DATE IN 2.28.11	SUSPENSE	ENGINEER TW	LOGGED IN 2.28.11	TYPE WFX	APP NO. pTGW 1105957882

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

2011 FEB 28 A 10:29

ADMINISTRATIVE APPLICATION CHECKLIST

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]

[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

R-1541

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

[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
	2/28/11	drcatanach@netscape.com
	Date	E-Mail Address

February 23, 2011

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

Attention: Mr. Daniel Sanchez, Acting Division Director

HAND DELIVERED

Re: Form C-108
Celero Energy II, LP
Rock Queen Unit Wells No. 701, 702, 703 and 704
Caprock-Queen Pool (8551)
Chaves County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the Rock Queen Unit 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. 701, 702 and 703 to CO2/Water (WAG) injection wells, and the Rock Queen Unit Well No. 704 to a water injection well in order to complete an efficient production/injection pattern within the Unit Area. These wells are located in Section 36, 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: 2/28/11

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 Enegy II, LP
Rock Queen Unit Wells No. 701-704
Section 36, T-13S, R-31E, NMPM
Chaves County, New Mexico

I. The purpose of the application is to request approval to convert three (3) wells to CO2/water (WAG) injection and one (1) well to water injection within the Rock Queen CO2 Pilot Project/Rock Queen Unit, Caprock-Queen Pool, Chaves County, New Mexico, in order to complete an efficient injection/production pattern.

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: As of the date of filing of this application, Celero has not yet completed the wells. An estimated perforated injection interval is provided for all wells.**

IV. This is an expansion of the Rock Queen CO2 Pilot Project. The initial waterflood project within the Rock Queen Unit was approved by Division Order No. 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"). **(Note: The ½ mile AOR map shows a red AOR outline and a purple AOR outline. The purple AOR outline represents the AOR area that Celero presented as evidence in its Form C-108 in Case No. 14505 on August 19, 2010. The red AOR outline represents the AOR area for the wells that are the subject of this application. With the exception of six wells, all AOR well data was previously submitted in Case No. 14505.**

VI. AOR well construction data and/or plugging diagrams for the six wells that was not previously submitted as evidence in Case No. 14505 is presented in this application. This data indicates that these wells are constructed and/or plugged so as to confine the injected fluid to the proposed injection interval. **(Note: Finding No. (28) of Order No. R-1541-A states that: "all wells in the Area of Review ("AOR") that have penetrated the Unitized**

Formation are properly cased and cemented to prevent vertical migration of injection fluids").

VII. 1. The propose water injection rate is 600 BWPD per well, and the proposed maximum injection rate is 1,500 BWPD per well. The proposed average CO2 injection rate is 1,250 MCFGPD per well, and the proposed maximum injection rate is 3,000 MCFGPD 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. The proposed average and maximum CO2 injection pressure is 1,200 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.

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 701

WELL LOCATION:	100' FNL & 1309' FWL	D	36	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" @ 343'

Cemented with: 270 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" @ 3,125'

Cemented with: 800 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Total Depth: 3,125' PBTD: _____

Injection Interval (**Estimated**)

Queen Formation: 3,030'-3,070' 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:

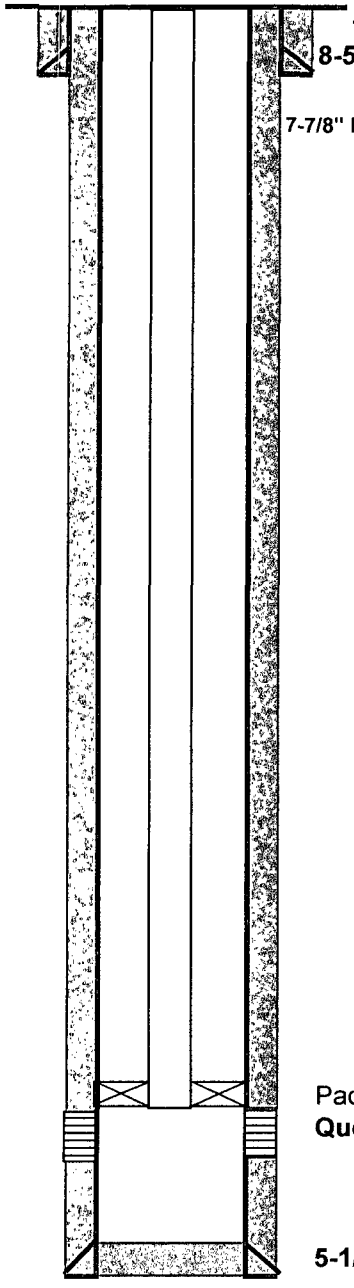
   None

CELERO ENERGY

		DATE:	Feb. 12, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen Unit	WELL:	701
COUNTY:	Chaves	STATE:	New Mexico

Location: 100' FNL & 1309' FWL, Sec 36D, T13S, R31E
SPUD: 11/29/10 COMP:
CURRENT STATUS: Pending Compl

KB = 13' AGL
GL = 4393'
API = 30-005-29159



12-1/4" hole

8-5/8", 24#, J-55, ST&C @ 343' w/270 sx-circ'd 81 sx

7-7/8" hole

Packer at 3000'

Queen: Anticipated at 3030'-3070'

