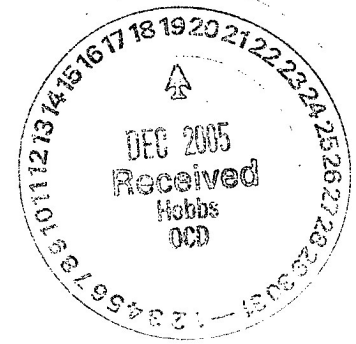


District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

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 10488



Change of Operator

Previous Operator Information

OGRID: 25670
Name: BC & D OPERATING INC.
Address: 1008 West Broadway
Address: _____
City, State, Zip: Hobbs , NM 88240

New Operator Information

Effective Date: 2/19/2005
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: Gaye Heard
Printed Name: *Gaye Heard*
Title: Agent
Date: 12/14/05 Phone: 505-393-2727

New Operator

Signature: *H Scott Davis*
Printed Name: H Scott Davis
Title: Agent
Date: 12/16/05 Phone: 432-620-8820

NMOCD Approval

Electronic Signature: Chris Williams, District 1

Date: December 28, 2005