

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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

Form C-145
Permit 32568

Change of Operator

Previous Operator Information

OGRID: 17323
Name: PETRO ENERGY INC
Address: PO BOX 701
Address:
City, State, Zip: FARMINGTON, NM 87499

New Operator Information

Effective Date: 6/1/2006
OGRID: 141852
Name: M & G DRLG CO INC
Address: PO BOX 5940
Address:
City, State, Zip: FARMINGTON, NM 874995940

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: Rodney Heath
Printed Name: Rodney Heath
Title: President
Date: 6-17-06 Phone: (505) 327-9419

New Operator

Signature: Miranda Wells
Printed Name: MIRANDA Wells
Title: Production Technician
Date: 6-17-06 Phone: (505) 325-6779

NMOCD Approval

Electronic Signature: Charlie Perrin, District 3
Date: July 19, 2006