5-1/2", 15.5#, J-55, LT&C @ 3125' w/800 sx-circ'd 97sx

PBTD -
TD - 3125'

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 702

WELL LOCATION:	100' FNL & 2628' FWL	C	36	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" @ 393'

Cemented with: 270 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" @ 3,133'

Cemented with: 800 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Total Depth: 3,133' PBTD: _____

Injection Interval **(Estimated)**

Queen Formation: 3,035'-3,075' 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:

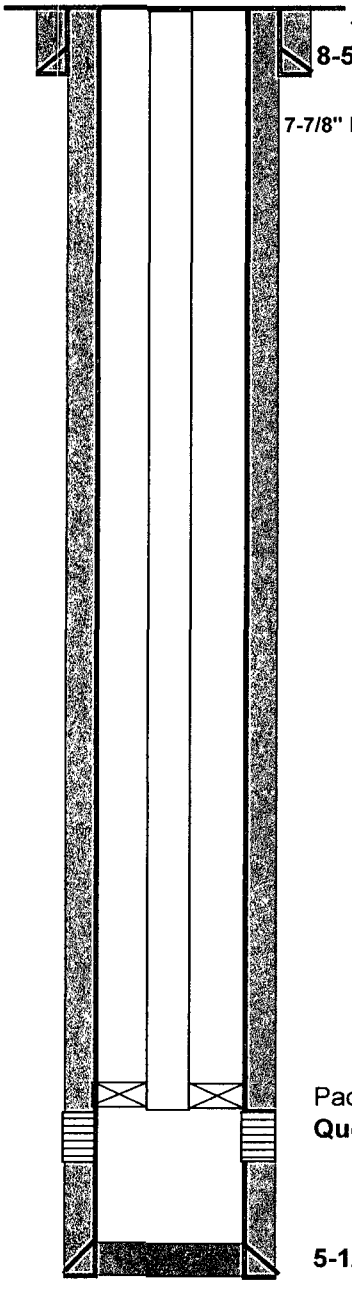
   None

CELERO ENERGY

		DATE:	Feb. 12, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen Unit	WELL:	702
COUNTY:	Chaves	STATE:	New Mexico

Location: 100' FNL & 2628' FWL, Sec 36C, T13S, R31E
SPUD: 1/21/11 COMP:
CURRENT STATUS: Pending Compl

KB = 13' AGL
GL = 4390'
API = 30-005-29160



12-1/4" hole

8-5/8", 24#, J-55, ST&C @ 393' w/270 sx-circ'd 50 sx

7-7/8" hole

Packer at 3000'

Queen: Anticipated at 3035'-3075'

5-1/2", 15.5#, J-55, LT&C @ 3133' w/800 sx-circ'd 61sx

PBTD -
TD - 3133'

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 703

WELL LOCATION:	1310' FNL & 850' FWL	D	36	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" @ 379'

Cemented with: 270 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" @ 3,143'

Cemented with: 800 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Total Depth: 3,143' PBTD: _____

Injection Interval **(Estimated)**

Queen Formation: 3,025'-3,060' 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:

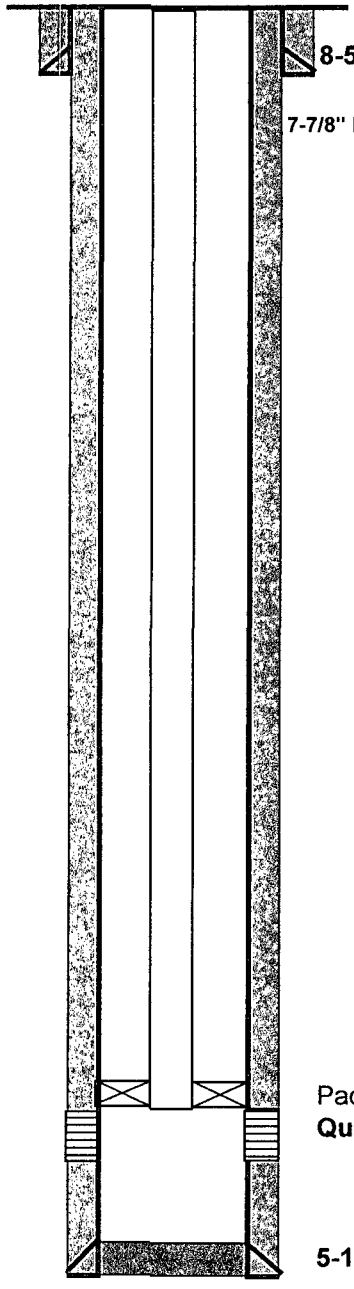
   None

CELERO ENERGY

		DATE:	Feb. 12, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen Unit	WELL:	703
COUNTY:	Chaves	STATE:	New Mexico

Location: 1310' FNL & 850' FWL, Sec 36D, T13S, R31E
SPUD: 1/27/11 COMP:
CURRENT STATUS: Pending Compl

KB = 13' AGL
GL = 4377'
API = 30-005-29161



12-1/4" hole

8-5/8", 24#, J-55, ST&C @ 379' w/270 sx-circ'd 89 sx

7-7/8" hole

Packer at 3000'

Queen: Anticipated at 3025'-3060'

5-1/2", 15.5#, J-55, LT&C @ 3143' w/800 sx-circ'd 80 sx

PBTD -
TD - 3143'

