-892- pTRW

DATE IN 9.29.11	SUSPENSE	ENGINEER TW,	LOGGED IN 9.29.11	TYPE WFX	APP NO. 1127244885

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

Celero -
RECEIVED OCD
Rock Queen Unit
2011 SEP 29 P 12:50

ADMINISTRATIVE APPLICATION CHECKLIST #98, 102, 312, & 313

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

State & Fed

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
■ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

30-005-00904
30-005-00906
30-005-29181
30-005-29182

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ■ Working, Royalty or Overriding Royalty Interest Owners

[B] ■ Offset Operators, Leaseholders or Surface Owner

[C] ■ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ■ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach	David Catanach	Agent for Celero Energy II, LP
Print or Type Name	Signature	Title
9/29/11		drcatanach@netscape.com
Date		E-Mail Address

September 29, 2011

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

HAND DELIVERED

Re: Form C-108
Celero Energy II, LP
Rock Queen Unit Wells No. 98, 102, 312 & 313
Caprock-Queen Pool (8551)
Chaves County, New Mexico

Dear Ms. Bailey,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the Rock Queen Unit Waterflood/CO2 Pilot Project. Division Order No. R-1541 dated November 30, 1959 established the Rock Queen Unit Area ("Unit Area") and approved secondary recovery operations within the Unit Area. By Order No. R-1541-A dated November 9, 2010 the Division authorized Celero Energy II, LP to institute a CO2 pilot project within a portion of the Unit Area. Celero Energy II, LP proposes to convert the Rock Queen Unit Wells No. 98 & 102 from producing wells to water injection wells and drill the Rock Queen Unit Wells No. 312 and 313 as new replacement injection wells in order to complete an efficient production/injection pattern within the Unit Area. These wells are located in Section 34, Township 13 South, Range 31 East, NMPM, Chaves County, New Mexico.

All the required information is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,

David Catanach

David Catanach
Agent for Celero Energy II, LP
400 W. Illinois, Suite 1601
Midland, Texas 79701

Xc: OCD-Hobbs

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: __X__ Secondary Recovery ____ Pressure Maintenance ____ Disposal ____ Storage
Application qualifies for administrative approval? __X__ Yes ____ No

II. OPERATOR: Celero Energy II, LP

ADDRESS: 400 W. Illinois Avenue Suite 1601 Midland, Texas 79701

CONTACT PARTY: Mr. David Catanach PHONE: (505) 690-9453

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? __X__ Yes ____ No
If yes, give the Division order number authorizing the project: R-1541 as amended, dated 11/30/1959. Also, R-1541-A dated 11/9/2010 approved CO2 injection within a pilot area contained within the Rock Queen Unit Area.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: David Catanach TITLE: Agent for Celero Energy II, LP

SIGNATURE: David Catanach DATE: 9/29/11

E-MAIL ADDRESS: drcatanach@netscape.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application
Celero Energy II, LP
Rock Queen Unit Wells No. 98, 102, 312 & 313
Section 34, T-13S, R-31E, NMPM
Chaves County, New Mexico

I. The purpose of the application is to request approval to convert four (4) wells to water injection within the Rock Queen Unit Waterflood/ CO2 Pilot Project, Caprock-Queen Pool, Chaves County, New Mexico, in order to complete an efficient injection/production pattern. **(Note: All wells are located in the waterflood portion of the unit area and will be injecting water only at this time).**

II. Celero Energy II, LP ("Celero")
400 W. Illinois
Suite 1601
Midland, Texas 79701
Contact Party: Mr. David Catanach (505) 690-9453

III. Injection well data sheets and wellbore diagrams for each injection well are attached showing the proposed wellbore configurations. **(Note: The Rock Queen Unit Wells No. 98 and 102 are existing producing wells that will be converted to injection. The Rock Queen Unit Wells No. 312 and 313 are to be drilled as new replacement injection wells.)**

IV. This is an expansion of the Rock Queen Unit Waterflood/CO2 Pilot Project. The initial waterflood project within the Rock Queen Unit was approved by Division Order No. R-1541 dated 11/30/1959. Order No. R-1541-A dated 11/9/2010 approved CO2/Water (WAG) injection into the Rock Queen Unit CO2 Pilot Project. Order No. R-1541-A also approved the statutory unitization of the Rock Queen Unit Area.

V. Enclosed are maps that identify all wells/leases within a 2-mile radius of the proposed injection wells and a map that identifies the ½ mile "Area of Review" ("AOR").

VI. Attached is the well construction/plugging data for all wells within the AOR. An examination of AOR well data indicates that all wells are constructed and/or plugged in such a manner so as to confine the injected fluid to the proposed injection interval. **(Note: The Rock Queen Unit Wells No. 901 and 903, two AOR wells located respectively in Units P and J of Section 34 are scheduled to be plugged and abandoned by Celero in the near future. Attached are current wellbore diagrams and proposed PA wellbore diagrams for each of these wells. Actual plugging data will be provided to the Division upon completion of plugging operations.)**

VII. 1. The proposed water injection rate is 600 BWPD per well, and the proposed maximum injection rate is 1,500 BWPD per well. If the average or maximum rates increase in the future, the Division will be notified.

2. This will be a closed system.

3. The proposed average and maximum water injection pressure is 800 psi. **(Note: In Case No. 14505, Celero presented extensive step rate test data for wells within the Rock Queen Unit to support a unit-wide injection pressure of 800 psi for water and 1,200 psi for CO2. Consequently, Order No. R-1541-A, as amended, approved these CO2 and water injection pressures on a unit-wide basis).**

4. Produced water from the Caprock-Queen Pool originating from wells within the Unit Area will be re-injected into the subject injection wells. In addition, Celero uses fresh make-up water as necessary. A representative formation water analysis obtained from the Celero Rock Queen Unit Well No. 84 is included. This formation water analysis shows total dissolved solids to be approximately 298,000 mg/L. Also attached is a fresh water analysis obtained from a fresh water well located in Section 35, T-13S, R-31E.

5. Injection is to occur into a formation that is oil productive.

VIII.

Geologic Age:	Permian
Geologic Name:	Queen (A member of the Artesian Group)
Average Thickness:	15 Feet (calculated from available core data)
Lithology:	Shaly sandstone
Measured Depth:	3,000'-3,100'
USDW's:	Ogallala is present at depths from 100'-200'

IX. No stimulation is planned, however, should a stimulation treatment become necessary, then a mild 7 ½% NEFE HCL treatment with the appropriate additives will be used.

X. Logs were filed at the time of drilling or will be filed subsequent to completion of drilling operations.

XI. Attached is a water analysis from a fresh water well located in Unit F of Section 35, Township 13 South, Range 31 East, NMPM.

XII. Affirmative statement is enclosed.

XIII. Proof of Notice is enclosed. **(Note: Celero operates the offset Wakan Tanka Federal Lease located in the S/2 SW/4 and NE/4 SW/4 of Section 27. Since the working interest ownership is not common between the Rock Queen Unit and the Wakan Tanka Federal Lease, Celero is**

providing notice of this application to all working interest owners in that lease. (See attached notice list.)

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 98 **(API No. 30-005-00904)**

WELL LOCATION:	660' FNL & 660' FEL	A	34	13 South	31 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 ¼" Casing Size: 8 5/8" @ 314'

Cemented with: 300 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 3,030'

Cemented with: 1450 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Total Depth: 3,050' PBTD: _____

Injection Interval

Queen Formation: 3,030'-3,050' Open Hole

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 2,972' or within 100' of the open-hole injection interval

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: ____ Yes X No

   If no, for what purpose was the well originally drilled: Well was originally drilled in 1955 as a producing well in the Caprock-Queen Pool

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

   None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

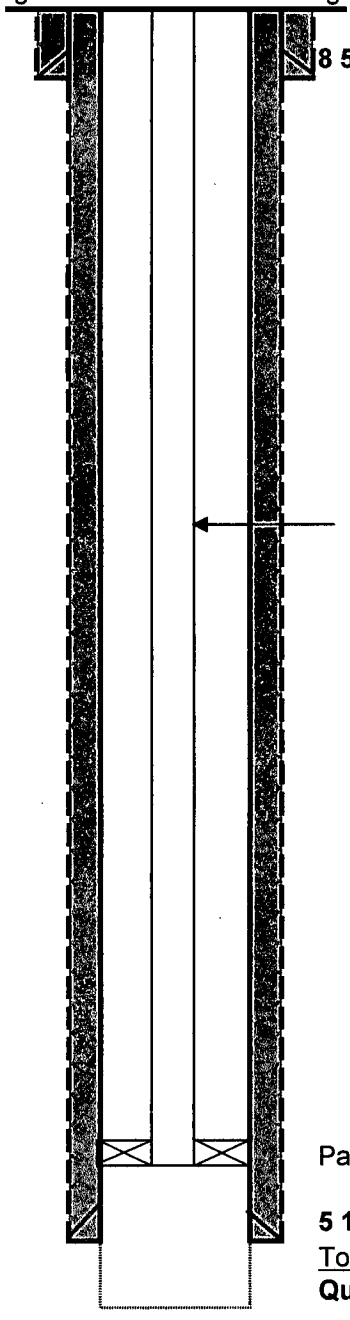
   None

CELERO ENERGY

		DATE:	**Aug. 06, 2011**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen**	**WELL:**	**98**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 660' FNL & 660' FEL, Sec 34A, T13S, R31ECM
SPUD: 2/55 COMP: 2/55
CURRENT STATUS: Producer
Original Well Name: Browning #1

KB = 4425'
GL = 4416'
API = 30-005-00904



8 5/8" 24# @ 314' w/300 sx. Cement circulated to surface.

92 jts. 2-3/8", 4.7#, J-55, 8rd EUE, IPC tbg @ 2972'

Packer at 2972'

5 1/2" 14# @ 3,030' w/1450 sx. Cement circulated to surface
Top of Queen @ 3029':
Queen Open Hole: 3030' - 3050' (2-55)

PBTD - 3050'
TD - 3050'

Well History: **Rock Queen Unit #98**

(2-55) - Initial Completion: Orig comp in open hole 3030' - 3050'. Treated OH section w/ 8,000 gals LSE oil and 8,000 # sand. IP 70 BOPD.

(6-11) - Covert WIW: POOH with production equipment. Change WH's. RIH with 4-3/4" bit to 3031', clean out to 3050', and circulate hole. Ran casing scraper to 3018'. RIH with packer to 2986'-- test failed. Ran CIL. RIH w/ RBP and set at 2995'. Ran CBL. Test csg to 500 psi-lost 20 psi in 30 minutes. Ran 92 jts, 2-3/8", 4.7#, J-55, 8rd EUE, IPC tubing and set IPC AS1X packer at 2972'. Ran MIT.

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 102 **(API No. 30-005-00906)**

WELL LOCATION:	1980' FNL & 1980' FEL	G	34	13 South	31 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 7 5/8" @ 300'

Cemented with: 200 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 6 3/4" Casing Size: 4 1/2" @ 3,075'

Cemented with: 75 Sx. or _____ ft^3

Top of Cement: 2,665' Method Determined: CBL

Total Depth: 3,075' PBTD: _____

Injection Interval

Queen Formation: 3,036'-3,051' Perforated

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 2,978' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: ____ Yes ____X____ No

   If no, for what purpose was the well originally drilled: Well was originally drilled in 1955 as a producing well in the Caprock-Queen Pool

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

   None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

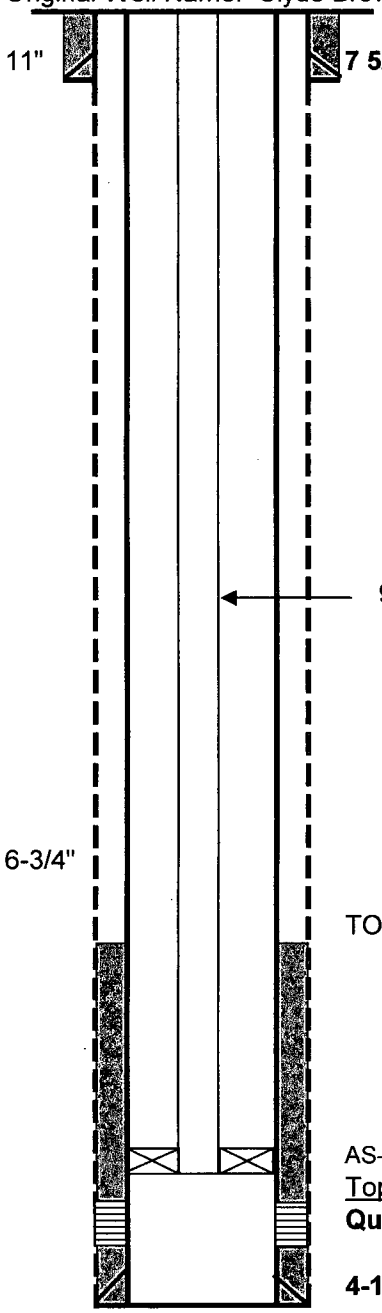
   None

CELERO ENERGY

		DATE:	**Sep. 08, 2011**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen**	**WELL:**	**102**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 1980' FNL & 1980' FEL, Sec 34G, T13S, R31ECM
SPUD: 8/55 COMP: 9/55
CURRENT STATUS: Producer
Original Well Name: Clyde Browning #3

KB = 4435'
GL = 4426'
API = 30-005-00906



7 5/8" 26.40 #/ft. @ 300' w/200 sx. Cement circulated to surface.

