit Letter N : 350 feet from the South line and 1650 feet from the West line  
Section 2 Township 1SS Range 37E NMPM County Lea  
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3799'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLING ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐

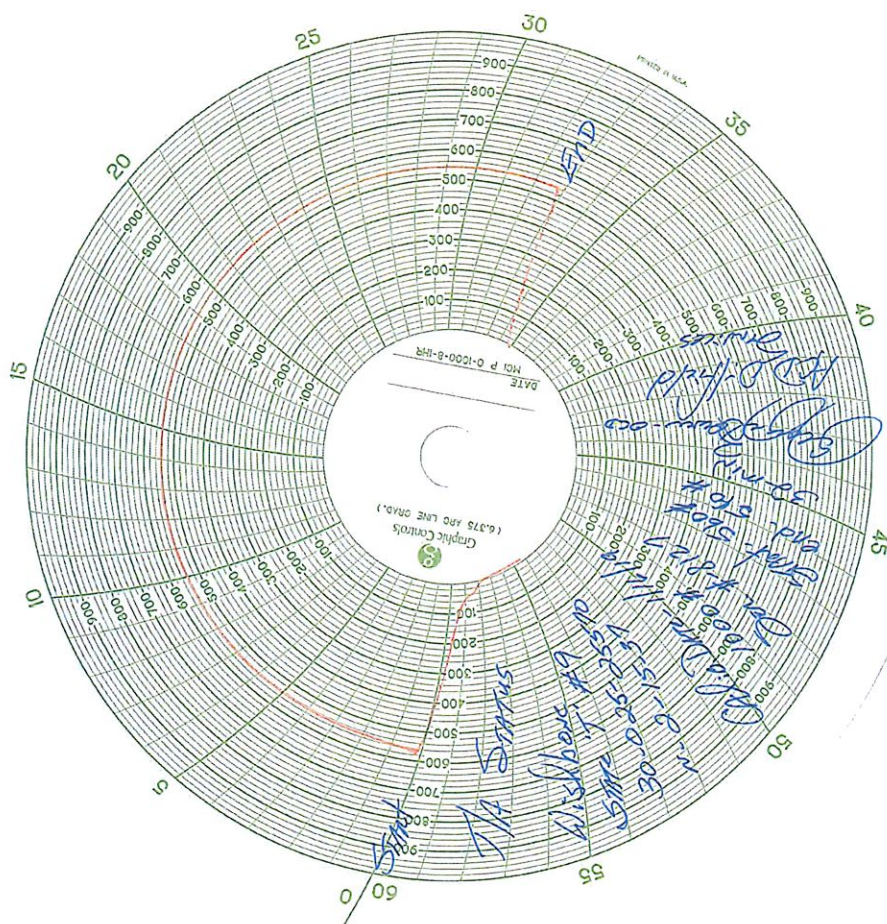
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

MIT TA Extension

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE W. Wayne Epps TITLE Production Foreman DATE 9/30/19  
Type or print name Wayne Epps E-mail address: wepps@wyoenergy.com PHONE: 405-586-5725  
For State Use Only  
APPROVED BY: TITLE DATE  
Conditions of Approval (if any):





Submit 1 Copy To Appropriate District Office

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

District I - (505) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (505) 748-1283  
311 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

WELL API NO.  
30-025-05229

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
State T Devonian

8. Well Number 4

9. OGRID Number 370256

10. Pool name or Wildcat  
Devonian

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Wishbone Texas Operating Company LLC

3. Address of Operator  
10613 W. Sam Houston Pkwy N #400, Houston, Texas, 77064

4. Well Location  
Unit Letter: M : 660 feet from the South line and 660 feet from the West line  
Section 2 Township 15S Range 37E NMPM County Lea  
11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3798'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