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 704

WELL LOCATION:	1309' FNL & 2629' FWL	C	36	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" @ 349'

Cemented with: 270 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" @ 3,135'

Cemented with: 800 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Total Depth: 3,135' PBTD: _____

Injection Interval (**Estimated**)

Queen Formation: 3,040'-3,075' 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:

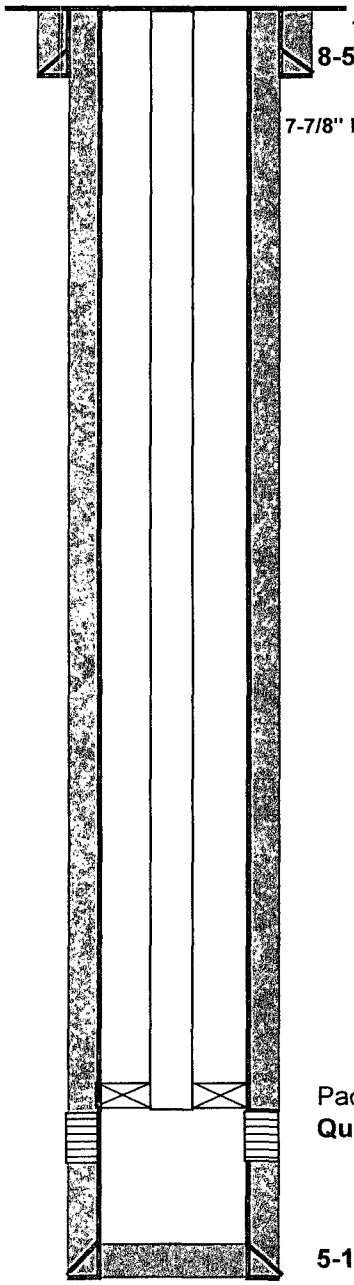
   None

CELERO ENERGY

		DATE:	**Feb. 12, 2011**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen Unit**	**WELL:**	**704**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 1309' FNL & 2629' FWL, Sec 36C, T13S, R31E
SPUD: 1/15/11 COMP:
CURRENT STATUS: Pending Compl

