

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 22587

Change of Operator

Previous Operator Information

OGRID: 225243
Name: HORSESHOE OPERATING INC.
Address: 110 W. LOUISIANA
Address: SUITE 200
City, State, Zip: MIDLAND, TX 79701

New Operator Information

Effective Date: 2/1/2006
OGRID: 226563
Name: MANHATTAN PETROLEUM INC
Address: PO BOX 10076
Address:
City, State, Zip: MIDLAND, TX 79702

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: Skipper L. Burns
Title: Vice-President
Date: 2/2/06 Phone: 432-683-1448

New Operator

Signature: [Signature]
Printed Name: Michael J Arellano
Title: PRESIDENT
Date: 2/1/06 Phone: 432-684-9970

NMOCD Approval

Electronic Signature: Paul Kautz, District 1
Date: February 22, 2006