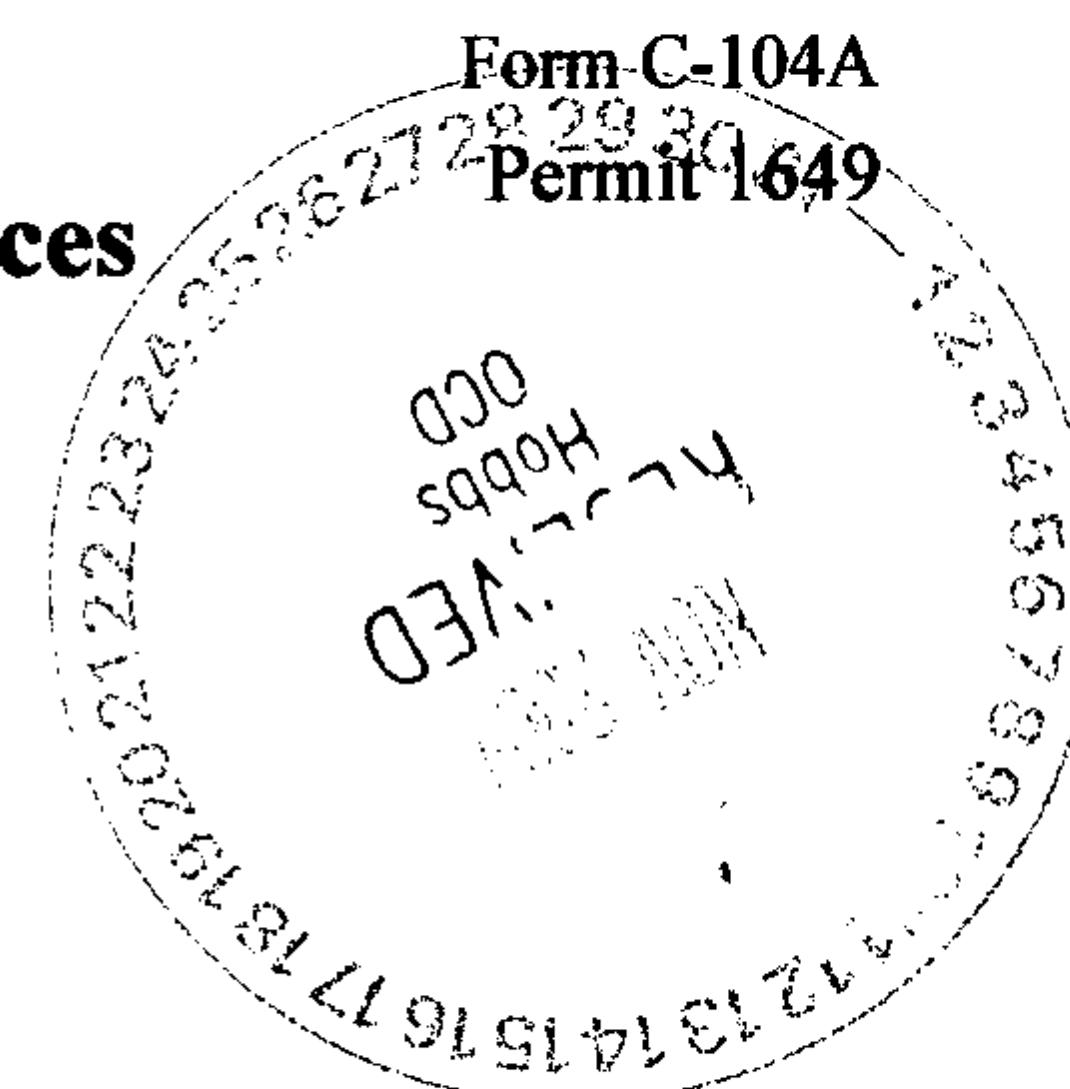


District I

1625 N. French Dr., Hobbs, NM
88240

(505) 393-0720

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



Change of Operator

Previous Operator Information

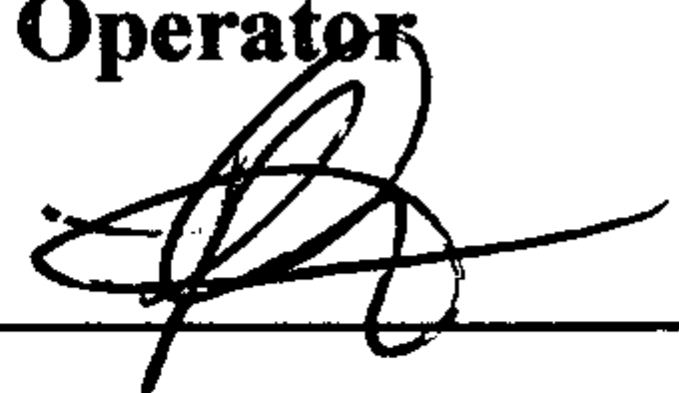
OGRID: 20989
Name: SMITH & MARRS INC
Address: PO Box 863
Address:
City, State, Zip: Kermit, TX 79745

New Operator Information


Effective Date: 10/01/2004
OGRID: 230164
Name: CELERO ENERGY, LP
Address: 400 W Illinois
Address: Suite 1300
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: Rickey Smith
Title: President
Date: 10/4/04 Phone: (432) 684-9696

New Operator

Signature: 
Printed Name: Jack Hightower
Title: President & CEO
Date: 10/4/04 Phone: (432) 686-1883

NMOCD Approval

Electronic Signature: Chris Williams, District I
Date: November 15, 2004