KB = 13' AGL
GL = 4384'
API = 30-005-29162



12-1/4" hole

8-5/8", 24#, J-55, ST&C @ 349' w/270 sx-circ'd 124 sx

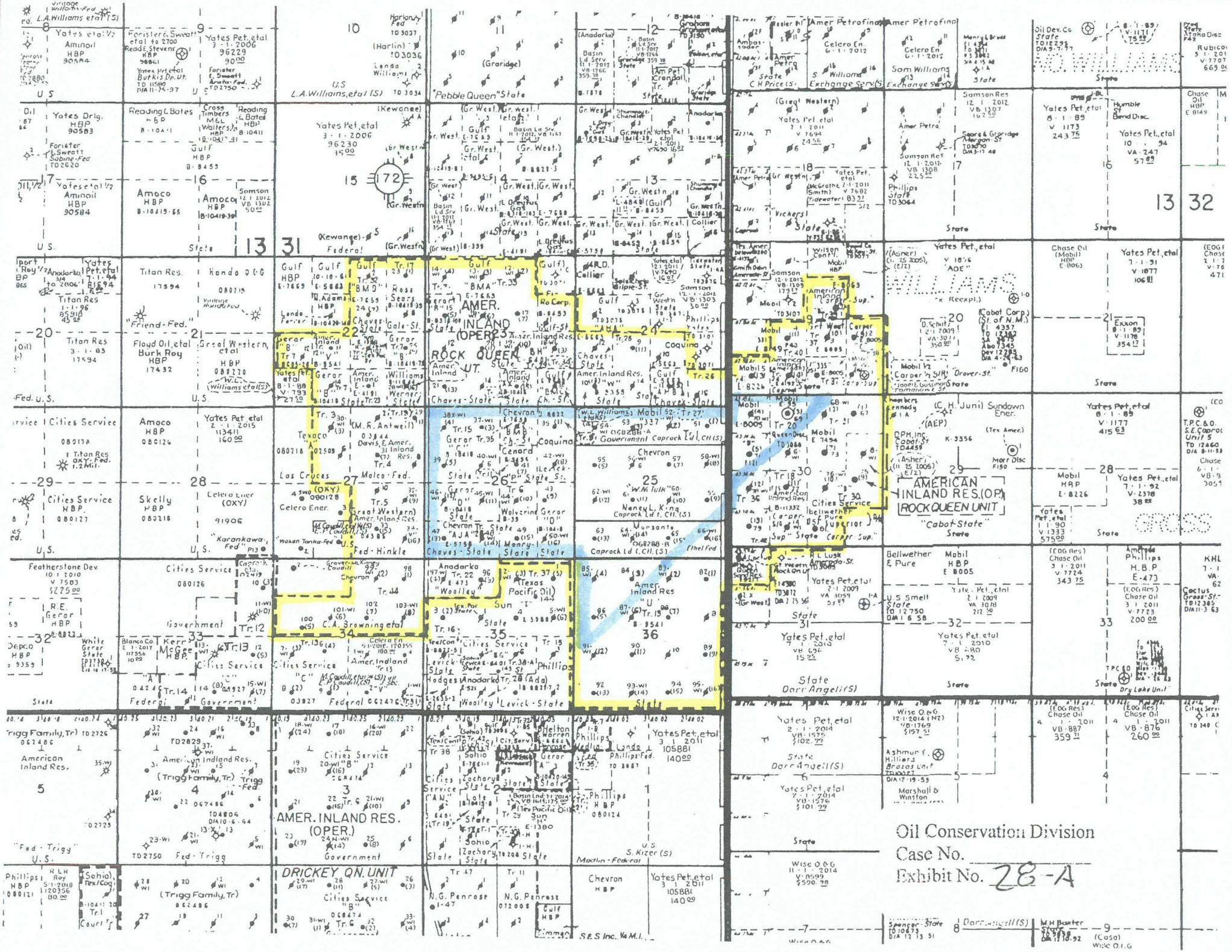
7-7/8" hole

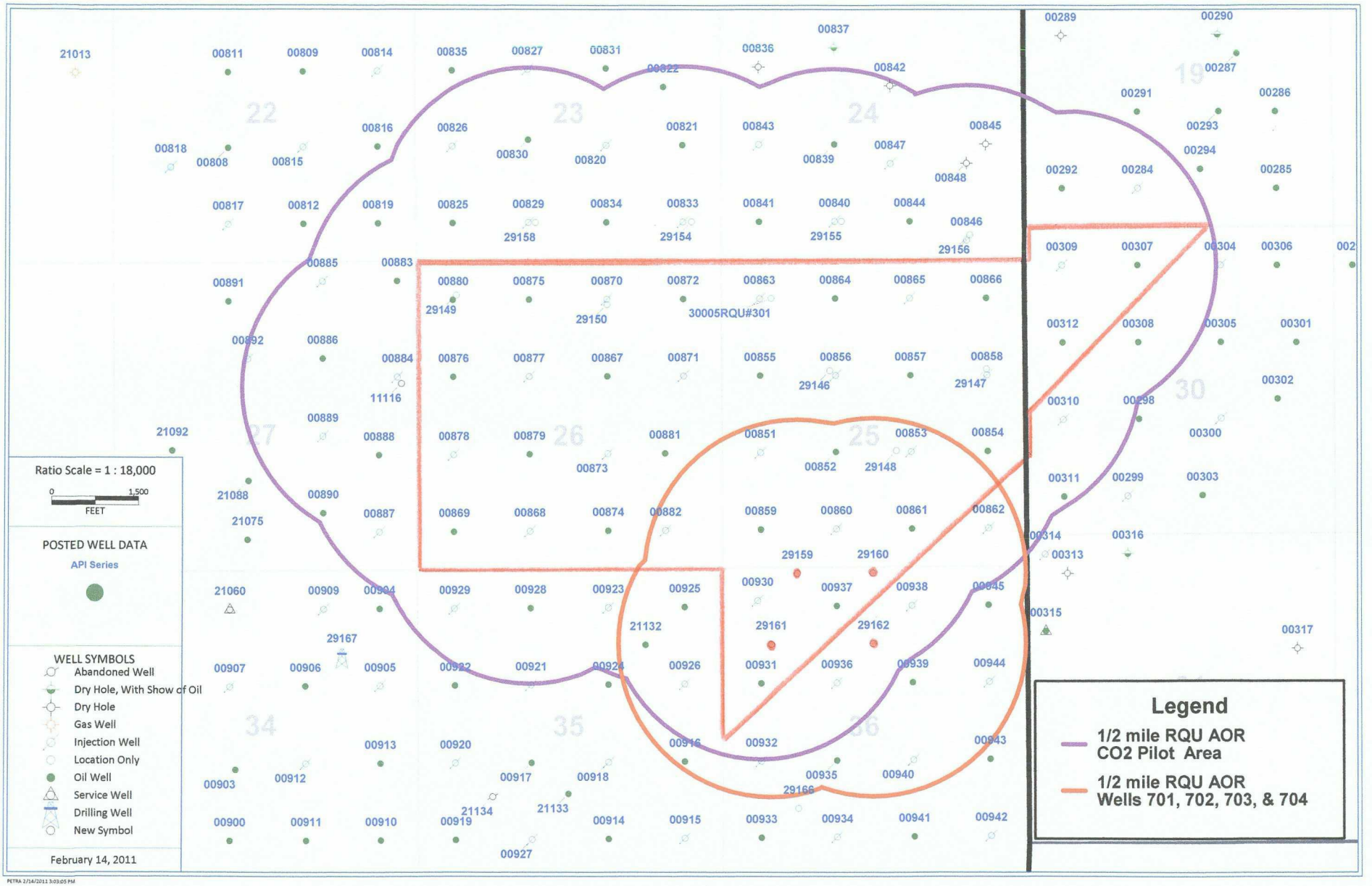
Packer at 3000'

Queen: Anticipated at 3040'-3075'

5-1/2", 15.5#, J-55, LT&C @ 3135' w/800 sx-circ'd 75 sx

PBTD -
TD - 3135'


