

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF CELERO ENERGY II, LP
TO EXPAND THE WATERLOOD PROJECT
AND TERTIARY RECOVERY PROJECT FOR
THE ROCK QUEEN UNIT, AND TO QUALIFY
THE EXPANDED PROJECT FOR THE
RECOVERED OIL TAX RATE, CHAVES AND
LEA COUNTIES, NEW MEXICO.

Case No. 14942

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Celero Energy II, L.P.
Suite 1601
400 West Illinois
Midland, Texas 79701

Attention: John E. Lodge
(432) 686-1883

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks approval to expand the waterflood project and tertiary recovery project for the Rock Queen Unit by the injection of water and carbon dioxide into the Queen formation into wells located on 4939.77 acres of federal, state, and fee lands covering all or parts of Sections 22-27 and 34-36 of Township 13 South, Range 31 East, N.M.P.M., and Sections 19, 30, and 31 of Township 13 South, Range 32 East, N.M.P.M. Applicant further seeks to qualify the

expanded enhanced recovery project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5).

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

David Parkhurst
(engineer)

20 min.

Approx. 4

OPPONENT

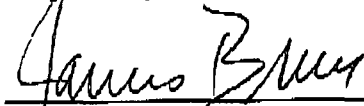
WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Celero Energy II, L.P.