92 jts. 2-3/8", 4.7#, J-55, 8rd EUE IPC at 2978'.

TOC @ 2665'(CBL-6/11)

AS-1X Pkr at 2978'

Top of Queen @ 3036':

Queen: 3036' - 3051' (9-55)

4-1/2" 9.5# @ 3075' w/75 sx

PBTD - 3075'
TD - 3075'

Well History: **Rock Queen Unit #102**

(9-55) - Initial Completion: Orig comp thru perfs 3036' - 3051'. Treated perfs w/ 8,000 gals LSE crude and 8,000 # sand. Avg inj @ 8 Bbl/min. IP 41 BOPD.

(01-99) - Shut-in Well:

(06-11) - Conv: POOH w/ prod. equip. RIH w/3-3/4" bit to 3055'; C-O 3055'-3075'. Run scraper to 3028'. Run packer to 2988'--failed to test. Locate leak at 135'-144'. Run CIL and CBL. Back off casing at 167'. Replaced 5 jts. w/4 jts (180') 4-1/2", 11.6#, J-55, LT&C. Run AS-1X packer and 92 jts tbg to 2978'. Test casing/perform MIT. Shut in w/o permit.

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 312 **(Not Yet Drilled) (API No. 30-005-29181)**

WELL LOCATION:	500' FNL & 1650' FEL	B	34	13 South	31 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA (PROPOSED)

Surface Casing

Hole Size: 11" Casing Size: 8 5/8" @ 350'

Cemented with: 270 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulate

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 3,115'

Cemented with: 800 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulate

Total Depth: 3,115' PBTD: 3,071'

Injection Interval **(Estimated)**

Queen Formation: 3,042'-3,055' Perforated

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 3,000' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: X Yes ____ No

   If no, for what purpose was the well originally drilled: ____

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

   None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

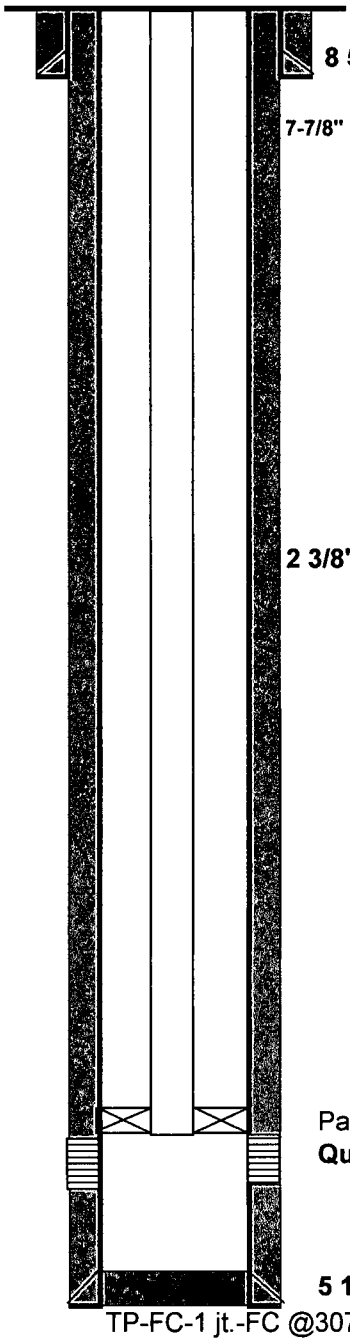
   None

CELERO ENERGY

		DATE:	**Sep. 08, 2011**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen Unit**	**WELL:**	**312**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 500' FNL & 1650' FEL, Sec 34B, T13S, R31E
SPUD: COMP:
CURRENT STATUS: Pending D&C

KB = 13' AGL
GL = 4423'
API = 30-005-29181



11" hole
8 5/8" 24# J-55, ST & C @ 350' w/270 sx. To be circulated to surface.

7-7/8" hole

2 3/8", 4.7#, J-55 8rd EUE, IPC tbg @ 3,000'

Packer at 3000'
Queen: Anticipated at 3042'-3055'; perforate 3042'-3055' at 2 SPF

5 1/2", 15.5#, J-55 LT & C @ 3,115' w/800 sx. To be circulated to surface

TP-FC-1 jt.-FC @3071'

PBTD - 3071est
TD - 3115'

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 313 **(Not Yet Drilled) (API No. 30-005-29182)**

WELL LOCATION:	1980' FNL & 500' FEL	H	34	13 South	31 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA (PROPOSED)

Surface Casing

Hole Size: 11" Casing Size: 8 5/8" @ 350'

Cemented with: 270 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulate

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 3,115'

Cemented with: 800 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulate

Total Depth: 3,115' PBTD: 3,071'

Injection Interval **(Estimated)**

Queen Formation: 3,040'-3,054' Perforated

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 3,000' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: X Yes ____ No

   If no, for what purpose was the well originally drilled: ____

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

   None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

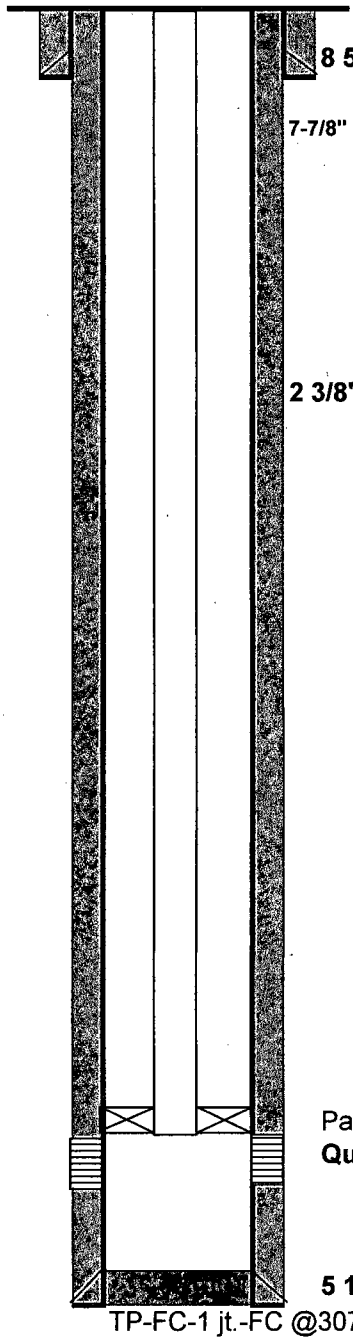
   None

CELERO ENERGY

		DATE:	Sep. 08, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen Unit	WELL:	313
COUNTY:	Chaves	STATE:	New Mexico

Location: 1980' FNL & 500' FEL, Sec 34H, T13S, R31E
SPUD: COMP:
CURRENT STATUS: Pending D&C

KB = 13' AGL
GL = 4418'
API = 30-005-29182



11" hole

8 5/8", 24# J-55 ST & C @ 350' w/270 sx. To be circulated to surface

7-7/8" hole

2 3/8", 4.7#, J-55 8rd EUE, IPC tbg @ 3,000'

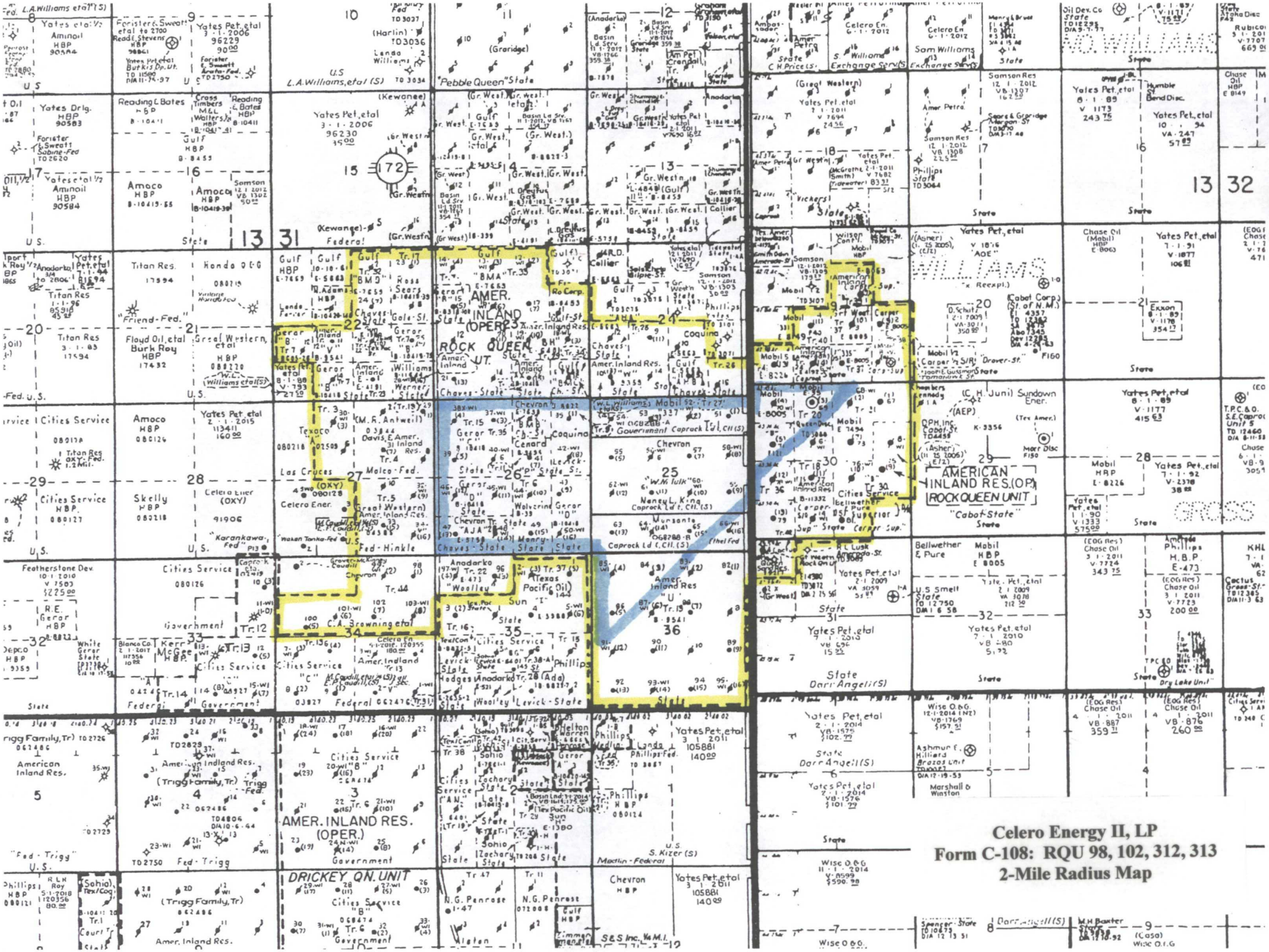
Packer at 3000'