AMERICAN INLAND RES. (OP.) ROCK QUEEN UNIT
"Cabot-State"
AMER. INLAND (OPER.) ROCK QUEEN UT.
DRICKEY QN. UNIT
AMER. INLAND RES. (OPER.)
WILLIAMS
Oil Conservation Division
Case No.
Exhibit No. 28-A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1,500
FEET
POSTED WELL DATA
API Series
WELL SYMBOLS
Abandoned Well
Dry Hole, With Show of Oil
Dry Hole
Gas Well
Injection Well
Location Only
Oil Well
Service Well
Drilling Well
New Symbol
February 14, 2011
PETRA 2/14/2011 3:03:05 PM
30005RQU#301
Legend
1/2 mile RQU AOR
CO2 Pilot Area
1/2 mile RQU AOR
Wells 701, 702, 703, & 704

Ratio Scale = 1 : 18,000

0 1,500
FEET

POSTED WELL DATA

API Series

WELL SYMBOLS
- Abandoned Well
- Dry Hole, With Show of Oil
- Dry Hole
- Gas Well
- Injection Well
- Location Only
- Oil Well
- Service Well
- Drilling Well
- New Symbol

February 14, 2011

22 23 24 25 26 27 34 35 36 19 30

21013 00811 00809 00814 00835 00827 00831 00822 00836 00837 00842 00818 00808 00815 00816 00826 00830 00820 00821 00843 00839 00847 00845 00848 00817 00812 00819 00825 00829 29158 00834 00833 29154 00841 00840 29155 00844 00846 29156 00891 00885 00883 00880 29149 00875 00870 29150 00872 30005RQU#301 00863 00864 00865 00866 00892 00886 00884 11116 00876 00877 00867 00871 00855 00856 29146 00857 00858 29147 00889 21092 00888 00878 00879 00881 00873 00851 00852 29148 00853 00854 21088 00890 00887 21075 00869 00868 00874 00882 00859 00860 00861 00862 29159 29160 21060 00909 00904 00929 00928 00923 00925 00930 00937 00938 00945 21132 29161 29162 29167 00907 00906 00905 00922 00921 00924 00926 00931 00936 00939 00944 00903 00912 00913 00920 00917 00918 00916 00932 00935 00940 00943 29166 21134 21133 00900 00911 00910 00919 00927 00914 00915 00933 00934 00941 00942 00289 00290 00287 00291 00286 00293 00294 00292 00284 00285 00309 00307 00304 00306 00312 00308 00305 00301 00302 00310 00298 00300 00311 00299 00303 00314 00316 00313 00315 00317

Legend

- 1/2 mile RQU AOR CO2 Pilot Area
- 1/2 mile RQU AOR Wells 701, 702, 703, & 704

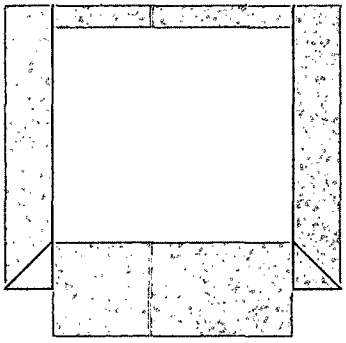
PETRA 2/14/2011 3:03:05 PM

CELERO ENERGY II, LP
AREA OF REVIEW WELL DATA
ROCK QUEEN UNIT PILOT CO2 PROJECT

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
30-005-00935	Celero Energy II, LP	Rock Queen Unit	90	P	Active	1980'	S	1980'	W	K	36	13S	31E	Dec-55	3,080'	12.25"	8.625"	307'	200	Surface	Circ.	7.875"	5.5"	3,062'	100	2,380'	Calc.	3,062'-3,080' O.H.	Hole in 5 1/2" csg repaired 9/2008
30-005-00939	Celero Energy II, LP	Rock Queen Unit	88	P	Active	1980'	N	1980'	E	G	36	13S	31E	Dec-55	3,080'	12.25"	8.625"	309'	200	Surface	Circ.	7.875"	5.5"	3,070'	100	2,537'	Calc.	3,070'-3,080' O.H.	
30-005-00940	Celero Energy II, LP	Rock Queen Unit	503	I	PA	1980'	S	1980'	E	J	36	13S	31E	Dec-55	3,071'	12.25"	8.625"	305'	200	Surface	Circ.	7.875"	5.5"	3,066'	100	2,533'	Calc.	3,066'-3,071' O.H.	PA'd 3/83 Schematic Attached
30-005-00944	Celero Energy II, LP	Rock Queen Unit	502	I	PA	1980'	N	660'	E	H	36	13S	31E	Jan-56	3,067'	12.25"	8.625"	303'	200	Surface	Circ.	7.875"	5.5"	3,061'	100	2,528'	Calc.	3,061'-3,067' O.H.	PA'd 3/83 Schematic Attached
30-005-00945	Celero Energy II, LP	Rock Queen Unit	82	P	Active	660'	N	660'	E	A	36	13S	31E	Sep-55	3,081'	12.25"	8.625"	299'	200	Surface	Circ.	7.875"	5.5"	3,072'	100	2,539'	Calc.	3,072'-3,081' O.H.	
30-005-00916	Guest & Wolfson	DQSU Tract 15	3	P	PA	1980'	S	660'	E	I	35	13S	31E	Jun-55	3,079'	12.25"	8.625"	274'	115	Surface	Circ.	7.875"	5.5"	3,059'	125	2,396'	Calc.	3,059'-3,079' O.H.	PA'd 10/73 Schematic Attached

