

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 55060

### Change of Operator

#### Previous Operator Information

OGRID: 241214  
Name: PALISADES ASSET HOLDING  
CO., LLC  
Address: 223 WEST WALL  
Address: SUITE 825  
City, State, Zip: MIDLAND, TX 79701

#### New Operator Information

Effective Date: 3/1/2007  
OGRID: 247128  
Name: CELERO ENERGY II, LP  
Address: 400 WEST ILLINOIS  
Address: SUITE 1601  
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: Herbert F. Boles  
Printed Name: Herbert F. Boles  
Title: Managing Member  
Date: 6/11/07 Phone: 432-684-4242

#### New Operator

Signature: John E. Lodge  
Printed Name: John E. Lodge  
Title: Vice President - Land  
Date: 6/11/07 Phone: 432-686-1858

#### NMOCD Approval

Electronic Signature: Paul Kautz, District 1  
Date: June 11, 2007