

Celero Energy II LP
Application for EOR Project Involving Use of CO2 Miscible Displacement

Name of Project: Rock Queen Unit CO2 Pilot

Description of Project Area: Sections 25 and 26 and parts of Section 36, Township 13S, Range 31E, Chaves County, New Mexico. Part of Section 30, Township 13S, Range 32E, Lea County, New Mexico.

Total Area: 1570 Acres

Pool and Formation: Caprock Pool, Queen Formation

Rock Queen Unit was unitized effective 10/01/59. Waterflood Project was approved 11/30/59, Order R-1541, Case #1798, Great Western Drilling, Operator.

List of Producing Wells:

Rock Queen Unit Numbers 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 69, 71, 84, and 86. Total of 20 wells.

List of Injection Wells (WAG):

Rock Queen Unit Numbers 306 (Permit), 305 (Permit), 40, 42, 44, 46, 48, 50, 52, 54, 302 (Permit), 303 (Permit), 304 (Permit), 62, 64, 70, and 85. Total of 17 wells.

List of Water Curtain (WIW) Offsetting Project Area:

Rock Queen Unit Numbers 68, 6, 78, 66, 83, 87, 91, 97, 34, 28, and 106. Replacement WIW in (Section/Unit) 23P, 24N, 24P, and 27H in addition to re-entering a P&A'd well in 23N. Total of 16 wells.
Drickey Queen Sand Unit Numbers 1, 2, and 5. Total of 3 wells.

Capital Cost of Additional Facilities is roughly \$13.9MM (\$6.9MM-forward, spent \$7MM)

Total Project Cost (including facilities) is \$41.9MM (\$14.2MM-forward, spent \$27.7MM)

Estimated Total Value of Additional Production: \$132 MM

Production History and Project Forecast follow.

Oil Conservation Division
Case No. _____
Exhibit No. 23