



May 12, 2010

SEE ATTACHED ADDRESS LIST

Re: Revised Unit Agreement and Unit operating Agreement
Rock Queen Unit
Lea and Chaves Counties, New Mexico

Ladies and Gentlemen:

As you know Celero Energy II, LP acquired the Rock Queen Unit, Lea and Chaves Counties, New Mexico ("Property") in June of 2007. We have spent quite a lot of money in trying to enhance the production and generally bringing the Property up to compliance with the New Mexico Energy, Minerals and Natural Resources Department, ("OCD").

One of our early objectives for the Property was to initiate a pilot for CO2 injection. In that regard we are moving forward in laying an 18 mile line, from a delivery point operated by Kinder Morgan, to provide CO2 for this pilot. We expect to secure final approval for this CO2 flood from the OCD very soon, and with this new development we felt it was prudent to enter into updated governing agreements for this project. For your information, we anticipate that the costs associated with this pilot this year to be approximately \$16MM, and if successful we would expect a very significant increase in production.

Therefore, attached for your review and execution are the updated Unit Agreement and Unit Operating Agreement for the Property. Also enclosed is a set of execution pages for each agreement. If all is in order, please execute both the agreements as well as the execution pages and return the execution pages to the undersigned. I have enclosed a self addressed and postage paid envelope for your assistance. The agreements should then be retained for your files.

Thank you for your assistance in this regard and please advise should you have any questions or comments regarding the above.

Sincerely:

Celero Energy II, LP

James C. Gresham, Jr. CPL
Land Director

Oil Conservation Division
Case No. _____
Exhibit No. 10

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