Weldon S. Guest & I. J. Wolfson
Drickey Queen Sand Unit
Tract 15 Well No. 3
API No. 30-005-00916
1980' FSL & 660' FEL, Unit I
Section 35, T-13S, R-31E
Type Well: Production

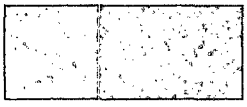
Drilled: 6/55
Plugged: 10/73



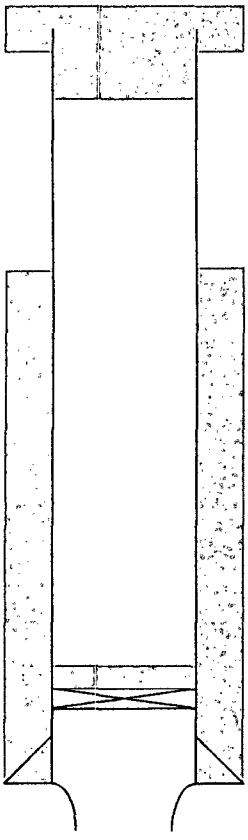
10 Sx. surface plug

12 1/4" Hole; 8 5/8" csg. set @ 274'. Cemented w/115 sx. Cement circulated to surface.

Set 30 Sx. cement plug 200'-300'



Set 30 sx. cement plug 1,400'-1,500'



Cut & pulled 2,015' of 5 ½" casing
Set 30 sx. cement stub plug 1,950'-2,050'

10 ppg mud placed between cement plugs

Calculated TOC @ 2,396'

Set CIBP @ 2,900' w/5 sx. cement on top

7 7/8" Hole; 5 ½" csg. set @ 3,059'
Cemented w/125 Sx.
Calculated TOC @ 2,396'

Queen open-hole producing interval: 3,059'-3,079'

T.D. 3,079'

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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

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 [X] GAS WELL [ ] OTHER- 30-005-00916

7. Unit Agreement Name:

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

8. Farm or Lease Name: **Drickey Queen Sand Unit Tr 15**

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

9. Well No.: **3**

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

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

15. Elevation *(Show whether DF, RT, GR, etc.)*: **4413**

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 abendoned 10/23/73 as follows:

Set cast iron bridge plug @ 2900 & capped with 5 sacks cement
Shot & Pulled 5 1/2" casing from 2015
Spotted plug from 2050 to 1950 with 30 sacks
Spotted plug from 1500 to 1400 with 30 sacks
Spotted plug from 300 to 200 with 30 sacks
Set 10 sack plug at surface with regulation marker.
10.1# mud (visc. 32) between all plugs.

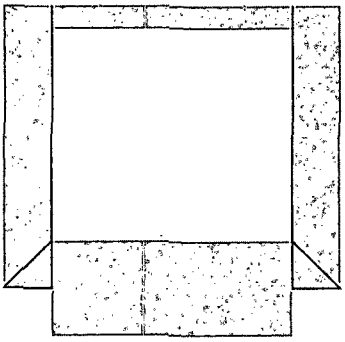
18. *I hereby certify that the information above is true and complete to the best of my knowledge and belief.*

SIGNED Weldon Guest TITLE **Agent** DATE **10/24/73**

APPROVED BY John W. Runyan TITLE _____ DATE 10/24/73

CONDITIONS OF APPROVAL, IF ANY:

Celero Energy II, LP
Rock Queen Unit No. 502
API No. 30-005-00944
1980' FNL & 660' FEL, Unit H
Section 36, T-13S, R-31E
Type Well: Injection

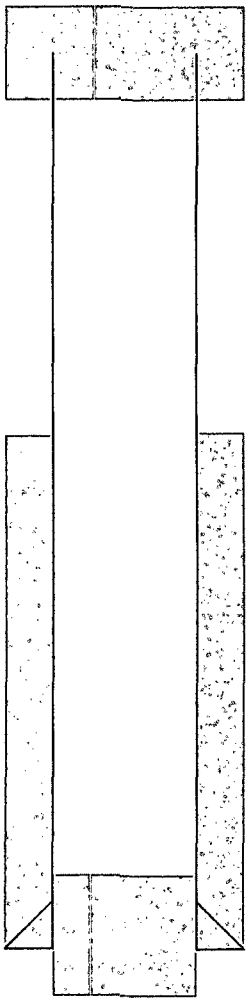


10 Sx. surface plug

12 1/4" Hole; 8 5/8" csg. set @ 303'. Cemented w/200 sx. Cement circulated to surface.

Set 50 Sx. cement plug 282'-353'

Drilled: 1/56
Plugged: 3/83



Cut & pulled 980' of 5 ½" casing
Set 35 sx. cement stub plug 874'-1,030'

25 PPG gelled brine water placed between cement plugs

Calculated TOC @ 2,528'

Set 25 sx. cement plug @ 3,059'
Tagged TOC @ 2,878'

7 7/8" Hole; 5 ½" csg. set @ 3,061'
Cemented w/100 Sx.
Calculated TOC @ 2,528'

Queen open-hole producing interval: 3,061'-3,067'

T.D. 3,067'

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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.