MIT TA Extension

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

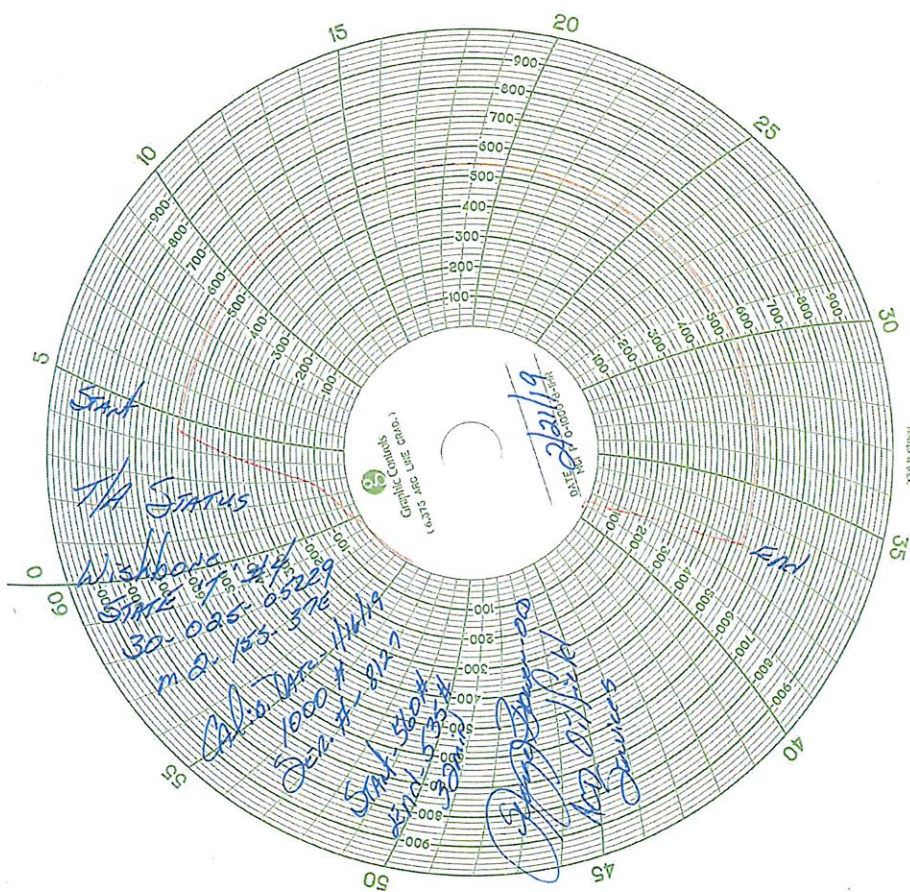
SIGNATURE Wayne Dye TITLE Production Foreman DATE 3/10/19

Type or print name Wayne Dye E-mail address: wayne.dye@state.nm.gov PHONE: 479-558-8115

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_



**District I**

1825 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) 748-8720

**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) 476-3482

**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 266642

**Previous Operator Information**

OGRID: 370256  
Name: WISHBONE TEXAS OPERATING COMPANY LLC  
Address: 10813 W Sam Houston Parkway N  
Suite 400  
City, State, Zip: Houston, TX 77064

**New Operator Information**

Effective Date:	Effective on the date of approval by the OCD
OGRID:	<u>19958</u>
Name:	<u>STEPHENS &amp; JOHNSON OP CO</u>
Address:	<u>P.O. Box 2249</u>
City, State, Zip:	<u>Wichita Falls, TX 76307</u>

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, STEPHENS & JOHNSON OP CO 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(l) NMAC.

**STEPHENS & JOHNSON OP CO 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.

**Application of Wishbone Texas Operating  
Company, LLC  
Case No. 20406  
C-145 for TD Pope 35-3 Well  
EXHIBIT #12**



**As the operator of record of wells in New Mexico, STEPHENS & JOHNSON OP CO agrees to the following statements:**

1. Initials DC 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 DC 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 DC 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 DC 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 DC 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 DC 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 DC 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 DC 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 DC 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 DC 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 DC 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 DC NMOC 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: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Phone: \_\_\_\_\_

**New Operator**

Signature: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Phone: \_\_\_\_\_

Permit 265642

**District I**1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8101 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) 476-3482

**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 266042

**1 Well Selected for Transfer**

From:	WISHBONE TEXAS OPERATING COMPANY LLC	OGRID:	370258
To:	STEPHENS & JOHNSON OP CO	OGRID:	19958

**OCD District Hobbs (1 Well selected.)**

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Single Well Bond Required for Inactive Well
317490	T D POPE 35 #003H	P	G-35-14S-37E	G	30-026-37175	O	16910	DENTON; DEVONIAN	08/12	18951

<b>Total of Single Well Bonds Required for Inactive Wells</b>	<b>18951</b>
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T14S-R37E

