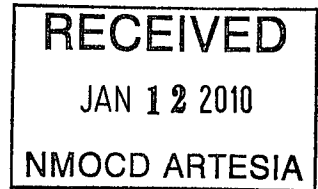


State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-145
Permit 106583



Change of Operator

Previous Operator Information**New Operator Information**Effective Date: Effective on the date of approval by the OCD

OGRID: 14424
Name: MCKAY OIL CORP
Address: One McKay Place
Address: P. O. Box 2014
City, State, Zip: Roswell, NM 88202

OGRID: 270575
Name: ROSWELL OPERATING, LLC
Address: 1515 CALLE SUR
Address: _____
City, State, Zip: HOBBS, NM 88240

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**New Operator**

Signature: [Signature]
Printed Name: Roy L. McKay
Title: Pres
Date: 12-30-09 Phone: 575 623 4735

Signature: [Signature]
Printed Name: Mohammed Pamin Merchant
Title: Managing Member
Date: Jan. 4, 2010 Phone: 575-492-1236

NMOCD ApprovalElectronic Signature: Jacqueta Reeves, District 2Date: January 25, 2010

From Operator MCKAY OIL CORP OGRID 14424
To Operator ROSWELL OPERATING, LLC OGRID 270575
Wells Selected for Transfer, Permit 106583
Permit Status: DRAFT

OCD District: Artesia

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
18691 ISLER FEE #001	P	D-15-07S-26E	D	30-005-60955	G	82730	PECOS SLOPE;ABO (GAS)	01/09	0
18692 MCKAY SAMEDAN #001	S	B-16-07S-26E	B	30-005-61127	G	82730	PECOS SLOPE;ABO (GAS)	11/09	0
18691 ISLER FEE #002	P	B-15-07S-26E	B	30-005-61182	G	82730	PECOS SLOPE;ABO (GAS)	11/09	0
18692 MCKAY SAMEDAN #002	S	K-16-07S-26E	K	30-005-61183	G	82730	PECOS SLOPE;ABO (GAS)	07/09	0
28078 NEW MEXICO CS STATE #001	S	F-2 -07S-22E	F	30-005-61585	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
NEW MEXICO CS STATE #002	S	J-2 -07S-22E	J	30-005-61586	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
31043 MCKAY WINSTON B #001	S	E-3 -08S-26E	E	30-005-61625	G	82730	PECOS SLOPE;ABO (GAS)	11/09	0
18694 STATE 16 #003	S	E-16-07S-26E	E	30-005-61812	G	82730	PECOS SLOPE;ABO (GAS)	04/09	0
STATE 16 #004	S	O-16-07S-26E	O	30-005-61813	G	80146	LESLIE SPRING;WOLFCAMP (GAS)	11/09	0
STATE 16 #004	S	O-16-07S-26E	O	30-005-61813	G	82730	PECOS SLOPE;ABO (GAS)	11/09	
6699 MCKAY-WINSTON #001	P	3-3 -08S-26E	C	30-005-62145	G	82730	PECOS SLOPE;ABO (GAS)	12/03	9800
6708 ROYALE FEE #001	P	2-19-06S-23E	E	30-005-62334	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
16645 CHAROLETTE #001	P	B-17-06S-23E	B	30-005-62446	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
CHAROLETTE #002	F	E-17-06S-23E	E	30-005-62447	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
6686 HOMESTEAD #001	F	J-20-06S-22E	J	30-005-62534	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
6693 LUCKY COM #001	P	J-17-06S-22E	J	30-005-62601	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
18402 SAMEDAN 16-B STATE #003	S	C-16-07S-26E	C	30-005-63082	G	82730	PECOS SLOPE;ABO (GAS)	11/09	0
28077 NEW MEXICO CS B STATE #002	S	I-2 -07S-22E	I	30-005-63382	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
NEW MEXICO CS B STATE #001	S	4-2 -07S-22E	D	30-005-63383	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
28078 NEW MEXICO CS STATE #003	S	2-2 -07S-22E	B	30-005-63384	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
28077 NEW MEXICO CS B STATE #003	S	1-2 -07S-22E	A	30-005-63385	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0
32992 MCKAY WINSTON C #001	P	4-3 -08S-26E	D	30-005-63614	G	82730	PECOS SLOPE;ABO (GAS)	11/09	0
23627 CHAROLETTE B FEE #002	P	F-17-06S-23E	F	30-005-63986	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09	0

