

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company	Celero Energy	Contact	Don Hale
Address	400 W. Illinois Midland, Texas 79705	Telephone No.	432-556-9225
Facility Name	Rock Queen Bat. #20	Facility Type	oil
Surface Owner	State of N.M.	Mineral Owner	State of N.M.
		Lease No.	302917

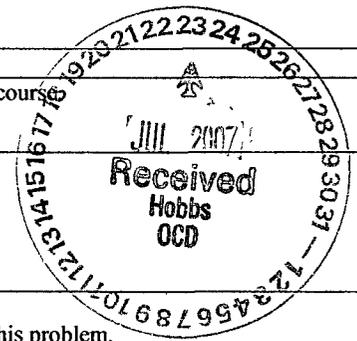
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	30	13S	32E	1800	N	2200	E	Chaves

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	salt water	Volume of Release	212 bbls	Volume Recovered	200 bbls
Source of Release	water tank	Date and Hour of Occurrence	6-26-07	Date and Hour of Discovery	9 am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Richards			
By Whom?	Don Hale	Date and Hour	6-26-07 @ 10 am		
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse 10 to 12 bbls			
If a Watercourse was Impacted, Describe Fully.* Water ran down hill to the Playa lake west of the tank.					
Describe Cause of Problem and Remedial Action Taken.* Storms shut down the power to the transfer pump. A 1000 bbl over flow tank was installed on 6-29-07 to correct this problem.					
Describe Area Affected and Cleanup Action Taken.* Salt water was picked up using a vacuum truck. Chlorides of spilled water are 190,000. A 300' x 10' area was affected.					



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>Don Hale</i>	OIL CONSERVATION DIVISION	
Printed Name: Don Hale	Approved by District Supervisor: <i>[Signature]</i>	
Title: Production Superintendent	Approval Date: 9-11-07	Expiration Date: 11-9-07
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7-20-07	Phone: 432-556-9225	

① REMOVE CONTAMINATED SOILS TO DISPOSAL
② SUBMIT FINAL C-141 BY RPH#1555

* Attach Additional Sheets If Necessary

Summary Report

Gary Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: July 18, 2007

Work Order: 7062928



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

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
128882	Spill South East	water	2007-06-28	00:00	2007-06-29
128883	Background North West	water	2007-06-28	00:00	2007-06-29

Sample: 128882 - Spill South East

Param	Flag	Result	Units	RL
Hydroxide Alkalinity		<1.00	mg/L as CaCo3	1.00
Carbonate Alkalinity		32.0	mg/L as CaCo3	1.00
Bicarbonate Alkalinity		142	mg/L as CaCo3	4.00
Total Alkalinity		174	mg/L as CaCo3	4.00
Dissolved Calcium		167	mg/L	0.500
Dissolved Potassium		161	mg/L	0.500
Dissolved Magnesium		181	mg/L	0.500
Dissolved Sodium		5890	mg/L	0.500
Chloride		9630	mg/L	0.500
Hardness (by ICP)		1160	mg eq CaCO3/L	0.00
pH		7.83	s.u.	0.00
Sulfate		29.4	mg/L	0.500
Total Dissolved Solids		19400	mg/L	10.00

Sample: 128883 - Background North West

Param	Flag	Result	Units	RL
Hydroxide Alkalinity		<1.00	mg/L as CaCo3	1.00
Carbonate Alkalinity		52.0	mg/L as CaCo3	1.00
Bicarbonate Alkalinity		120	mg/L as CaCo3	4.00
Total Alkalinity		172	mg/L as CaCo3	4.00
Dissolved Calcium		156	mg/L	0.500
Dissolved Potassium		156	mg/L	0.500
Dissolved Magnesium		146	mg/L	0.500
Dissolved Sodium		4410	mg/L	0.500

continued ...

sample 128883 continued ...

Param	Flag	Result	Units	RL
Chloride		9390	mg/L	0.500
Hardness (by ICP)		991	mg eq CaCO3/L	0.00
pH		8.03	s.u.	0.00
Sulfate		11.4	mg/L	0.500
Total Dissolved Solids		14800	mg/L	10.00