

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-145
Permit 40845

RECEIVED

NOV 09 2006

Change of Operator

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Previous Operator Information

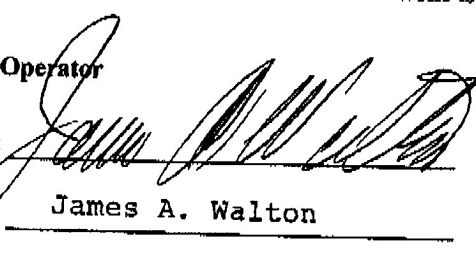
OGRID: 226927
Name: SAXET OIL CORPORATION
Address: P. O. BOX 187
Address:
City, State, Zip: MIDLAND, TX 79702

New Operator Information

Effective Date: 11/1/2006
OGRID: 225243
Name: HORSESHOE OPERATING INC.
Address: 110 W. LOUISIANA
Address: SUITE 200
City, State, Zip: MIDLAND, TX 79701

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.

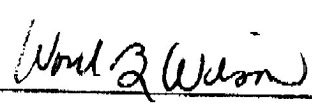
Previous Operator

Signature: 
Printed Name: James A. Walton

Title: President

Date: 11/6/06 Phone: (432) 684-8001

New Operator

Signature: 
Printed Name: Word B Wilson

Title: Vice President

Date: 11/6/06 Phone: 432 683 1443

NMOCD Approval

Electronic Signature: Chris Williams, District 1

Date: November 06, 2006