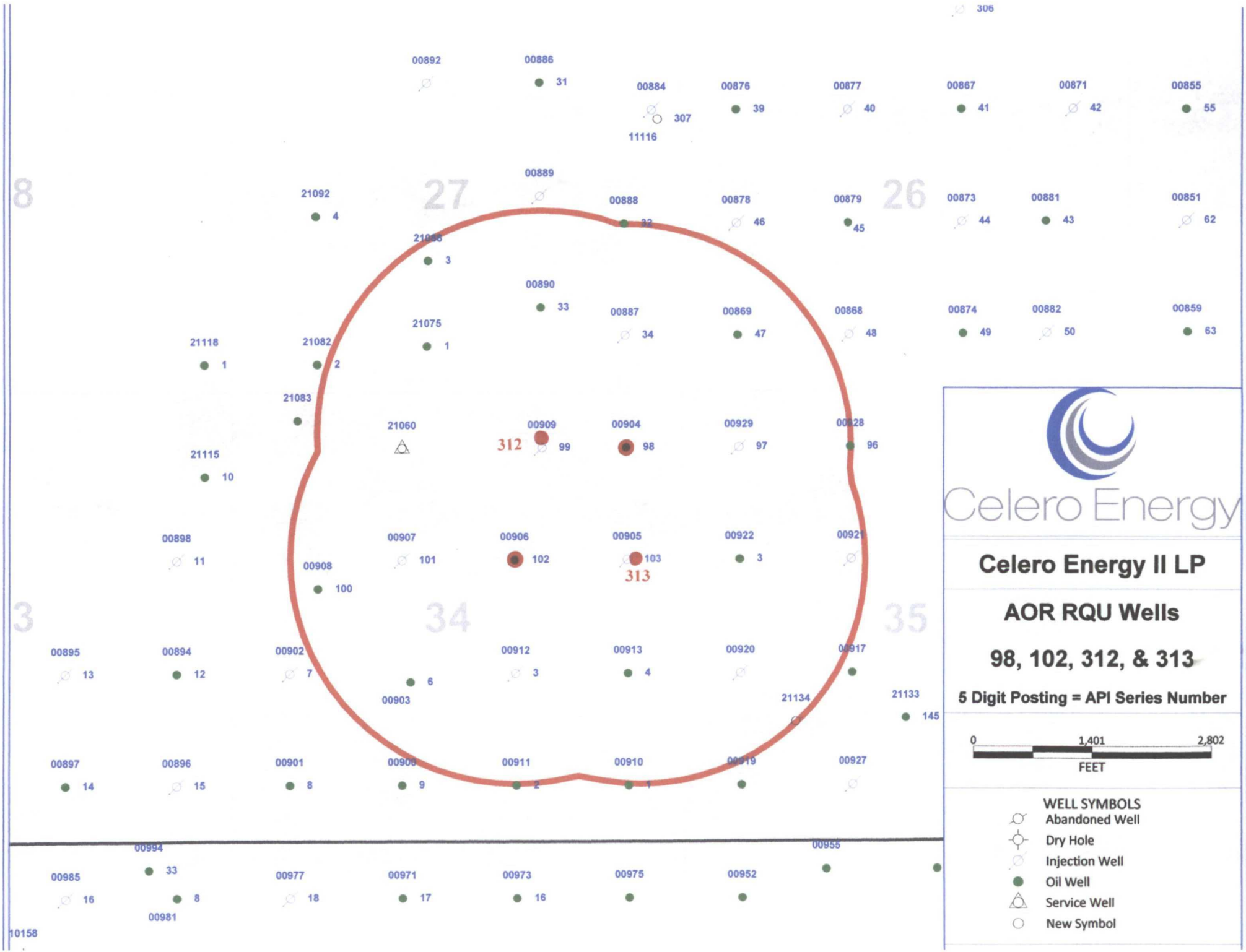
Queen: Anticipated at 3040'-3054'; perforate 3040'-3054' at 2 SPF

5 1/2", 15.5#, J-55 LT & C @ 3,115' w/800 sx. To be circulated to surface

TP-FC-1 jt.-FC @3071'

PBTD - 3071est
TD - 3115'


AMERICAN INLAND RES. (OPER.) ROCK QUEEN UNIT
"Cabot-State"
DRICKEY QN. UNIT
AMER. INLAND (OPER.) ROCK QUEEN UT.
Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
2-Mile Radius Map


Celero Energy
Celero Energy II LP
AOR RQU Wells
98, 102, 312, & 313
5 Digit Posting = API Series Number
0
1,401
2,802
FEET
WELL SYMBOLS
Abandoned Well
Dry Hole
Injection Well
Oil Well
Service Well
New Symbol
312
313
8
27
26
3
34
35
00892
00886
31
00884
307
11116
00876
39
00877
40
00867
41
00871
42
00855
55
306
00889
21092
4
00888
32
00878
46
00879
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00873
44
00881
43
00851
62
21096
3
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00994
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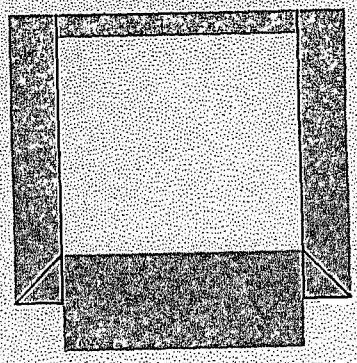
00981
8
10158

CELERO ENERGY II, LP
AREA OF REVIEW WELL DATA
DRICKEY QUEEN SAND UNIT WELLS NO. 98, 102, 312 & 313

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSHP.	RNG.	DATE DRILLED	TOTAL DEPTH	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	COMPLETION	REMARKS
30-005-00869	Celero Energy II, LP	Rock Queen Unit	47	P	Active	660'	S	660'	W	M	26	13S	31E	Feb-55	3,049'	12.25"	8.625"	328'	300	Surface	Calc.	7.875"	5.5"	3,026'	1550	Surface	Circ.	3,026'-3,049' O.H.	
30-005-00888	Celero Energy II, LP	Rock Queen Unit	32	Mon	Active	1980'	S	660'	E	I	27	13S	31E	Apr-55	3,028'	12.25"	8.625"	318'	200	Surface	Calc.	7.875"	5.5"	3,027'	200	1,665'	Calc.	3,027'-3,028' O.H.	
30-005-00887	Celero Energy II, LP	Rock Queen Unit	34	I	Active	660'	S	660'	E	P	27	13S	31E	Apr-55	3,037'	12.25"	8.625"	326'	200	Surface	Calc.	7.875"	5.5"	3,025'	200	1,990'	CBL	3,025'-3,037' O.H.	
30-005-00890	Celero Energy II, LP	Rock Queen Unit	33	Mon	Active	990'	S	1650'	E	O	27	13S	31E	Dec-55	3,034'	12.25"	8.625"	302'	200	Surface	Calc.	7.875"	5.5"	3,027'	100	2,350'	Calc.	3,027'-3,034' O.H.	
30-005-21075	Celero Energy II, LP	Wakan Tanka Fed	1	P	Active	538'	S	2287'	W	N	27	13S	31E	May-88	2,970'	12.25"	9.625"	313'	145	Surface	Circ.	7.875"	5.5"	2,965'	450	Surface	Circ.	2,893'-2,898' Perf.	
30-005-21088	Celero Energy II, LP	Wakan Tanka Fed	3	P	Active	1550'	S	2310'	W	K	27	13S	31E	Aug-89	2,983'	12.25"	8.625"	323'	200	Surface	Circ.	7.875"	5.5"	2,983'	400	850'	Calc.	2,896'-2,909' Perf.	
30-005-00928	Celero Energy II, LP	Rock Queen Unit	96	P	Active	660'	N	1980'	W	C	35	13S	31E	Dec-54	3,059'	12.25"	8.625"	303'	250	Surface	Calc.	7.875'	5.5"	3,041'	100	2,360'	Calc.	3,041'-3,059' O.H.	
30-005-00929	Celero Energy II, LP	Rock Queen Unit	97	I	Active	660'	N	660'	W	D	35	13S	31E	Jan-55	3,041'	12.25"	8.625"	302'	225	Surface	Calc.	7.875"	5.5"	3,022'	100	2,580'	CBL	3,022'-3,041' O.H.	
30-005-00921	Guest & Wolfson	DQSU	35F	P	PA	1980'	N	1980'	W	F	35	13S	31E	Mar-55	3,055'	15.375"	13.375"	250'	250	Surface	Circ.	7.875"	5.5"	3,036'	250	2,355'	Calc.	3,036'-3,055' O.H.	PA'd 11/73 Schematic Attached
30-005-00903	Celero Energy II, LP	DQSU	6	P	Active	1880'	S	2080'	W	K	34	13S	31E	Jan-55	3,096'	12.25"	8.625"	292'	150	Surface	Calc.	7.875"	5.5"	3,034'	300	1,434'	Calc.	3,034'-3,096' O.H.	
30-005-00905	Celero Energy II, LP	Rock Queen Unit	103	I	PA	1980'	N	660'	E	H	34	13S	31E	Mar-55	3,052'	12.25"	8.625"	327'	300	Surface	Circ.	7.875"	5.5"	3,037'	1400	Surface	Circ.	3,037'-3,052' O.H.	PA'd 2/11 Schematic Attached
30-005-00907	Celero Energy II, LP	Rock Queen Unit	101	I	Active	1980'	N	1980'	W	F	34	13S	31E	Nov-55	2,946'	11"	8.625"	268'	175	Surface	Circ.	6.75"	5.5"	2,903'	75	2,073'	Calc.	2,903'-2,946' O.H.	
30-005-00911	Celero Energy II, LP	DQSU	902	P	Active	660'	S	1980'	E	O	34	13S	31E	Feb-55	3,059'	15.375"	13.375"	210'	225	Surface	Calc.	7.875"	5.5"	3,040'	100	2,507'	Calc.	3,040'-3,059' O.H.	
30-005-00913	Celero Energy II, LP	DQSU	904	P	Active	1980'	S	660'	E	I	34	13S	31E	Apr-55	3,064'	15.375"	13.375"	210'	200	Surface	Calc.	7.875"	5.5"	3,041'	100	2,508'	Calc.	3,041'-3,064' O.H.	
30-005-29167	Celero Energy II, LP	Rock Queen Unit	706	P	NYC	1478'	N	1330'	E	G	34	13S	31E	Jan-11	3,120'	11"	8.625"	380'	310	Surface	Circ.	7.875"	5.5"	3,120'	800	Surface	Circ.		Not Yet Completed
30-005-00908	Celero Energy II, LP	Rock Queen Unit	100	P	Active	2310'	N	990'	W	E	34	13S	31E	Nov-55	2,914'	11"	8.625"	263'	175	Surface	Circ.	7.875"	5.5"	2,900'	75	2,500'	Calc.	2,900'-2,914' O.H.	
30-005-00909	Celero Energy II, LP	Rock Queen Unit	99	I	PA	660'	N	1650'	E	B	34	13S	31E	Jan-56	3,040'	11"	8.625"	271'	150	Surface	Circ.	7.875"	4.5"	3,020'	75	2,740'	Well File	3,023'-3,040'	Perforated & Open Hole Completion
																							3.5"	2,944'-3,034'	35	Top of Liner	Calc.		PA'd 2/11 Schematic Attached
30-005-00910	Celero Energy II, LP	DQSU	901	I	SI	660'	S	660'	E	P	34	13S	31E	Jan-55	3,068'	15.375"	13.375"	250'	225	Surface	Calc.	7.875"	5.5"	3,049'	100	2,604'	Calc.	3,049'-3,068' O.H.	Well to be PA'd. Proposed PA Schematic Attached
30-005-00912	Celero Energy II, LP	DQSU	903	I	SI	1980'	S	1980'	E	J	34	13S	31E	Mar-55	3,061'	15.375"	13.375"	200'	225	Surface	Calc.	7.875"	5.5"	3,038'	100	2,591'	Well File	3,038'-3,061' O.H.	Well to be PA'd. Proposed PA Schematic Attached
30-005-21060	Reliance Energy, Inc.	Caudill	1	SWD	Active	660'	N	1980'	W	C	34	13S	31E	Oct-86	3,100'	12.25"	8.625"	422'	250	Surface	Circ.	7.875"	4.5"	3,057'	275	1,942'	Calc.	2,870'-2,885' Perf.	
30-005-00922	Celero Energy II, LP	DQSU	3	P	Active	1980'	N	660'	W	E	35	13S	31E	Mar-55	3,053'	13"	8.625"	233'	250	Surface	Circ.	8.75"	5.5"	3,041'	100	2,422'	T.S.	3,041'-3,053' O.H.	
30-005-00920	Guest & Wolfson	DQSU Tract 16	1	I	PA	1980'	S	660'	W	L	35	13S	31E	Feb-55	3,064'	15"	12.75"	239'	250	Surface	Circ.	8.625"	7"	3,046'	125	2,212'	Calc.	3,046'-3,064' O.H.	PA'd 11/73 Schematic Attached
30-005-21134	*Circle Ridge Prod. Inc.*	*DQSU*	*148*	***Never Drilled***		*1400'*	*S*	*1300'*	*W*	*L*	*35*	*13S*	*31E*																

