

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 54538

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: 2/5/2007
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. Boler
Printed Name: Herbert F. Boler
Title: Managing Member
Date: 6/11/07 Phone: 432-684-4212

New Operator

Signature: John E. Lodge
Printed Name: John E. Lodge
Title: Vice President - Land
Date: 6/11/07 Phone: 432-686-1883

NMOCD Approval

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

ChangeOp Comments

OGRID: [241214] PALISADES ASSET HOLDING CO., LLC
Permit Number: 54538
Permit Type: ChangeOp

Created By	Comment	Comment Date
DPHILLIPS	Please go to VIEW Forms and click on View wells affected by change. You will see that there are several wells that have not produced in 24 months and the amount of total bonding required is \$707,416. You have to do individual bonding for each well. Questions? Call me 505-476-3461.	6/11/2007