

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

Form C-104A  
Permit 1471

Change of Operator

RECEIVED  
SEP 17 2004  
OCD-ARTESIA

Previous Operator Information

OGRID: 04378  
Name: Chi Operating, Inc.  
Address: P.O. Box 1799  
Address: Midland, TX 79702  
City, State, Zip: Midland, TX 79702

New Operator Information

Effective Date: 8-1-04  
OGRID: 221710  
Name: YESO ENERGY INC.  
Address: P.O. Box 2248  
Address: ROSWELL, NM 88202  
City, State, Zip: ROSWELL, NM 88202

I hereby certify that the rules of the Oil Conservation Division 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.

Previous Operator

Signature: John W. Qualls  
Printed Name: John W. Qualls  
Title: Vice president  
Date: 9-8-04 Phone: 432-685-5001

New Operator

Signature: Gene Lee  
Printed Name: Gene Lee  
Title: Pres  
Date: 9-8-04 Phone: 505-622-7355

NMOCD Approval

Electronic Signature: Tim Gum, District II

Date: October 28, 2004