Weldon S. Guest & I. J. Wolfson
Drickey Queen Sand Unit Tract 16 No. 1
API No. 30-005-00920
1980' FSL & 660' FWL, Unit L
Section 35, T-13S, R-31E
Type Well: Injector

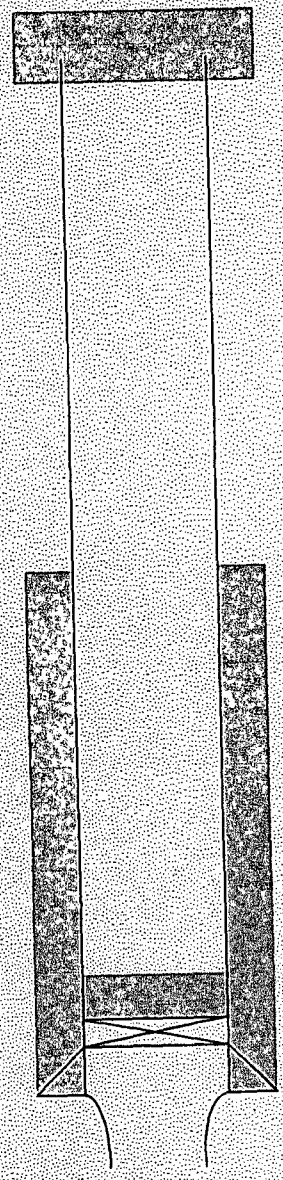


10 Sx. surface plug

15" Hole; 12 3/4" csg. set @ 239'
Cemented w/250 sx.
Cement circulated to surface

Set 80 Sx. cement plug 200'-300'

Drilled: 2/55
Plugged: 11/73



Cut & pulled 638' of 7" casing
Set 60 sx. cement stub plug @ 638'

Calculated TOC @ 2,212'

10.1 PPG mud placed between cement plugs

Set CIBP @ 2,976' w/5 Sx. cement on top

8 5/8" Hole; 7" csg. set @ 3,046'
Cemented w/125 Sx.
Calculated TOC @ 2,212'

Queen open-hole producing interval: 3,046'-3,064'

T.D. 3,064'

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
PA Schematic
DQSU Tract 16 No. 1

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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: B-8822-4

30-005-00920

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT —" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL [ ] GAS WELL [ ] OTHER- **Injection Well**

7. Unit Agreement Name:

2. Name of Operator: **Welcon S. Guest & I. J. Wolfson**

8. Farm or Lease Name: **Drickey Queen Sand Unit Tr 16**

3. Address of Operator: **c/o Oil Reports & Gas Services, Box 763, Hobbs, New Mexico 88240**

9. Well No.: **1**

4. Location of Well: UNIT LETTER **L** **1980** FEET FROM THE **South** LINE AND **660** FEET FROM THE **West** LINE, SECTION **35** TOWNSHIP **13S** RANGE **31E** NMPM.

10. Field and Pool, or Wildcat: **Caprock Queen**

15. Elevation (*Show whether DF, RT, GR, etc.*): **4414 GR**

12. County: **Chaves**

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. Describe Proposed or Completed Operations (*Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work*) SEE RULE 1103.

Set cast iron bridge plug at 2976 & capped with 5 sacks cement.

Cut & Pulled 7" casing from 638'

Spotted 60 sack plug at 638'

Spotted 80 sack plug from 200 to 300'

Set 10 sacks at surface with regulation marker

Mud between all plugs

Work complete 11/15/73

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Wesley Hobbs TITLE **Agent** DATE **12/19/73**

APPROVED Nathan E. Clegg TITLE OIL & GAS INSPECTOR DATE [illegible]

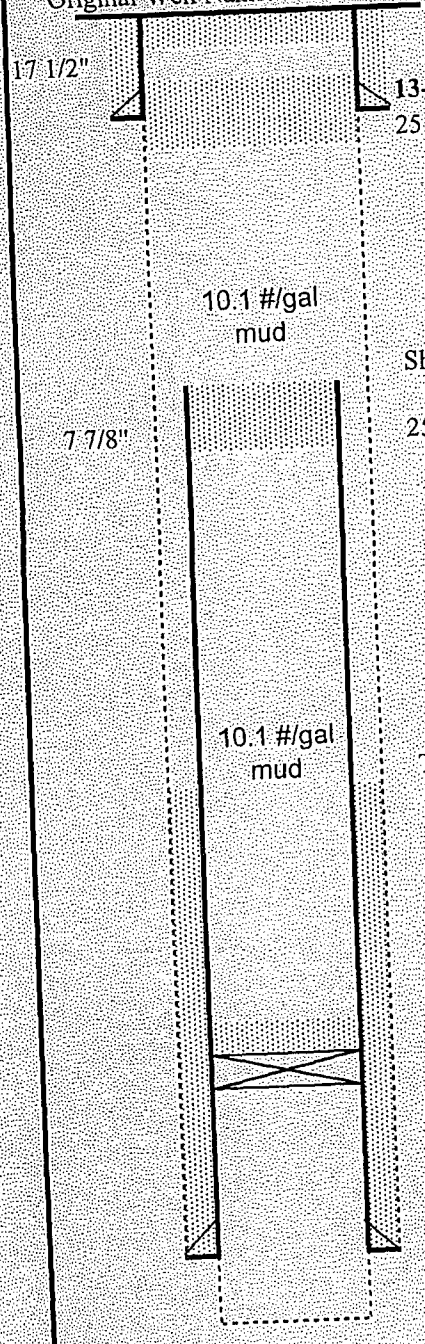
CONDITIONS OF APPROVAL, IF ANY:

CELERO ENERGY

		DATE:	Jan. 4, 2008
		BY:	GSA
FIELD:	Caprock	WELL:	35F
LEASE/UNIT:	Drickey Queen Sand Unit	STATE:	New Mexico
COUNTY:	Chaves		

Location: 1980' FNL & 1980' FWL, Sec 35F, T13S, R31ECM
SPUD: 3/55 COMP: 3/55
CURRENT STATUS: P&A Injector (11-73)
Original Well Name: N.M. State "I" A/c 1 #1

KB = 4410'
GL = 4400'
API = 30-005-00921



10 sx cmt plug from 30' - surface

13-3/8" 48#/ft @ 250' cmt'd. w/ 250 sx cmt (circ)

25 sx cmt plug from 200' - 300'

Shot and pulled 5-1/2" csg from 1185'

25 sx cmt plug from 1185' - 1285'

TOC @ 2355' (calc)

CIBP set @ 2623' w/ 5 sx cmt on top.

5-1/2" 14# @ 3036'
cmt'd. w/ 100 sx (DNC)
Top of Queen @ 3036':
Queen Open Hole: 3036' - 3055' (3-55)

PBTD - 3055'
TD - 3055'

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
PA Schematic
DQSU No. 35F
6/13/2008

DQSU #35F.xls

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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: E-5988

30-005-00921

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT —" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL [ ] GAS WELL [ ] OTHER- **Injection Well**

7. Unit Agreement Name:

2. Name of Operator: **Weldon S. Guest & I. J. Wolfson**

8. Farm or Lease Name: **Drickey Queen Sand Unit Tr 37**

3. Address of Operator: **c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, N.M.**

9. Well No.: **1**

4. Location of Well: UNIT LETTER **F**, **1980** FEET FROM THE **North** LINE AND **1980** FEET FROM THE **West** LINE, SECTION **35** TOWNSHIP **13 S** RANGE **31 E** NMPM.

10. Field and Pool, or Wildcat: **Caprock Queen**

15. Elevation (*Show whether DF, RT, GR, etc.*): **4410**

12. County: **Chaves**

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. Describe Proposed or Completed Operations (*Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work*) SEE RULE 1103.

Subject well plugged and abandoned 11/6/73 as follows:

Set cast iron bridge plug @ 2623 & capped with 5 sacks cement.
Shot & pulled 5 1/2" casing from 1185.
Spotted plug from 1185 to 1285 with 25 sacks.
Spotted plug from 200 to 300 with 25 sacks.
Set 10 sack plug at surface with regulation marker.
10.1# mud (visc. 32) between all plugs.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Weldon Guest TITLE Agent DATE 11/16/73

APPROVED BY Nathan E. Clegg TITLE _____ DATE _____

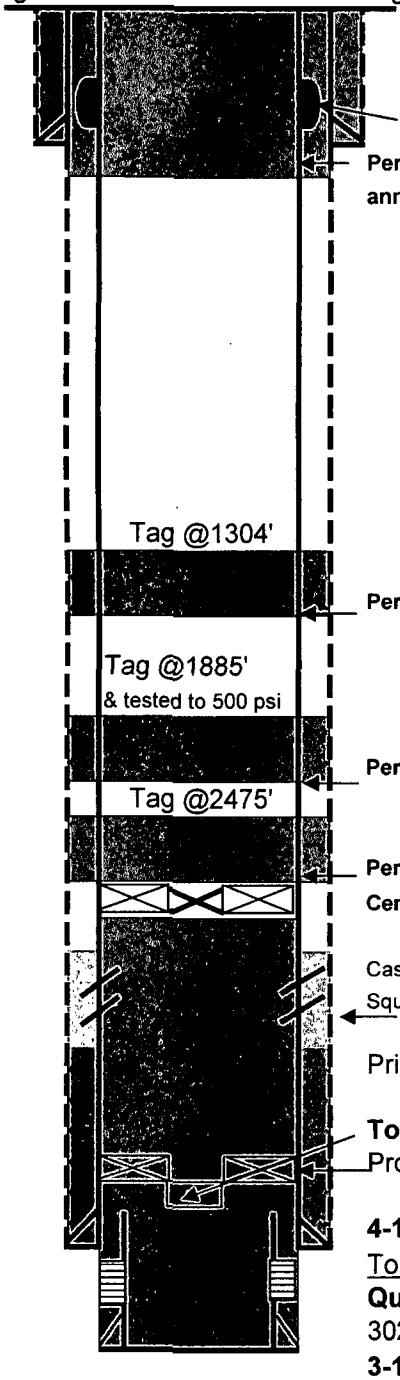
CONDITIONS OF APPROVAL, IF ANY:

CELERO ENERGY

		DATE:	Sep. 21, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen	WELL:	99
COUNTY:	Chaves	STATE:	New Mexico

Location: 660' FNL & 1650' FEL, Sec 34B, T13S, R31ECM
SPUD: 2/56 COMP: 2/56
CURRENT STATUS: P&A
Original Well Name: C. A. Browning #6

KB = 4428'
GL = 4419'
API = 30-005-00909



8-5/8" 24# @ 271'
cmt'd. w/ 150 sx (circ 25 sx)

Cut/pulled 250' 4-1/2"& ran 250' new 4-1/2" csg w/ csg patch at 250'.(9/90)

Perf (4) at 321', spotted 50 sx Class C w/ tbg at 346' to fill 4-1/2" (4-1/2"-by-8-5/8" annulus would not circulate from 321')

T-Anhy @ 1465'
T-Salt @ 1500'
B-Salt @ 2160'
T-Yates @ 2287'
T-Queen @ 3020'

Tag @1304'

Perf (4) at 1490', packer squeeze 35 sx Class C, tag at 1304'

Tag @1885'
& tested to 500 psi

Perf (4) at 2280', packer sqze 130 sx Class C, tag at 1885' and test(+) to 500 psi

Tag @2475'

Perf (4) @ 2604', packer squeeze 140 sx & spotted 50 sx Class C, tag at 2475'
Cement retainer at 2622', squeezed 100 sx Class C

Casing parted at 2674' and 2763'
Squeezed 4-1/2" casing leak @ 2665' w/ 600 sx cmt (9/90)

Primary TOC @ 2740'--calc'd, yld = 1.26 ft3/sk; enlargement = 15%

Total 100 sx Class C spotted @ 2865', 3 attempts, did not tag
Probable WATSON Tension pkr @ 2856' w/ 1-jt below

4-1/2" 9.5# @ 3020' w/75 sx
Top of Queen @ 3020':
Queen: 3020' - 3040' (Open Hole) (2-56)
3023' - 3033' (4 SPF) (2-61)
3-1/2" liner from 2950' - 3040' w/35 sx (1961)

PBTD - 3040'
TD - 3040'

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
PA Schematic
RQU No. 99

Well History: **Rock Queen #99**

(2-56) - Initial Completion: Orig comp on open hole 3020' - 3040'. Treated OH sec w/ 8,000 gals LSE oil and 8,000 # sand. IP 96 BOPD on pump.

