

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

HOBBS OCD

APR 04 2013

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

04-Apr-13

CELERO ENERGY II, LP
400 WEST ILLINOIS SUITE 1601
MIDLAND TX 79701

LETTER OF VIOLATION -

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

ROCK QUEEN UNIT No.083

B-36-13S-31E

30-005-00938-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/01/2013	Pressure Test	Sylvia Dickey	Yes	No	7/5/2013	iSAD1309157210

Comments on Inspection: ***OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.10 ***OPERATION AND MAINTENANCE*** APRVD PRESSURE LIMIT IS 800 PSI; PER BHT SURVEY 3/18/2013 TUBING PRESSURE SHOWS 900 PSI.

APR 04 2013

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

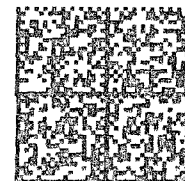


Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER
015H14150977
\$0.46
04/04/13
Mailed From 88240

US POSTAGE

CELERO ENERGY II, L.P.
ATTN: REGULATORY DEPT.
400 WEST ILLINOIS, STE, 1601
MIDLAND, TX 79701