

District I1625 N. French Dr., Hobbs, NM
88240

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 3427

Change of Operator**Previous Operator Information**

OGRID: 25670
Name: BC & D OPERATING INC.
Address: PO Box 1680
Address: _____
City, State, Zip: Hobbs, NM 88241

New Operator Information

Effective Date: 12/09/2004
OGRID: 3659
Name: CAPATAZ OPERATING INC
Address: PO Box 10549
Address: _____
City, State, Zip: Midland, TX 79702

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: Donnie Hill
Printed Name: Donnie Hill
Title: President
Date: 12-9-04 Phone: 505-397-3972

New Operator

Signature: H. Scott Davis
Printed Name: H. SCOTT DAVIS
Title: PRESIDENT
Date: 12-9-04 Phone: 432-620-8820

NMOCD ApprovalElectronic Signature: Chris Williams, District IDate: December 17, 2004