(2-61) - Workover: Converted to water injection. Installed 3-1/2" liner to T.D. cmtd w/ 50 sx and 2% HA-5. Top liner @2950'; btm liner @ 3040'. Perf 3023' - 3033'. Acidized w/ 500 gals Dowell xw26. Ran 2-3/8" tbg w/ Baker 'A' pkr set @ 3026'.

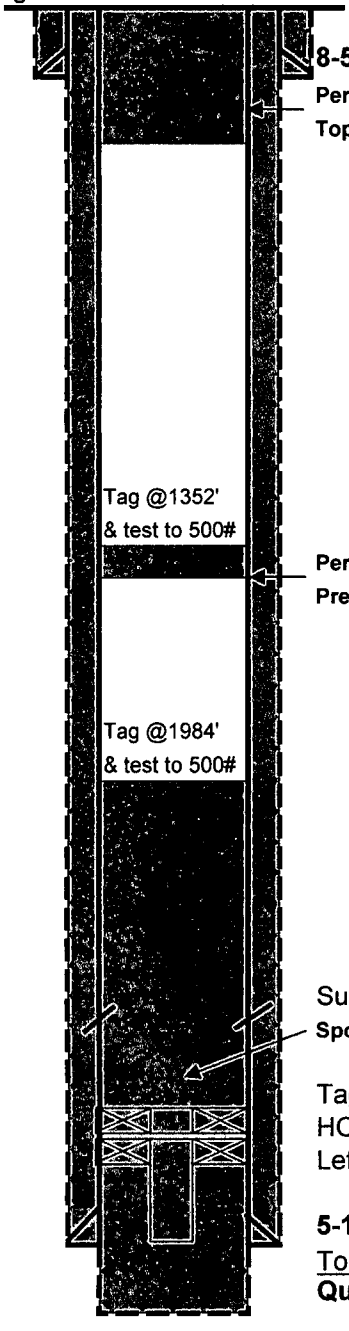
(9-90) - Well Record: Pulled 2-3/8" tbg and pkr. Cut and pulled 4-1/2" casing from 250'. Ran 250' new 4-1/2" csg w/ csg patch. Set Ret. B.P. @ 2715'. Set cmt retainer @ 2600' and Squeezed casing leak @ 2665' w/ 600 sx cmt. Max press was 1000 psi. Drld out cmt and tested csg to 1600 psi - ok. Pulled ret. B.P. @ 2715'. Ran 2852' 2-3/8" tubing and WATSON Tenison pkr @ 2856'. 1jt 2-3/8" tail pipe below pkr. EOT = 2887'.

CELERO ENERGY

		DATE:	Sep. 20, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen	WELL:	103
COUNTY:	Chaves	STATE:	New Mexico

Location: 1980' FNL & 660' FEL, Sec 34H, T13S, R31ECM
SPUD: 4/55 COMP: 4/55
CURRENT STATUS: P&A
Original Well Name: C. A. Browning #2

KB = 4428'
GL = 4419'
API = 30-005-00905



8-5/8" 24#/ft @ 327'w/300sx, circ'd 50 sx

Perf at 377', fill casing with tubing at 439' w/50 sx Class C
Top off casing from 49' to surface

T-Anhy @ 1460'
T-Salt @ 1490' est
B-Salt @ 2145' est
T-Yates @ 2287'
T-Queen @ 3041'

Perf (4) at 1460', unable to pump in, spot 25 sx Class C at 1460', and tag at 1352'.
Pressure test (+) to 500 psi.

Suspected casing part at 2674'
Spotted total 330 sx Class C starting at 2792', final tag at 1984', test(+) to 500 psi

Tagging hard w/open-ended tubing at 2845', unable to go deeper.
HOWCO R-4 packer @ 3004'
Left Baker Model A pkr set @ 3007' w/ 1 Jt. (31.60') 2-3/8" tail pipe in hole.

5-1/2" 15.5# @ 3037'w/ 1400 sx-circ'd 100 sx
Top of Queen @ 3041':
Queen Open Hole: 3037' - 3052' (4-55)

PBTD - 3052'
TD - 3052'

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
PA Schematic
RQU No. 103

Well History: **Rock Queen Unit #103**

(4-55) - Initial Completion: Orig comp in open hole 3037' - 3052'. Drld well-in w/ cable tools from 3037' - 3052'. Treated OH form from 3042' - 3052' w/ 8,000 gals LSE oil and 8,000 # sand. IP 69 BOPD.

(9-61) - Workover: Converted to water injection. Cleaned out hole to T.D. Ran 2-3/8" tbg w/ packer. Set Baker Model 'A' pkr @ 3007'.

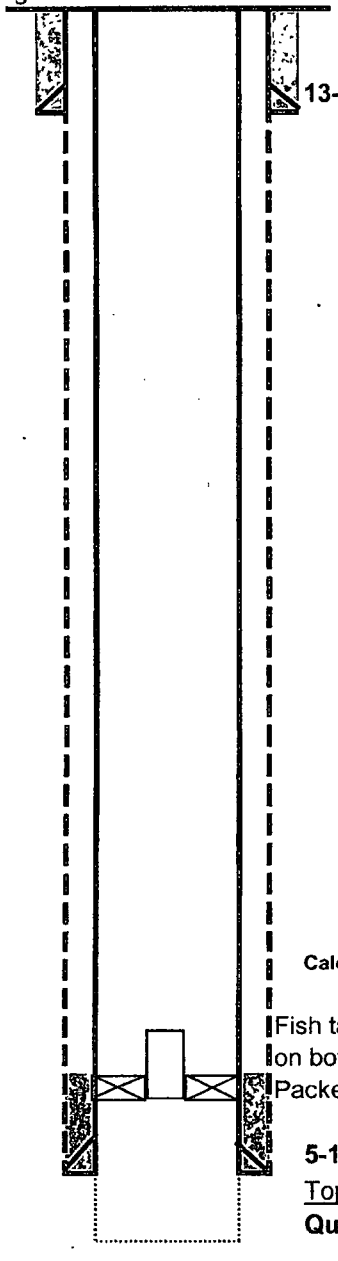
(7-85) - Workover: Casing annulus failed pressure test. Attempted to pull tbg, pkr stuck. Backed off safety joint @ top HOWCO R-4 pkr. Pulled tbg. Tested csg w/ test pkr @ 1563.51' csg would not hold press. Set pkr @ 873.47' and held 300 psi ok. Pulled and laid down tbg. Left 1 Jt. 2-3/8" tbg in well head. Closed well in

CELERO ENERGY

		DATE:	Jun. 04, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	~~Federal "V" Lease~~ DQSU	WELL:	~~1~~ 901
COUNTY:	Chaves	STATE:	New Mexico

Location: 660' FSL & 660' FEL, Sec 34P, T13S, R31ECM
SPUD: 2/55 COMP: 2/55
CURRENT STATUS: Injector
Original Well Name: Federal "V" #1

KB = 4423'
GL =
API = 30-005-00910



13-3/8", 44# @ 250' w/225 sx. Calc'd TOC at surface

EXISTING

T-Anhy @1420'
T-Salt @ 1540'
B-Salt @ 2050'
T-Yates @ 2285' est.
T-Queen @ 3051'

Calc'd TOC at 2604' w/enlargement = 15%; yield = 1.26 ft3/sk

Fish tagged at 2496', washed over with 4" pipe to 2539' w/o returns. Shoe worn on bottom and side; 3 feet up on tube worn as if on metal.
Packer at 2619'

5-1/2" 14# @ 3049' w/100 sx

Top of Queen @ 3051':
Queen Open Hole: 3051' - 3068' (2-55)

PBTD - 3068'
TD - 3068'

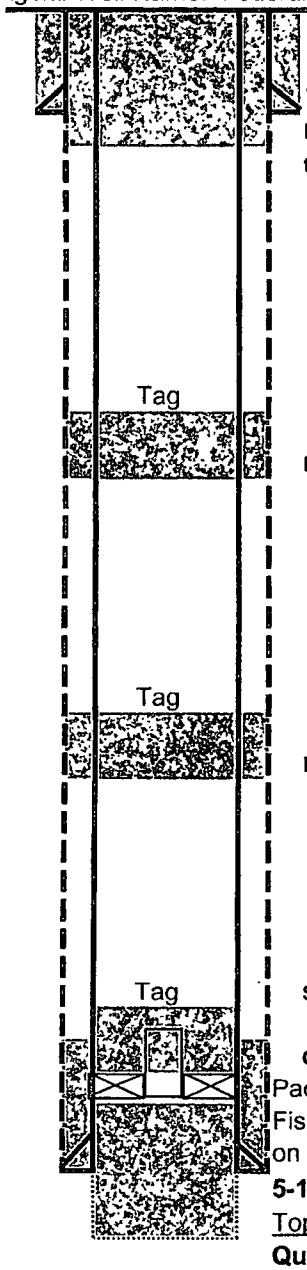
Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
Existing Wellbore
DQSU No. 901

CELERO ENERGY

		DATE:	Jun. 23, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	~~Federal "V" Lease~~ DQSU	WELL:	~~1~~ 901
COUNTY:	Chaves	STATE:	New Mexico

Location: 660' FSL & 660' FEL, Sec 34P, T13S, R31ECM
SPUD: 2/55 COMP: 2/55
CURRENT STATUS: Injector
Original Well Name: Federal "V" #1

KB = 4423'
GL =
API = 30-005-00910



13-3/8", 44# @ 250' w/225 sx. Calc'd TOC at surface

Perf (4) at 300', fill 5-1/2" and 5-1/2"-by-13-3/8" annulus to surface

PROPOSED P&A

T-Anhy @1420'
T-Salt @ 1540'
B-Salt @ 2050'
T-Yates @ 2285' est.
T-Queen @ 3051'

Perf (4) at 1420', squeeze 50 sx, tag at or above 1320'

Perf (4) at 2050', squeeze 50 sx, tag at or above 1950'

Spot 70 sx-tag at or above 2446'

Calc'd TOC at 2604' w/enlargement = 15%; yield = 1.26 ft3/sk

Packer at 2619'

Fish tagged at 2496', washed over with 4" pipe to 2539' w/o returns. Shoe worn on bottom and side; 3 feet up on tube worn as if on metal.

5-1/2" 14# @ 3049' w/100 sx

Top of Queen @ 3051':

Queen Open Hole: 3051' - 3068' (2-55)

PBTD - 3068'
TD - 3068'

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
Proposed PA Schematic
DQSU No. 901

HOBBS OCD

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

JUL 20 2011

RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

5. Lease Serial No.: NM-120355
6. If Indian, Allottee or Tribe Name:
7. If Unit of CA/Agreement, Name and/or No.: Drickey Queen Sand Unit
1. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other
8. Well Name and No.: Drickey Queen Sand Unit #901
2. Name of Operator: Celero Energy II, LP
9. API Well No.: 30-005-00910
3a. Address: 400 W. Illinois, Ste. 1601 Midland TX 79701
3b. Phone No. *(include area code)*: (432)686-1883
10. Field and Pool or Exploratory Area: Caprock; Queen
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: 660' FSL & 660' FEL Sec 34, T13S, R31E (P)
11. Country or Parish, State: Chaves, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☒ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Attempt to return to injection
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

3/18 - 3/30/11 TIH w/ bit, bit sub, 6- 3 ½" DC's, x-over, 14 jts of 2 7/8" WS. Tag @ 631'. TOH. PU impression block & TIH w/ 20 jts 2 7/8" WS. Tag fish & TOH. TIH w/ taper tap & screwed into fish. Tried to unseat pkr w/ no success. Backed off taper tap & TOH. Left 8 jts of 2 7/8" WS & taper tap in hole. TIH & screwed back into fish. Tried to back off taper tap. TOH & left 1 jt w/ 2 7/8" WS & taper tap in hole. PU XO, bumper sub, jars, 6- 3 ½" DC's, accelerator sub & 9 jts of 2 7/8" WS. TIH, work over & screw into fish @ 631'. Jar on fish & pipe came free. TOH. Recovered taper tap, 19 jts of 2 3/8" IPC & 16' of jt #20. TIH w/ 4 ½" impression block, tag fish @ 1226'. TOH. PU 4 ¾" overshot w/ 2 3/8" grapple & TIH w/ overshot, XO, bumper sub, jars, 6- 3 ½" DC's, accelerator sub & 2 7/8" WS. Tag fish @ 1226'. Jar on fish. Back off overshot & TOH. TIH w/ 4 ¾" overshot & 39 jts of 2 7/8" WS. Tag fish @ 1226', work over & latch onto fish. RU WLL & run in to 1410'. Tag up. Could not get through. Tried unsuccessfully to load hole. Pumped 100 bbls. Ran in hole w/ string shot & backed off @ 1381'. LD 3 jts. TOH, recovered 5 ½ jts of 2 3/8" IPC (169'). TIH w/ 2 3/8" collar, x-over, 44 jts of 2 7/8" WS. Tag & screw onto fish @ 1390'. TIH w/ 1 7/8" mill & 45 jts CS P110. Tag @ 1390'. Wash out 2 3/8" IPC from 1390' - 1515'. Psi while washing 100# (no returns). Wash inside 2 3/8" IPC tbg from 1515' - 2619'. LD 1" CS P110. Jar on fish @ 2474'. RIH & backoff @ 2465'. Run 5 jts w/ shoe 4" UFJ 9.4# total 196.44'. TIH w/ 73 jts 2 7/8" WS & tag @ 2496'. Wash over from 2496' - 2539' w/ no returns. Pumped 70 bbls. Run CIL from 2455' to surface. Run CBL from 2460-1550'. TOC @ 1712'. TIH w/ DC's & 2 7/8" WS & LD same. RDMO. Prepare to send sundry to P&A.