Denton 3D (new)

Resolute

Denton Field

Structure Map, T14S-R37E

Wells & Contours

Scale: 1" = 1000'

North Arrow

Prepared by: [illegible]

Date: [illegible]

By: [illegible]

T15S-R37E

East Lea 3D

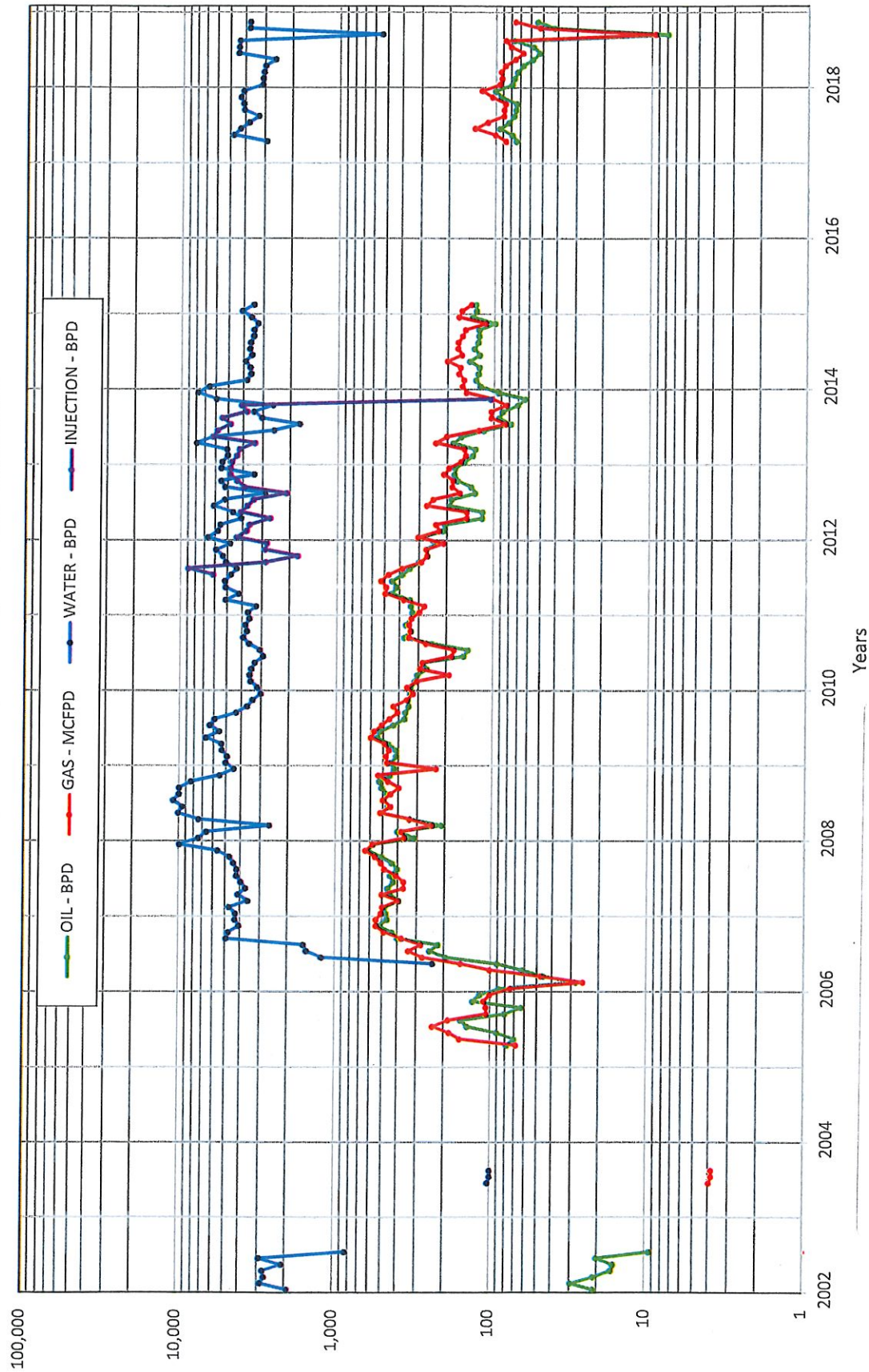
Application of Wishbone Texas Operating  
Company, LLC  
Case No. 20406  
EXHIBIT #13



