

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAY 07 2013

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Celero Energy II, LP	Contact Lisa Hunt
Address 400 W. Illinois, Ste. 1601 Midland, TX 79701	Telephone No. (432)686-1883
Facility Name Satellite 20	Facility Type Satellite

Surface Owner State	Mineral Owner State	API No. 30.025.00299
---------------------	---------------------	----------------------

LOCATION OF RELEASE

NEAREST WELL ROCK
QUEEN UNIT #014

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	30	13S	32E					Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

550 BBLs

Type of Release Oil & water	Volume of Release Unsure	Volume Recovered 550 lbs
Source of Release Production satellite 20	Date and Hour of Occurrence 4/29/13	Date and Hour of Discovery 4/29/13 9a
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxey Brown	
By Whom? Evan Wauhob	Date and Hour 4/29/13 10am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The liquid meter on the production vessel plugged up and the man way cover gasket on the vessel failed resulting in a spray out the top of the failed gasket. The meter has been replaced and a new gasket has been installed.

Describe Area Affected and Cleanup Action Taken.*
The entire satellite pad has impact around it from the release. Most of the fluid was caught in the diked area and picked up. The satellite pad was scraped and washed with a steamer. The area to north has an 80 by 80 foot area of oil overspray. In addition there is an area of oil overspray covering approximately 100 by 50 feet to southwest of tank battery. The largest oil overspray is to the northwest and covers approximately 900 by 300 feet. Tetra Tech has recommended we spray Micro Blaze on the area that has overspray.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Lisa Hunt</i>	OIL CONSERVATION DIVISION	
Printed Name: Lisa Hunt	<i>Matthew Seriny</i> Environmental Specialist	
Title: Regulatory Analyst	Approval Date: 05/09/13	Expiration Date: 07/09/13
E-mail Address: lhunt@celeroenergy.com	Conditions of Approval: DELINEATE AND REMEDIATE PER NMOCD GUIDELINES	Attached <input type="checkbox"/> IRP-5-13-2918
Date: 05/06/2013 Phone: (432)686-1883		

* Attach Additional Sheets If Necessary

SUBMIT FINAL C-141 BY 7/9/13

MAY 20 2013