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Lisa Hunt
Title: Regulatory Analyst

Signature: Lisa Hunt
Date: 06/28/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD
/S/ DAVID R. GLASS
JUL 12 2011
DAVID R. GLASS
PETROLEUM ENGINEER

Approved by

Title	Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

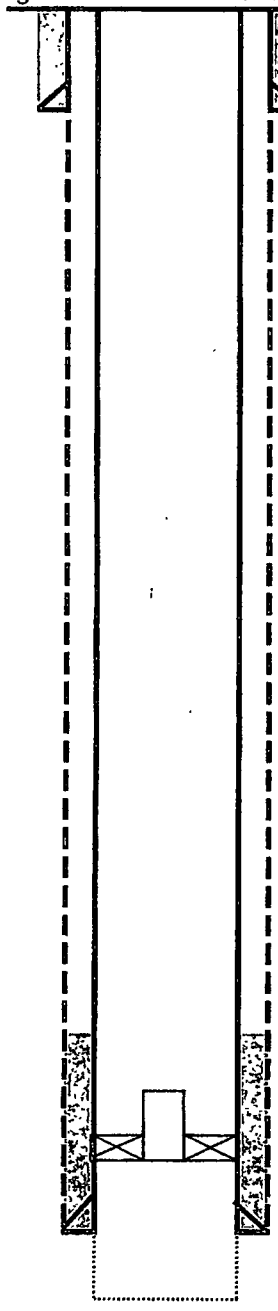
(Instructions on page 2)

CELERO ENERGY

		DATE:	Jun. 23, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	~~Federal "V" Lease~~ DQSU	WELL:	~~3~~ 903
COUNTY:	Chaves	STATE:	New Mexico

Location: 1980' FSL & 1980' FEL, Sec 34J, T13S, R31ECM
SPUD: 9/55 COMP: 9/55
CURRENT STATUS: Injector
Original Well Name: Federal "V" #3

KB = 4428'
GL = 4420'
API = 30-005-00912



13-3/8", 44# @ 200' w/225 sx-calc'd TOC at surface

T-Anhy @ 1420'
T-Salt @ 1510'
B-Salt @ 2150'
T-Yates @ 2285' est.
T-Queen @ 3040'

EXISTING

Calc'd TOC at 2591' w/enlargement = 15%, yield = 1.26 ft3/sk

Tubing/Packer(?) at or below top of fish at 2881'.

5-1/2", 14# @ 3038' w/100 sx
Top of Queen @ 3040':
Queen Open Hole: 3040' - 3061' (9-55)

PBTD -
TD - 3061'

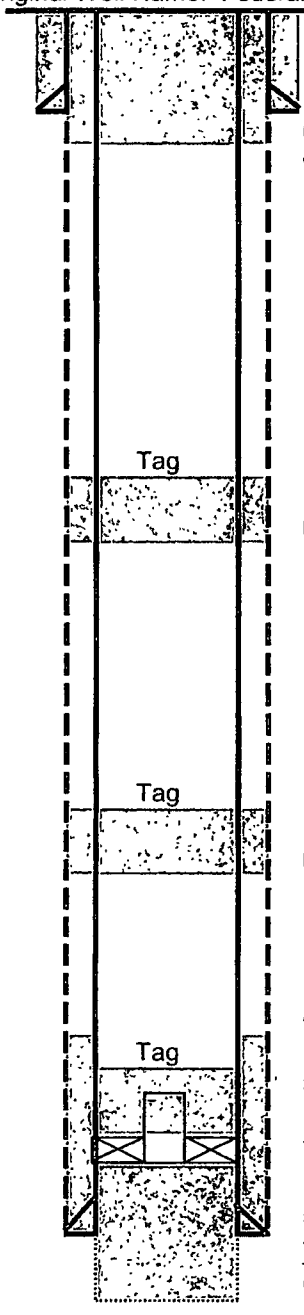
Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
Existing Wellbore
DQSU No. 903

CELERO ENERGY

		DATE:	Jun. 23, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	~~Federal "V" Lease~~ DQSU	WELL:	~~3~~ 903
COUNTY:	Chaves	STATE:	New Mexico

Location: 1980' FSL & 1980' FEL, Sec 34J, T13S, R31ECM
SPUD: 9/55 COMP: 9/55
CURRENT STATUS: Injector
Original Well Name: Federal "V" #3

KB = 4428'
GL = 4420'
API = 30-005-00912



13-3/8", 44# @ 200' w/225 sx-calc'd TOC at surface

Perf(4) at 250', fill 5-1/2" and 5-1/2"-by-13-3/8' annulus to surface

T-Anhy @ 1420'
T-Salt @ 1510'
B-Salt @ 2150'
T-Yates @ 2285' est.
T-Queen @ 3040'

PROPOSED P&A

Perf (4) at 1420', squeeze 40 sx, tag at or above 1320'

Perf(4) at 2150', squeeze 40 sx, tag at or above 2050'

Calc'd TOC at 2591' w/enlargement = 15%, yield = 1.26 ft3/sk

Spot 40 sx, tag at or above 2781'

Tubing/Packer(?) at or below top of fish at 2881'.

5-1/2", 14# @ 3038' w/100 sx
Top of Queen @ 3040':
Queen Open Hole: 3040' - 3061' (9-55)

PBTD - 3061'
TD - 3061'

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
Proposed PA Schematic
DQSU No. 903

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

HOBBS OCD

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 20 2011

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

5. Lease Serial No.: NM-120355

6. If Indian, Allottee or Tribe Name:

7. If Unit of CA/Agreement, Name and/or No.:

1. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other

8. Well Name and No.: Drickey Queen Sand Unit #903

2. Name of Operator: Celero Energy II, LP

9. API Well No.: 30-005-00912

3a. Address: 400 W. Illinois, Ste. 1601 Midland TX 79701

3b. Phone No. *(include area code)*: (432)686-1883

10. Field and Pool or Exploratory Area: Caprock; Queen

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: 1980' FSL & 1980' FEL, Sec 34, T13S, R31E (J)

11. Country or Parish, State: Chaves, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☒ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Attempt to return to injection
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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3/21 - 3/25/11 RU. TIH w/ 4 ¾" bit, bumper sub, 6- 3 ½" DC's & 74 jts of 2 7/8" WS to 2539'. Tag up. TOH & PU 4 ½" impression block & TIH. Tag fish @ 2539'. Set impression block & TOH. TIH w/ screw in sub & 80 jts of 2 7/8" tbg WS to 2539'. Tag & screw into fish. Pulled 20K over & pipe came free. Gained 2K string wt. TOH & recovered 12 jts of 2 3/8" IPC tbg (342'). Top of fish @ 2881'. TIH w/ 4 11/16" overshot, bumper sub, jars, 6- 3 ½" DC's, x-over, 81 jts of 2 7/8" WS. Tag @ 2785'. TOH. Change BHA to screw in sub, 2 jts 2 7/8" WS, bumper sub, jars, 6- 3 ½" DC's, x-over, 82 jts 2 7/8" WS. Tag @ 12' in on jt #82 @ 2786'. TOH. TIH w/ 4 ¾" bit, BS & 88 jts 2 7/8" WS. Tag @ 2786', TOH w/ bit. TOH w/ 4 ½" impression block & 88 jts of 2 7/8" WS @ 2786'. Set impression block & TOH. Csg appears to be parted. TIH w/ csg scraper & 87 jts of 2 7/8" WS to 2756'. TOH & PU 5 ½" RBP & TIH w/ 87 jts of WS & set RBP @ 2756'. TOH. Run CIL from 2756' to surface. TIH & move RBP up to 2610'. Filled hole w/ 28 bbls PW. Get off plug & TOH. Test csg to 500# psi. Tested okay. Set RBP @ 2610'. Run CBL. TIH w/ on/off tool & 83 jts 2 7/8" WS & retrieve RBP. TIH open ended tagged @ 2786'. Worked pipe through down to 2815'. Could not work through. TOH, LD tbg, install 1 jt 2 3/8" tbg WH w/ valve. Prepare to send sundry to P&A.□

MSB - OCD 7/20/2011

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Lisa Hunt

Title: Regulatory Analyst

Signature: Lisa Hunt

Date: 06/28/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by: /S/ DAVID R. GLASS

Title

Date: JUL 12 2011

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

DAVID R. GLASS
PETROLEUM ENGINEER

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(Instructions on page 2)

Pro-Kem, Inc.
WATER ANALYSIS REPORT

SAMPLE

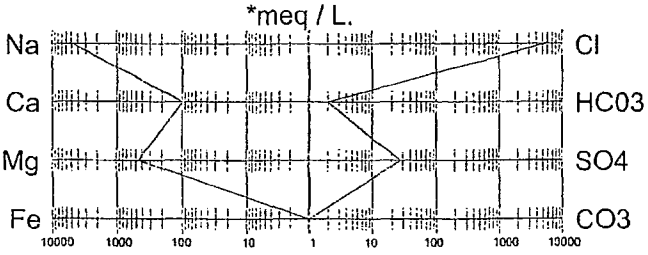
Oil Co. : **Celero**
Lease : **Rock Queen**
Well No.: **84**
Location:
Attention:

Date Sampled : **17-July-2007**
Date Analyzed: **20-July-2007**
Lab ID Number: **Jul2307.004- 1**
Salesperson :
File Name : **jul2307.004**

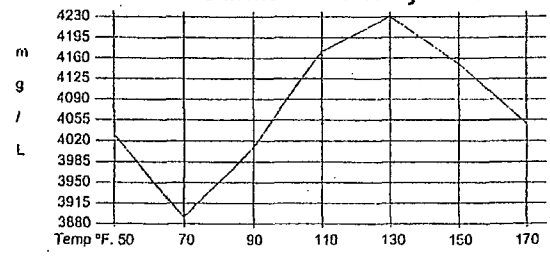
ANALYSIS

1.	Ph			6.500		
2.	Specific Gravity 60/60 F.			1.204		
3.	CACO3 Saturation Index		@ 80F	1.125	Moderate	
			@140F	2.505	Severe	
	Dissolved Gasses			**MG/L.**	**EQ. WT.**	***MEQ/L**
4.	Hydrogen Sulfide			Not Present		
5.	Carbon Dioxide			300		
6.	Dissolved Oxygen			Not Determined		
	Cations					
7.	Calcium	(Ca++)		1,876	/ 20.1 =	93.33
8.	Magnesium	(Mg++)		5,310	/ 12.2 =	435.25
9.	Sodium	(Na+)	(Calculated)	107,113	/ 23.0 =	4,657.09
10.	Barium	(Ba++)		Not Determined		
	Anions					
11.	Hydroxyl	(OH-)		0	/ 17.0 =	0.00
12.	Carbonate	(CO3=)		0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO3-)		117	/ 61.1 =	1.91
14.	Sulfate	(SO4=)		1,300	/ 48.8 =	26.64
15.	Chloride	(Cl-)		182,959	/ 35.5 =	5,153.77
16.	Total Dissolved Solids			298,675		
17.	Total Iron	(Fe)		11.50	/ 18.2 =	0.63
18.	Manganese	(Mn++)		Not Determined		
19.	Total Hardness as CaCO3			26,544		
20.	Resistivity @ 75 F. (Calculated)			0.001 Ohm · meters		