30-005-00944

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- Water Injection Well

7. Unit Agreement Name: Rock Queen Unit 36

2. Name of Operator: Great Western Drilling Company

8. Farm or Lease Name:

3. Address of Operator: P.O. Box 1659, Midland, TX 79702

9. Well No.: 8

4. Location of Well: UNIT LETTER H, 660 FEET FROM THE East LINE AND 1,980 FEET FROM THE North LINE, SECTION 36 TOWNSHIP 13-S RANGE 31-E NMPM.

10. Field and Pool, or Wildcat: Caprock Queen

15. Elevation (*Show whether DF, RT, GR, etc.*): 4,384.1' GR, 4,392' DF

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.

Note: NMOCC notified prior to plugging operations.

1/17/83: Rigged up Permian Basin Casing pullers. Pulled 2 3/8" OD, PVC-lined tubing & Halliburton R-4 Pkr.

1/18/83: Ran 97 jts. 2 3/8" OD, tbg opened ended to 3,059' and spotted 25 sx cement plug. WOC. Tagged top of cement plug with wireline at 2,878' (181' plug). Displaced hole with 10# gelled brine water (25 lbs. gel per bbl.). Pulled tubing and rigged up casing jacks. Witnessed by NMOCC Representative Tony.

1/19/83: Stretched casing - calculated free @ 950'. Shot casing @ 980' & casing came loose. Pulled 31 jts. (980') 5½" OD, 14#/ft., J-55, ST & C casing. Ran tubing open ended - lacked 30' getting back to stub. Pulled tubing.

1/20/83: Ran tbg w/2 3/8" notched collar on bent tubing sub on bottom, rotated & circulated went through 2 small bridges, got inside casing stub, went to 1,030' (50' inside csg). Circulated hole & spotted 35 sx. cement plug from 1,030' to 874' (156' plug). Pulled tbg - WOC - Ran wire line & tagged top of cement @ 874'. Reran tbg to 353', spotted 50 sxs. cement plug 50' below 8 5/8" csg shoe (353' to 282') Pulled tbg - WOC.

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

SIGNED M.B. Myers TITLE Ass't to Gen. Supt. DATE 3-21-83

APPROVED BY Jack Griffin TITLE OIL & GAS INSPECTOR DATE NOV 19 1985

CONDITIONS OF APPROVAL, IF ANY:

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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 ☐ Fee ☐

5. State Oil & Gas Lease No.

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-

7. Unit Agreement Name

2. Name of Operator
Great Western Drilling Co.

8. Farm or Lease Name

3. Address of Operator

9. Well No.

4. Location of Well
UNIT LETTER _____, _____ FEET FROM THE _____ LINE AND _____ FEET FROM THE _____ LINE, SECTION _____ TOWNSHIP _____ RANGE _____ NMPM.

10. Field and Pool, or Wildcat

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

12. County

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	☐
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.

1/21/83: Ran 2 3/8" tbg to 282' to top of cement plug, 21' inside 8 5/8" csg., got approval from NMOCC. Set 10 sx. plug & dry hole marker at surface. Plugged & Abandoned 1-21-83.

3/16/83: Made final cleanup - location ready for inspection.

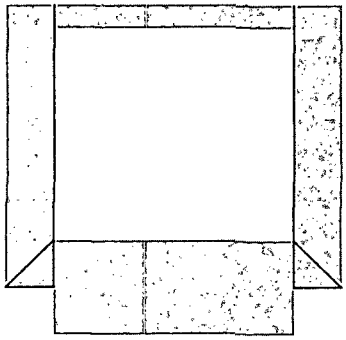
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED _____ TITLE _____ DATE _____

APPROVED BY Jack Griffin TITLE OIL & GAS INSPECTOR DATE NOV 19 1986

CONDITIONS OF APPROVAL, IF ANY:

Celero Energy II, LP
Rock Queen Unit No. 503
API No. 30-005-00940
1980' FSL & 1980' FEL, Unit J
Section 36, T-13S, R-31E
Type Well: Injection

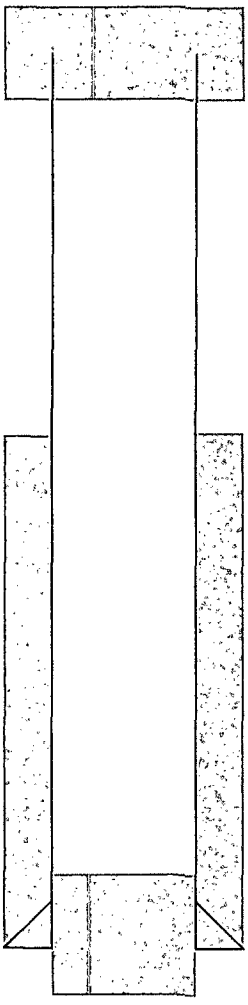


20 Sx. surface plug

12 1/4" Hole; 8 5/8" csg. set @ 305'. Cemented w/200 sx. Cement circulated to surface.

