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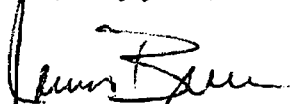
Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 14,047 (*de novo*)/ Celero Energy II, L.P.

Dear Mr. Fesmire:

Applicant requests that this case be continued to the July Commission meeting. Applicant has several other waterfloods in the same area, involving the same issues as in this case, and, if a Commission hearing is required, applicant would like to consolidate all of the cases to minimize the time the Commission spends in reviewing these matters. (There is no opponent in this case.) Thank you.

Very truly yours,



James Bruce

Attorney for Celero Energy II, L.P.

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
FOR THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CELERO ENERGY II L.P.
FOR EXPANSION OF A WATERFLOOD PROJECT,
CHAVES COUNTY, NEW MEXICO.**

**Case No. 14,047 (*de novo*)
Order No. R-12,912**

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

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

Attention: John E. Lodge

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks approval to expand the Caprock-Queen Waterflood Project (Caprock-Queen Pool), originally approved by Oil Conservation Commission Order Nos. R-1456 and R-2470, by the injection of water into twenty wells located on a federal lease covering all of Section 4, the E/2E/2 of Section 5, and all of Section 9, Township 14 South, Range 31 East, N.M.P.M. In this appeal, applicant contests certain requirements imposed in the order.

OPPONENT

PROPOSED EVIDENCE**APPLICANT****WITNESSES****EST. TIME****EXHIBITS**John Lodge
(landman)

10 min.

Approx. 3

Jon Baker
(geologist)

20 min.

Approx. 5

John Anderson
(engineer)

40 min.

Approx. 3

OPPONENT**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce

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Santa Fe, New Mexico 87504

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Attorney for Celero Energy II, L.P.