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	1.91		81.04		155
CaSO4	26.64		68.07		1,813
CaCl2	64.78		55.50		3,595
Mg(HCO3)2	0.00		73.17		0
MgSO4	0.00		60.19		0
MgCl2	435.25		47.62		20,726
NaHCO3	0.00		84.00		0
NaSO4	0.00		71.03		0
NaCl	4,653.75		58.46		272,058

* milliequivalents per Liter

Kevin Byrne, Analyst

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
Produced Water Analysis

Pro-Kem, Inc.
WATER ANALYSIS REPORT

SAMPLE

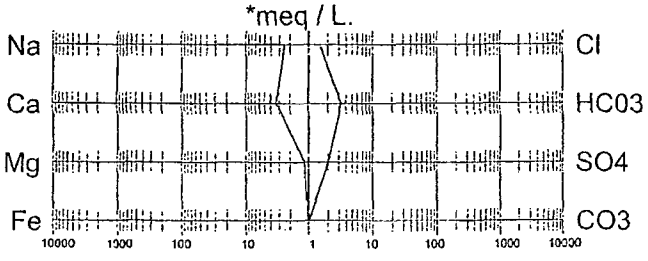
Oil Co. : **Celero Energy**
Lease :
Well No.: **Fresh Water**
Location:
Attention:

Date Sampled : **17-August-2007**
Date Analyzed: **23-August-2007**
Lab ID Number: **Aug2307.003- 2**
Salesperson :
File Name : **aug2307.003**

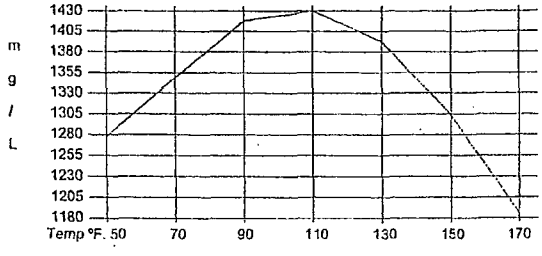
ANALYSIS

1.	Ph			7.100		
2.	Specific Gravity 60/60 F.			1.009		
3.	CACO3 Saturation Index	@ 80F		0.133	Mild	
		@140F		0.733	Moderate	
	Dissolved Gasses			MG/L.	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide			Not Present		
5.	Carbon Dioxide			Not Determined		
6.	Dissolved Oxygen			Not Determined		
	Cations					
7.	Calcium	(Ca++)		63	/ 20.1 =	3.13
8.	Magnesium	(Mg++)		13	/ 12.2 =	1.07
9.	Sodium	(Na+)	(Calculated)	54	/ 23.0 =	2.35
10.	Barium	(Ba++)		Not Determined		
	Anions					
11.	Hydroxyl	(OH-)		0	/ 17.0 =	0.00
12.	Carbonate	(CO3=)		0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO3-)		193	/ 61.1 =	3.16
14.	Sulfate	(SO4=)		95	/ 48.8 =	1.95
15.	Chloride	(Cl-)		50	/ 35.5 =	1.41
16.	Total Dissolved Solids			468		
17.	Total Iron	(Fe)		2.00	/ 18.2 =	0.11
18.	Manganese	(Mn++)		Not Determined		
19.	Total Hardness as CaCO3			208		
20.	Resistivity @ 75 F. (Calculated)			2.462 Ohm · meters		

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	3.13		81.04		254
CaSO4	0.00		68.07		0
CaCl2	0.00		55.50		0
Mg(HCO3)2	0.02		73.17		2
MgSO4	1.04		60.19		63
MgCl2	0.00		47.62		0
NaHCO3	0.00		84.00		0
NaSO4	0.91		71.03		64
NaCl	1.41		58.46		82

* milliequivalents per Liter

Kevin Byrne, Analyst

Celero Energy II, LP
Form C-108: RQU 98, 102, 312, 313
Fresh Water Analysis

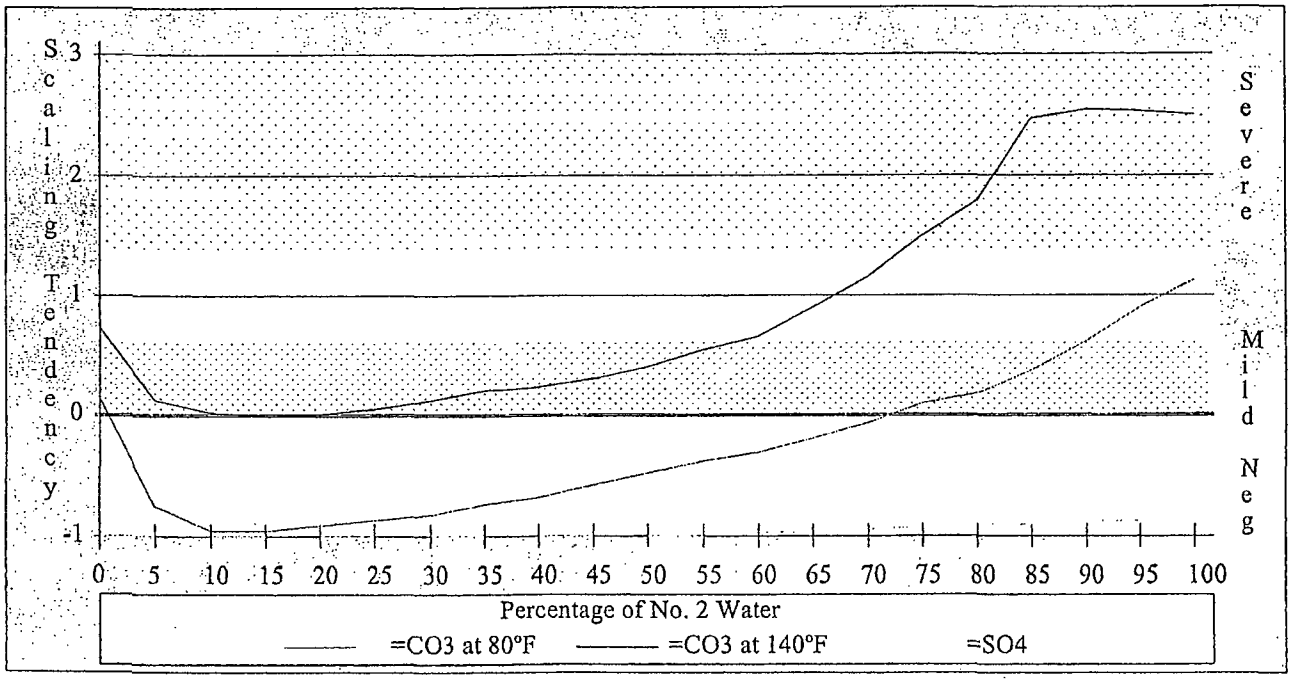
Comparison Between Two Waters

Requested by: Pro-Kem, Inc.

Sample No. 1
Celero Energy
Recovery Water

Sample No. 2
Celero Energy
Produced Water

Percent of #1 & #2	pH	TDS	SpGr	CaCO3 Saturation @80°F.	CaCO3 Saturation @140°F.	Calcium Sulfate Scaling Potential
100 - 00	7.100	468	1.009	0.133	0.733	Nil
95 - 05	7.070	15,378	1.019	-0.751	0.109	Nil
90 - 10	7.040	30,289	1.029	-0.960	0.010	Nil
85 - 15	7.010	45,199	1.038	-0.952	-0.012	Nil
80 - 20	6.980	60,109	1.048	-0.908	0.002	Nil
75 - 25	6.950	75,020	1.058	-0.873	0.047	Nil
70 - 30	6.920	89,930	1.068	-0.823	0.107	Nil
65 - 35	6.890	104,840	1.077	-0.742	0.193	Nil
60 - 40	6.860	119,751	1.087	-0.679	0.226	Nil
55 - 45	6.830	134,661	1.097	-0.592	0.298	Nil
50 - 50	6.800	149,572	1.107	-0.480	0.400	Nil
45 - 55	6.770	164,482	1.116	-0.382	0.538	Nil
40 - 60	6.740	179,392	1.126	-0.307	0.653	Nil
35 - 65	6.710	194,303	1.136	-0.196	0.904	Nil
30 - 70	6.680	209,213	1.146	-0.067	1.153	Nil
25 - 75	6.650	224,123	1.155	0.080	1.500	Nil
20 - 80	6.620	239,034	1.165	0.175	1.785	Nil
15 - 85	6.590	253,944	1.175	0.367	2.467	Nil
10 - 90	6.560	268,854	1.185	0.608	2.548	Nil
05 - 95	6.530	283,765	1.194	0.898	2.528	Nil
00 - 100	6.500	298,675	1.204	1.125	2.505	Nil



Oil Conservation Division
Case No. _____
Exhibit No. 34

Report Date: June 14, 2007 | Work Order: 7052432 | Page Number: 1 of 1
2972 | Celero Energy-Rock Queen ESA | Chaves Co. NM

Summary Report

Ike Tavarez
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: June 14, 2007

Work Order: 7052432

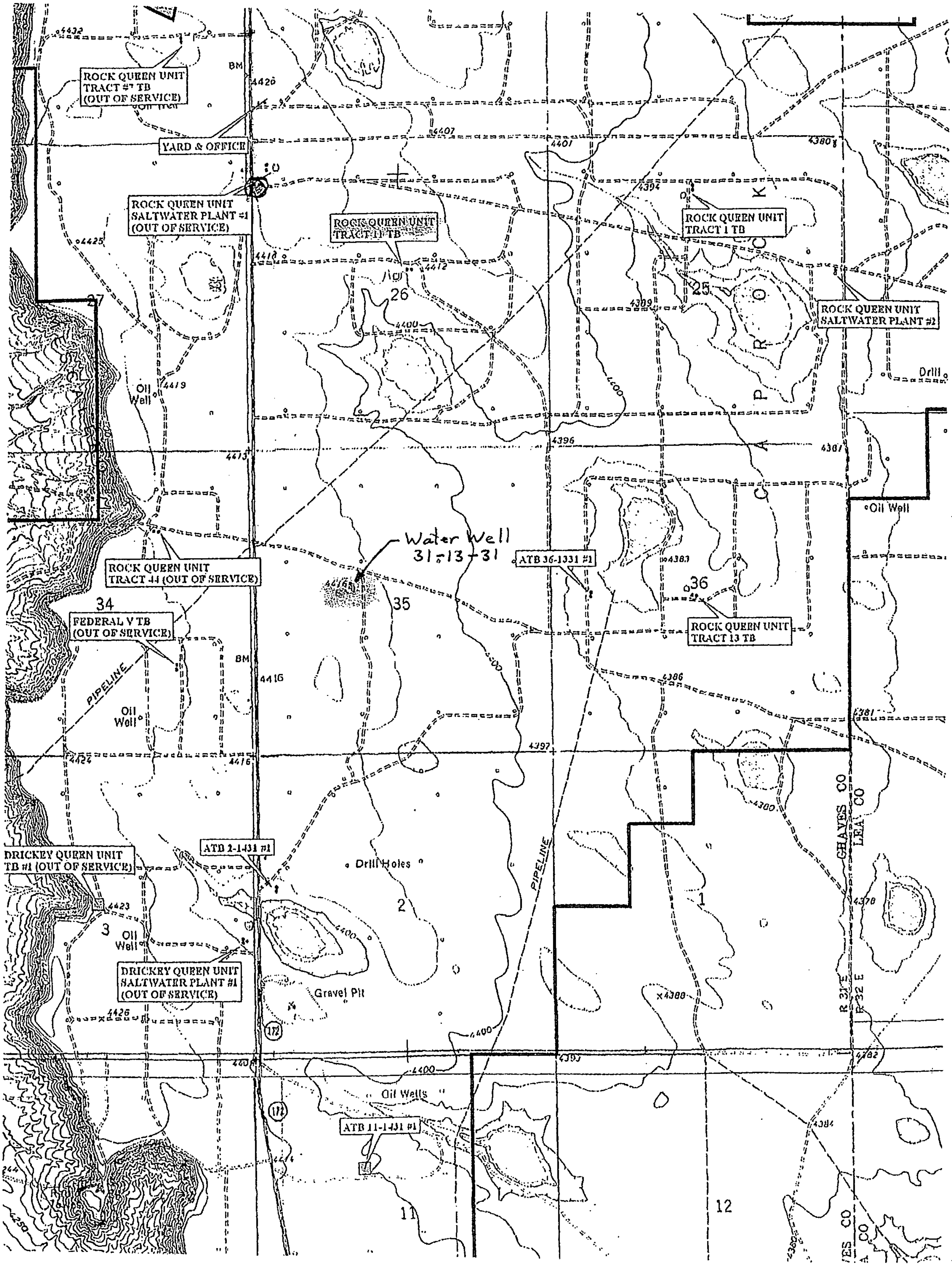
Project Location: Chaves Co. NM
Project Name: Celero Energy-Rock Queen ESA
Project Number: 2972

