

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

NMOCD ACOI 181-A

IN THE MATTER OF CELERO ENERGY II, LP,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 181, the Director of the Oil Conservation Division ("OCD") hereby amends that Order as follows:

FINDINGS

1. Agreed Compliance Order 181 (ACOI 181) requires Celero Energy II, LP (Operator) to return to compliance with OCD Rule 201 at least ten of the wells identified in the Order by June 25, 2008 and file a compliance report by that date.

2. ACOI 181 further provides that if Operator returns to compliance with OCD Rule 201 at least ten of the wells identified in the Order by June 25, 2008 and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 181 for a second six-month period, requiring Operator to return an additional ten wells to compliance by that deadline. If, in any six-month period, Operator returns more wells to compliance than the number required under ACOI 181 for that six-month period, the wells in excess of the number required will count towards the Operator's requirements for the next six-month period. The total length of the Order shall not exceed two years.

3. Operator filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator has returned the following nineteen wells identified in the Order to compliance:

- | | |
|---------------------|--------------|
| • West Cap #6 | 30-005-01099 |
| • West Cap #10 | 30-005-01100 |
| • Trigg Federal #6 | 30-005-00979 |
| • Trigg Federal #13 | 30-005-00982 |
| • Trigg Federal #24 | 30-005-00989 |
| • Rock Queen #44 | 30-005-00873 |
| • Rock Queen #46 | 30-005-00878 |
| • Rock Queen #48 | 30-005-00868 |
| • Rock Queen #50 | 30-005-00882 |

- Rock Queen #55 30-005-00855
- Rock Queen #65 30-005-00861
- Rock Queen #68 30-005-00304
- Rock Queen #83 30-005-00938
- Rock Queen #85 30-005-00930
- Rock Queen #106 30-005-00284
- Drickey Queen Sand Unit #32 30-005-01023
- Drickey Queen Sand Unit #35 30-005-01035
- Drickey Queen Sand Unit #36 30-005-01036
- Drickey Queen Sand Unit #38 30-005-01037

CONCLUSIONS

1. Operator has met its goal of returning ten of the wells identified in the Order to compliance by June 25, 2008, and exceeded that goal by nine wells.
2. The OCD should amend ACOI 181 to extend its terms through December 25, 2008 and require Operator to return to compliance by that date one additional well identified in the Order to meet its ten-well goal for the second period.

ORDER

1. Operator shall return to compliance by December 25, 2008 one well identified in the Order that is not identified in Findings Paragraph 3, above.
2. Operator shall file a written compliance report by December 25, 2008 identifying the well(s) returned to compliance in the second period, identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status). The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager so that it is received by the compliance deadline of December 25, 2008.
3. The terms of ACOI 181 otherwise remain in effect.

Done at Santa Fe, New Mexico this 20th day of June, 2008

By: 
 Mark Fesmire, P.E.
 Director, Oil Conservation Division