

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

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

Form C-141
Revised October 10, 2003

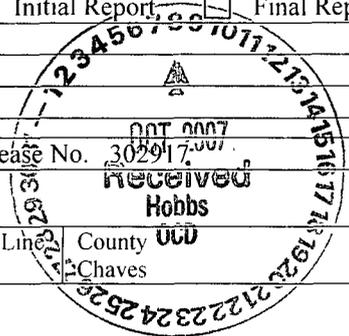
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|--------------------------------------|---------------|---------------|
| Name of Company | Celero Energy | Contact | Don Hale |
| Address | 400 W. Illinois Midland, Texas 79705 | Telephone No. | 432-556-9225 |
| Facility Name | Rock Queen Bat. #13 | Facility Type | oil |
| Surface Owner | State of N.M. | Mineral Owner | State of N.M. |
| Lease No. | 302917 | | |



LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| J | 36 | 13S | 31E | 2400 | S | 2200 | E | Chaves |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|---|---|-----------------------------|--------------|----------------------------|---------|
| Type of Release | salt water | Volume of Release | 30 bbls | Volume Recovered | 18 bbls |
| Source of Release | water pump | Date and Hour of Occurrence | 7 am 10-3-07 | Date and Hour of Discovery | 8 am |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | | | | |
| By Whom? | Don Hale | If YES, To Whom? | Gary Wink | | |
| Date and Hour | 10-3-07 3pm | | | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | |
| If a Watercourse was Impacted, Describe Fully. | | | | | |
| Describe Cause of Problem and Remedial Action Taken.* | Had a nipple leak on the salt water pump. Nipple was replaced. Water was picked up by a vacuum truck. 40 yds. of soil was picked up for disposal. | | | | |
| Describe Area Affected and Cleanup Action Taken * | 30' x 200' area was affected. water was picked up with a vacuum truck, dirt was dug out for disposal. Water has 190,000 ppm chlorides | | | | |

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | | |
|-----------------|---------------------------|---|-----------------------------------|
| Signature: | <i>Don Hale</i> | OIL CONSERVATION DIVISION | |
| Printed Name: | Don Hale | <i>J. Johnson</i> Approved by District ENVIRONMENTAL ENGINEER | |
| Title: | Production Superintendent | Approval Date: | 10-9-07 |
| E-mail Address: | | Expiration Date: | 12-10-07 |
| Date: | 10-4-07 | Conditions of Approval: | Attached <input type="checkbox"/> |
| Phone: | 432-556-9225 | SUBMIT PLAN OR FINAL BY | |

* Attach Additional Sheets If Necessary

RP# 1614