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H F BOLES

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-145
Permit 31290

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

Change of Operator

Previous Operator Information

OGRID: 3675
Name: CAPROCK EXPLORATION INC
Address: PO BOX 7288
Address:
City, State, Zip: ODESSA, TX 79760

New Operator Information

Effective Date: 6/1/2006
OGRID: 241214
Name: PALISADES ASSET HOLDING CO., LLC
Address: 223 WEST WALL
Address: SUITE 213
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: Joe Cook
Printed Name: Joe Cook
Title: President
Date: 6-5-06 Phone: 432-337-1925

New Operator

Signature: Don R. Parkhurst
Printed Name: Don R. Parkhurst
Title: Managing Member
Date: 6-5-06 Phone: 432-686-7159

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NMOCD ApprovalElectronic Signature: Paul Kautz, District 1Date: June 29, 2006