Wishbone Texas Operating Co. LLC

Denton Devonian Field Waterflood Pilot

Cum Oil - 6,395 MBO, Cum Gas - 5,372 MMCF, Cum Water - 22, 856 MBW



# Chem Tech Services WATER ANALYSIS REPORT

## SAMPL

Oil Co. : Wishbone  
Lease : Boomer  
Well No.: 1H  
Location:  
Attention:

Date Sampled : 09-November-2018  
Date Analyzed: 15-November-2018  
Lab ID Number: Nov1618.004- 6  
Salesperson :  
File Name : Nov1618.004

## ANALYSIS

1. Ph 4.680
2. Specific Gravity 60/60 F. 1.113
3. CACO3 Saturation Index

@ 80F  
@140F

-1.164 Negligible  
-0.264 Negligible

### Dissolved Gases

4. Hydrogen Sulfide
5. Carbon Dioxide
6. Dissolved Oxygen

MG/L. EQ. WT. \*MEQ/L

Present

Not Determined

Not Determined

### Cations

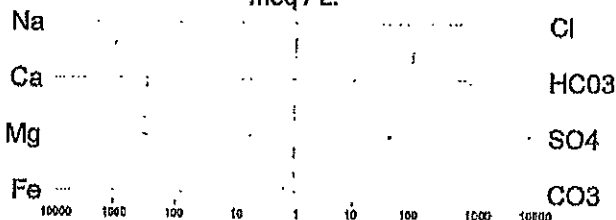
- |              |        |              |                |          |          |
|--------------|--------|--------------|----------------|----------|----------|
| 7. Calcium   | (Ca++) |              | 5,800          | / 20.1 = | 288.56   |
| 8. Magnesium | (Mg++) |              | 3,909          | / 12.2 = | 320.41   |
| 9. Sodium    | (Na+)  | (Calculated) | 46,855         | / 23.0 = | 2,037.17 |
| 10. Barium   | (Ba++) |              | Not Determined |          |          |

### Anions

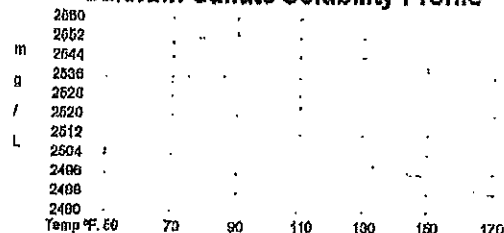
- |                                      |         |  |                    |          |          |
|--------------------------------------|---------|--|--------------------|----------|----------|
| 11. Hydroxyl                         | (OH-)   |  | 0                  | / 17.0 = | 0.00     |
| 12. Carbonate                        | (CO3=)  |  | 0                  | / 30.0 = | 0.00     |
| 13. Bicarbonate                      | (HCO3-) |  | 605                | / 61.1 = | 9.90     |
| 14. Sulfate                          | (SO4=)  |  | 2,150              | / 48.8 = | 44.06    |
| 15. Chloride                         | (Cl-)   |  | 91,979             | / 35.5 = | 2,590.96 |
| 16. Total Dissolved Solids           |         |  | 151,298            |          |          |
| 17. Total Iron                       | (Fe)    |  | 7.00               | / 18.2 = | 0.38     |
| 18. Manganese                        | (Mn++)  |  | Not Determined     |          |          |
| 19. Total Hardness as CaCO3          |         |  | 30,579             |          |          |
| 20. Resistivity @ 75 F. (Calculated) |         |  | 0.035 Ohm · meters |          |          |

### LOGARITHMIC WATER PATTERN

\*meq / L.



### Calcium Sulfate Solubility Profile



### PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	9.90		81.04		802
CaSO4	44.06		68.07		2,999
CaCl2	234.60		55.50		13,020
Mg(HCO3)2	0.00		73.17		0
MgSO4	0.00		60.19		0
MgCl2	320.41		47.62		15,258
NaHCO3	0.00		84.00		0
NaSO4	0.00		71.03		0
NaCl	2,035.95		58.46		119,022

\* milliequivalents per Liter

Tony Abgrath, Analyst

Application of Wishbone Texas Operating  
Company, LLC  
Case No. 20406  
EXHIBIT #15