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

Perm C-145
Permit 36384

Change of Operator

Previous Operator Information

OGRID: 127535
Name: OIL & GAS OPERATIONS
Address: 3206 W WADLEY
Address:
City, State, Zip: MIDLAND, TX 79705

New Operator Information

Effective Date: 8/15/2006
OGRID: 237786
Name: FLANAGAN OPERATING LLC
Address: 2203 TIMBERLOCH PLACE
Address: SUITE 229
City, State, Zip: THE WOODLANDS, TX 77380

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: [Signature]
Printed Name: Greg Short
Title: Owner
Date: 8/16/06 Phone: (432) 520-7042

New Operator

Signature: [Signature]
Printed Name: SEAN KEENAN
Title: V.P.
Date: 8/16/06 Phone: 281-296-7322

NMOCD Approval

Electronic Signature: Chris Williams, District 1

Date: August 22, 2006