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
125351	Water Well 31-13-31	water	2007-05-22	00:00	2007-05-23

Location: Sec. 35(F), T13S, R31ECM

Sample: 125351 - Water Well 31-13-31

Param	Flag	Result	Units	RL
Hydroxide Alkalinity		<1.00	mg/L as CaCo3	1.00
Carbonate Alkalinity		<1.00	mg/L as CaCo3	1.00
Bicarbonate Alkalinity		152	mg/L as CaCo3	4.00
Total Alkalinity		152	mg/L as CaCo3	4.00
Dissolved Calcium		63.5	mg/L	0.500
Chloride		32.1	mg/L	0.500
Specific Conductance		546	uMHOS/cm	0.00
Fluoride		<1.00	mg/L	0.200
Dissolved Potassium		1.98	mg/L	0.500
Dissolved Magnesium		8.79	mg/L	0.500
Dissolved Sodium		28.5	mg/L	0.500
Nitrate-N		4.10	mg/L	0.200
pH		7.83	s.u.	0.00
Sulfate		43.6	mg/L	0.500
Total Dissolved Solids		327.0	mg/L	10.00

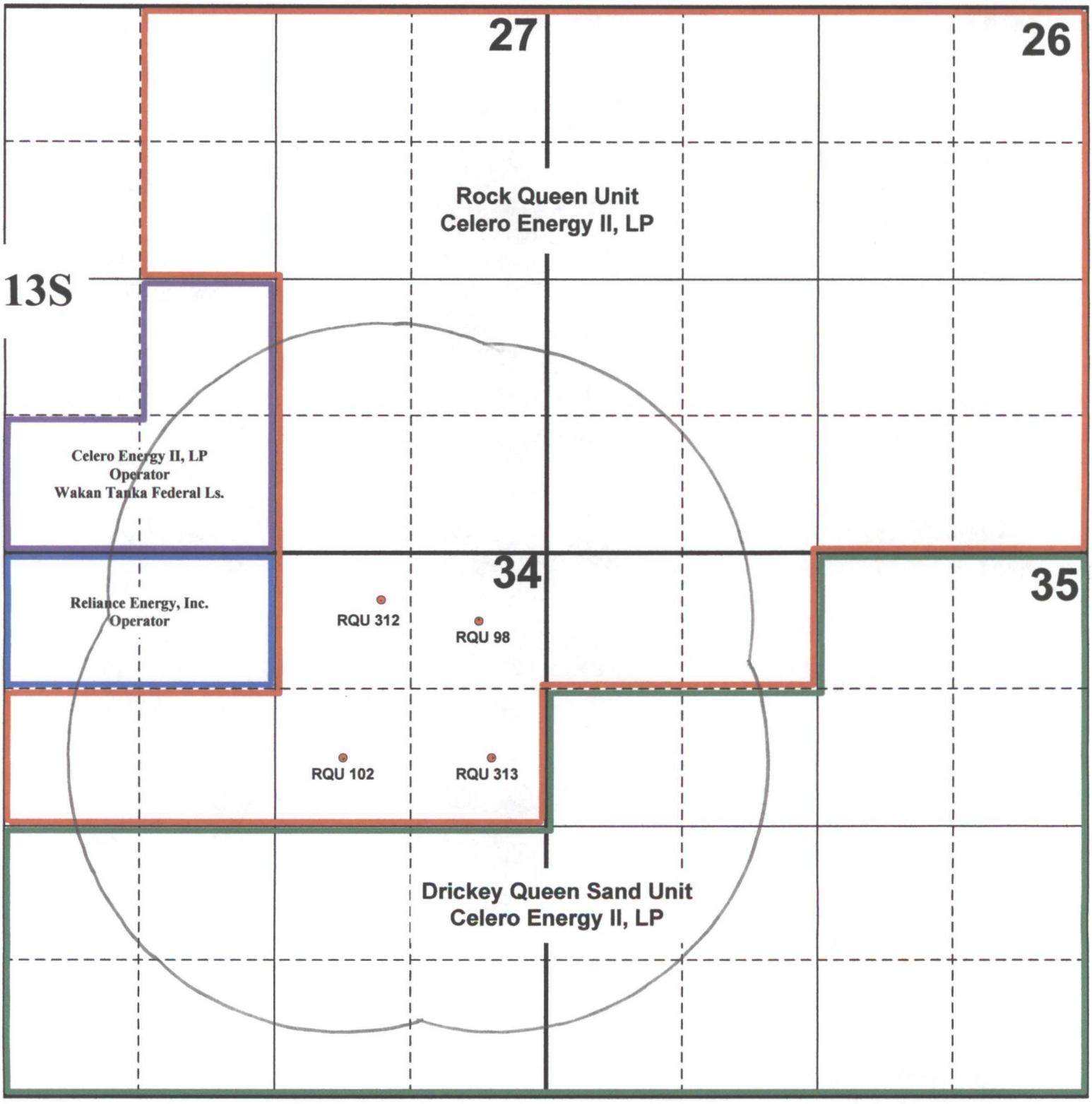

ROCK QUEEN UNIT
TRACT #7 TB
(OUT OF SERVICE)
YARD & OFFICE
ROCK QUEEN UNIT
SALTWATER PLANT #1
(OUT OF SERVICE)
ROCK QUEEN UNIT
TRACT 11 TB
ROCK QUEEN UNIT
TRACT 1 TB
ROCK QUEEN UNIT
SALTWATER PLANT #2
Water Well
31-13-31
ATB 36-1331 #1
ROCK QUEEN UNIT
TRACT 44 (OUT OF SERVICE)
FEDERAL V TB
(OUT OF SERVICE)
ROCK QUEEN UNIT
TRACT 13 TB
PIPELINE
DRICKEY QUEEN UNIT
TB #1 (OUT OF SERVICE)
ATB 2-1431 #1
DRICKEY QUEEN UNIT
SALTWATER PLANT #1
(OUT OF SERVICE)
ATB 11-1431 #1
Oil Well
Oil Wells
Drill Holes
Gravel Pit
CHAVES CO
LEA CO
R 31 E
R 32 E
26
25
27
34
35
36
3
2
1
11
12

Form C-108
Affirmative Statement
Celero Energy II, LP
Rock Queen Unit Wells No. 98, 102, 312 & 313
Section 34, T-13 South, R-31 East, NMPM,
Chaves County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.

David Catanach
Agent for Celero Energy II, LP

9/29/11
Date



Celero Energy II, LP
Form C-108: Rock Queen Unit Wells No. 98, 102, 312 & 313
½ Mile Notification Area Identification Plat

Celero Energy II, LP
Form C-108: Rock Queen Unit Wells No. 98, 102, 312 & 313
Section 34, T-13 South, R-31 East, NMPM
Chaves County, New Mexico
Offset Operator/Leasehold Owner Notification List

All acreage within the ½ mile notice area, with the exception of the following, is contained within either the Rock Queen Unit or the Drickey Queen Sand Unit, both secondary recovery projects operated by Celero Energy II, LP: **(See Attached Map)**

N/2 NW/4 of Section 34-13S-31E

Operator: Reliance Energy, Inc.
500 W. Illinois, Suite 1200
Midland, Texas 79701

S/2 SW/4 & NE/4 SW/4 of Section 27-13S-31E
Wakan Tanka Federal Lease

Operator: Celero Energy II, LP

Working Interest Owners: Celero Energy II, LP

Jack Naumann, Jr.
P.O. Box 10159
Midland, Texas 79702

Reliance Exploration, Ltd.
500 W. Illinois, Suite 1200
Midland, Texas 79701

Willischild Oil & Gas Corp.
621 E. Street
Snyder, Oklahoma 73566

Surface Ownership (All Injection Well Locations)

Slash M L Ranch
Attn: Mr. Jim Owens
P.O. Box 1876
Lovington, New Mexico 88260

Additional Notice

Oil Conservation Divison (Hobbs Office)
1625 N. French Drive
Hobbs, New Mexico 88240

September 29, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: **Offset Operator, WI Owners & Surface Owner**
(See Attached List)

Re: Celero Energy II, LP
Form C-108 (Application for Authorization to Inject)
Rock Queen Unit Wells No. 98, 102, 312 & 313
Section 34, T-13 South, R-31 East, NMPM,
Chaves County, New Mexico

Dear Sir:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Celero Energy II, LP's Rock Queen Unit Wells No. 98, 102, 312 & 313 located in Section 34, T-13 South, R-31 East, NMPM, Chaves County, New Mexico. You are being provided a copy of the application as either an offset operator, offset working interest owner or the surface owner of the land on which the proposed injection wells are located. In accordance with the provisions of Division Order No. R-1541, as amended, Celero Energy II, LP proposes to inject water into the Rock Queen Unit Wells No. 98, 102, 312 & 313 in order to complete an efficient injection/production pattern within the Rock Queen Unit Waterflood/CO2 Pilot Project.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (505) 690-9453.

Sincerely,

David Catanach

David Catanach
Agent for Celero Energy II, LP
400 W. Illinois
Suite 1601
Midland, Texas 79701

Enclosure

Form C-108
Celero Energy II, LP
Rock Queen Unit Wells No. 98, 102, 312 & 313
Section 34, T-13 South, R-31 East, NMPM
Chaves County, New Mexico

The following-described legal notice will be published 9/28/2011 in the:

Roswell Daily Record
2301 N. Main
Roswell, New Mexico 88201

The Affidavit of Publication will be forwarded to the Division upon receipt by Celero Energy II, LP

LEGAL NOTICE

Celero Energy II, LP, 400 W. Illinois Avenue, Suite 1601, Midland Texas 79701 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described wells to water injection wells within the Rock Queen Unit Waterflood/CO2 Pilot Project, Caprock-Queen Pool, Chaves County, New Mexico:

RQU Well No. 98 (API No. 30-005-00904) 660' FNL & 660' FEL (Unit A)
Section 34, T-13S, R-31E
Injection Interval: 3,030'-3,050' O.H.

RQU Well No. 102 (API No. 30-005-00906) 1980' FNL & 1980' FEL (Unit G)
Section 34, T-13S, R-31E
Injection Interval: 3,036'-3,051' Perforated

RQU Well No. 312 (API No. 30-005-29181) 500' FNL & 1650' FEL (Unit B)
Section 34, T-13S, R-31E
Injection Interval: 3,042'-3,055' (Estimated)

RQU Well No. 313 (API No. 30-005-29182) 1980' FNL & 500' FEL (Unit H)
Section 34, T-13S, R-31E
Injection Interval: 3,040'-3,054' (Estimated)

Caprock-Queen Pool produced water will be injected into the wells at average and maximum rates of 600 BWPD and 1,500 BWPD, respectively. The average and maximum surface injection pressure for water injection is 800 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication. Additional information can be obtained by contacting Mr. David Catanach, Agent for Celero Energy II, LP at (505) 690-9453.

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Total Postage & Fees	$ $7.63

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Sent To: Willischild Oil & Gas Corp.
Street, Apt. No. or PO Box No.: 621 E. Street
City, State, ZIP+4: Snyder, Oklahoma 73566

PS Form 3800, August 2006 — See Reverse for Instructions

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Total Postage & Fees	$ $7.63

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Sent To: Slash M L Ranch
Attn: Mr. Jim Owens
Street, Apt. No. or PO Box No.: P.O. Box 1876
City, State, ZIP+4: Lovington, New Mexico 88260

PS Form 3800, August 2006 — See Reverse for Instructions

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Total Postage & Fees	$ $7.63

0501 USPS SANTA FE, NM 10 Postmark Here SEP 29 2011 CORONADO ANNEX 09/29/2011

Sent To: Reliance Energy, Inc.
Reliance Exploration, Ltd.
Street, Apt. No.; or PO Box No.: 500 W. Illinois, Suite 1200
City, State, ZIP+4: Midland, Texas 79701

PS Form 3800, August 2006 — See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.63

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Sent To: Jack Naumann, Jr.
Street, Apt. No.; or PO Box No.: P.O. Box 10159
City, State, ZIP+4: Midland, Texas 79702

PS Form 3800, August 2006 — See Reverse for Instructions