



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 16, 2010

James Bruce
Attorney at Law and Agent for Celero Energy
369 Montezuma, No. 213
Santa Fe, NM 87501

Re: **Request for Extension of Commencement of Injection Operations into Phase I Injection Wells for the Expansion of the Trigg Federal Lease - Queen Water-Flood Project, Pursuant to Order No. R-12912-B.**

Dear Mr. Bruce:

The Oil Conservation Division (OCD) received your letter of November 8, 2010, regarding the above referenced Water-flood project on November 9, 2010. Pursuant to Division Order No. R-12912-B, and the first authorized extension granted by the Division on November 23, 2009, Celero Energy II, LP is hereby granted a second extension for the commencement of injection operations into Phase I of this project on or before November 30, 2012. This two (2) year extension is to enable Celero Energy II, LP include the Drickey Queen Sand Unit into the Trig Federal Lease Project, and shall expire *ipso facto* on this date.

Meanwhile all injection and shut-in wells in this project shall be tested for mechanical integrity. All wells that fail the mechanical integrity test (MIT) shall be repaired accordingly.

If you have any questions, please contact Richard Ezeanyim at (505)-476-3467.

Sincerely,

Mark E. Fesmire, P.E.
Director

Cc: Oil Conservation Division District Office – Hobbs
File – Case No. 14047 (Re-opened), Order No. R-12912-B