Total Additional bond**9800**

From Operator MCKAY OIL CORP OGRID 14424
Wells in Selected Properties for Permit 106583
Permit Status: DRAFT

OCD District: Artesia

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Selected Prod/Inj Wells
16645 CHAROLETTE #001	P	B-17-06S-23E	B	30-005-62446	G	82740	PECOS SLOPE,ABO, WEST (GAS)	11/09 X
CHAROLETTE #002	F	E-17-06S-23E	E	30-005-62447	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
23627 CHAROLETTE B FEE #002	P	F-17-06S-23E	F	30-005-63986	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
6686 HOMESTEAD #001	F	J-20-06S-22E	J	30-005-62534	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
18691 ISLER FEE #001	P	D-15-07S-26E	D	30-005-60955	G	82730	PECOS SLOPE,ABO (GAS)	01/09 X
ISLER FEE #002	P	B-15-07S-26E	B	30-005-61182	G	82730	PECOS SLOPE,ABO (GAS)	11/09 X
6693 LUCKY COM #001	P	J-17-06S-22E	J	30-005-62601	G	82740	PECOS SLOPE,ABO, WEST (GAS)	11/09 X
18692 MCKAY SAMEDAN #001	S	B-16-07S-26E	B	30-005-61127	G	82730	PECOS SLOPE,ABO (GAS)	11/09 X
MCKAY SAMEDAN #002	S	K-16-07S-26E	K	30-005-61183	G	82730	PECOS SLOPE,ABO (GAS)	07/09 X
31043 MCKAY WINSTON B #001	S	E-3 -08S-26E	E	30-005-61625	G	82730	PECOS SLOPE;ABO (GAS)	11/09 X
32992 MCKAY WINSTON C #001	P	4-3 -08S-26E	D	30-005-63614	G	82730	PECOS SLOPE;ABO (GAS)	11/09 X
6699 MCKAY-WINSTON #001	P	3-3 -08S-26E	C	30-005-62145	G	82730	PECOS SLOPE;ABO (GAS)	12/03 X
28077 NEW MEXICO CS B STATE #001	S	4-2 -07S-22E	D	30-005-63383	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
NEW MEXICO CS B STATE #002	S	I-2 -07S-22E	I	30-005-63382	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
NEW MEXICO CS B STATE #003	S	I-2 -07S-22E	A	30-005-63385	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
28078 NEW MEXICO CS STATE #001	S	F-2 -07S-22E	F	30-005-61585	G	82740	PECOS SLOPE,ABO, WEST (GAS)	11/09 X
NEW MEXICO CS STATE #002	S	J-2 -07S-22E	J	30-005-61586	G	82740	PECOS SLOPE,ABO, WEST (GAS)	11/09 X
NEW MEXICO CS STATE #003	S	2-2 -07S-22E	B	30-005-63384	G	82740	PECOS SLOPE;ABO, WEST (GAS)	11/09 X
6708 ROYALE FEE #001	P	2-19-06S-23E	E	30-005-62334	G	82740	PECOS SLOPE,ABO, WEST (GAS)	11/09 X
18402 SAMEDAN 16-B STATE #003	S	C-16-07S-26E	C	30-005-63082	G	82730	PECOS SLOPE,ABO (GAS)	11/09 X
18694 STATE 16 #003	S	E-16-07S-26E	E	30-005-61812	G	82730	PECOS SLOPE;ABO (GAS)	04/09 X
STATE 16 #004	S	O-16-07S-26E	O	30-005-61813	G	80146	LESLIE SPRING,WOLFCAMP (GAS)	11/09 X
STATE 16 #004	S	O-16-07S-26E	O	30-005-61813	G	82730	PECOS SLOPE,ABO (GAS)	11/09 X

ChangeOp Comments

OGRID: [14424] MCKAY OIL CORP
Permit Number: 106583
Permit Type: ChangeOp

Created By	Comment	Comment Date
SPHILLIPS	I cannot approve the change as a bond is required for one of the wells you are transferring = 30-005-02145 - \$9800. Please go to our website. Click on OCD Online and then EPERMITING. Sign in with USER ID and Password and click on OTHER and then change of operator - NOT NEW change fo operator. You will see the permit you generated Click on EDIT and go to VIEW FORM button. Click on VIEW wells affected by change. This shows you all the wells selected and the well requiring bonding Questions? call me at 505-478-3481.	1/8/2010