

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
1501 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

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 18003

Change of Operator

Previous Operator Information

OGRID: 18917
Name: READ & STEVENS INC
Address: PO Box 1518
Address:
City, State, Zip: Roswell, NM 88202

New Operator Information

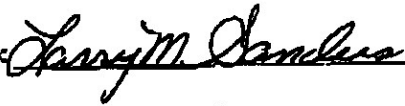
Effective Date: 11/1/2005
OGRID: 14591
Name: MERIT ENERGY CO
Address: 13727 Noel Road
Address: Suite 500
City, State, Zip: Dallas, TX 75240

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: 
Printed Name: John C. Maxey, Jr.
Title: Operations Manager
Date: 11-14-05 Phone: 505/622-3770
Ext 224

New Operator

Signature: 
Printed Name: Larry M. Sanders
Title: Sr. Regulatory Analyst
Date: 11/14/2005 Phone: 972-628-1610

NMOCD Approval

Electronic Signature: Carmen Reno, District 2
Date: November 22, 2005