

District 1
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources

Form C-104A
Permit 16802

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

Change of Operator

Previous Operator Information

OGRID: 162055
Name: BC DEVELOPMENT, LP
Address: PO Box 50820
Address:
City, State, Zip: Midland, TX 79710

New Operator Information

Effective Date: 10/1/2005
OGRID: 160825
Name: BC OPERATING, INC.
Address: PO Box 50820
Address:
City, State, Zip: Midland, TX 79710

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: Kevin Widner
Title: Operations Manager
Date: 10-12-05 Phone: 432-684-9696

New Operator

Signature: [Signature]
Printed Name: Kevin Widner
Title: Operations Manager
Date: 10-12-05 Phone: 432-684-9696

NMOCD Approval

Electronic Signature: Paul Kautz, District 1

Date: October 13, 2005