Set 50 Sx. cement plug 196'-347'

Drilled: 12/55
Plugged: 3/83



Cut & pulled 1201' of 5 ½" casing
Set 35 sx. cement stub plug 1,072'-1,262'

25 PPG gelled brine water placed between cement plugs

Calculated TOC @ 2,533'

Set 25 sx. cement plug @ 3,065'
Tagged TOC @ 2,910'

7 7/8" Hole; 5 ½" csg. set @ 3,066'
Cemented w/100 Sx.
Calculated TOC @ 2,533'

Queen open-hole producing interval: 3,066'-3,071'

T.D. 3,071'

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
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Effective 1-1-65

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

5. State Oil & Gas Lease No.

30-005-00940

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- Water Injection Well

7. Unit Agreement Name: Rock Queen Unit 36

2. Name of Operator: Great Western Drilling Co.

8. Farm or Lease Name:

3. Address of Operator: P.O. Box 1659, Midland, TX 79702

9. Well No.: 10

4. Location of Well: UNIT LETTER J, 1,980 FEET FROM THE South LINE AND 1,980 FEET FROM THE East LINE, SECTION 36 TOWNSHIP 13-S RANGE 31-E NMPM.

10. Field and Pool, or Wildcat: Caprock Queen

15. Elevation (Show whether DF, RT, GR, etc.): 4,384.2' GR, 4,392.2' DF

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.

Note: NMOCC notified prior to plugging operations.

1/24/83: Rigged up Permian Basin Casing pullers. Pulled 2 3/8" OD, PVC-lined tubing and packer.

1/25/83: Ran 97 jts. 2 3/8" OD, tbg opened ended to 3,065' and spotted 25 sx Class "A" cement. WOC 3 hrs. Tagged plug w/wireline @ 2,910' (155' plug). Displaced hole with 10# gelled brine water (25 lbs. gel per bbl.). Pulled tbg.

1/26/83: Rigged up casing jacks & stretched 5½" csg - found 850' free by stretch. Ran shot to 1,201', shot pipe, came free. Pulled & laid down 1,201.39' of 5½" csg.

1/27/83: Ran tbg to 1,262'. Notified Mr. Eddy Seay w/NMOCC @ 8:45 a.m. on setting stub plug. Spotted 35 sx. cement plug @ 1,262' (61' into stub), pulled up hole. WOC 3 hrs. Ran tbg & tagged top of cement plug @ 1,072' (190' plug). Notified NMOCC on 8 5/8" shoe plug. Pulled tbg to 347' & spotted 50 sx. cement plug (151' plug). Pulled tbg.

1/28/83: NMOCC Representative Mr. Ron Castleberry witnessed surface plug. Ran 2 jts. tbg in hole, spotted 20 sx. plug, pulled tbg out of hole & set dry hole marker. P & A 1-28-83.

3/16/83: Made final cleanup, location ready for inspection.

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

SIGNED M. B. Myers TITLE Ass't. to Gen. Supt. DATE 3-21-83

APPROVED BY Jack Griffin TITLE OIL & GAS INSPECTOR DATE NOV 19 1986

CONDITIONS OF APPROVAL, IF ANY:

Pro-Kem, Inc.
WATER ANALYSIS REPORT

SAMPLE

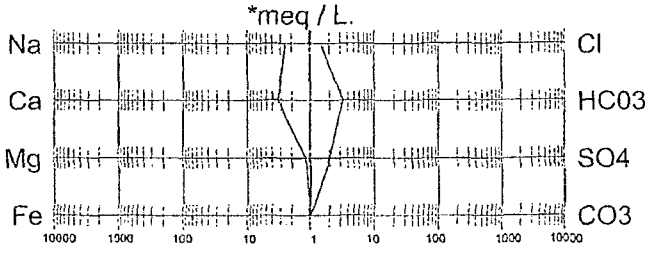
Oil Co. : **Celero Energy**
Lease :
Well No.: **Fresh Water**
Location:
Attention:

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

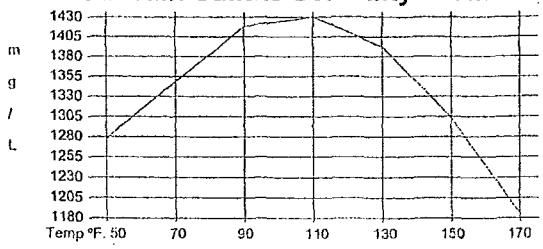
ANALYSIS

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

Pro-Kem, Inc.
WATER ANALYSIS REPORT

SAMPLE

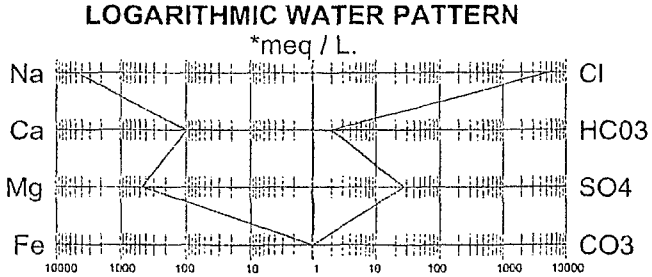
Oil Co. : **Celero**
Lease : **Rock Queen**
Well No.: **84**
Location:
Attention:

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

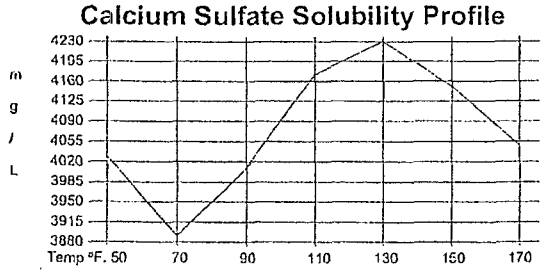
ANALYSIS

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

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

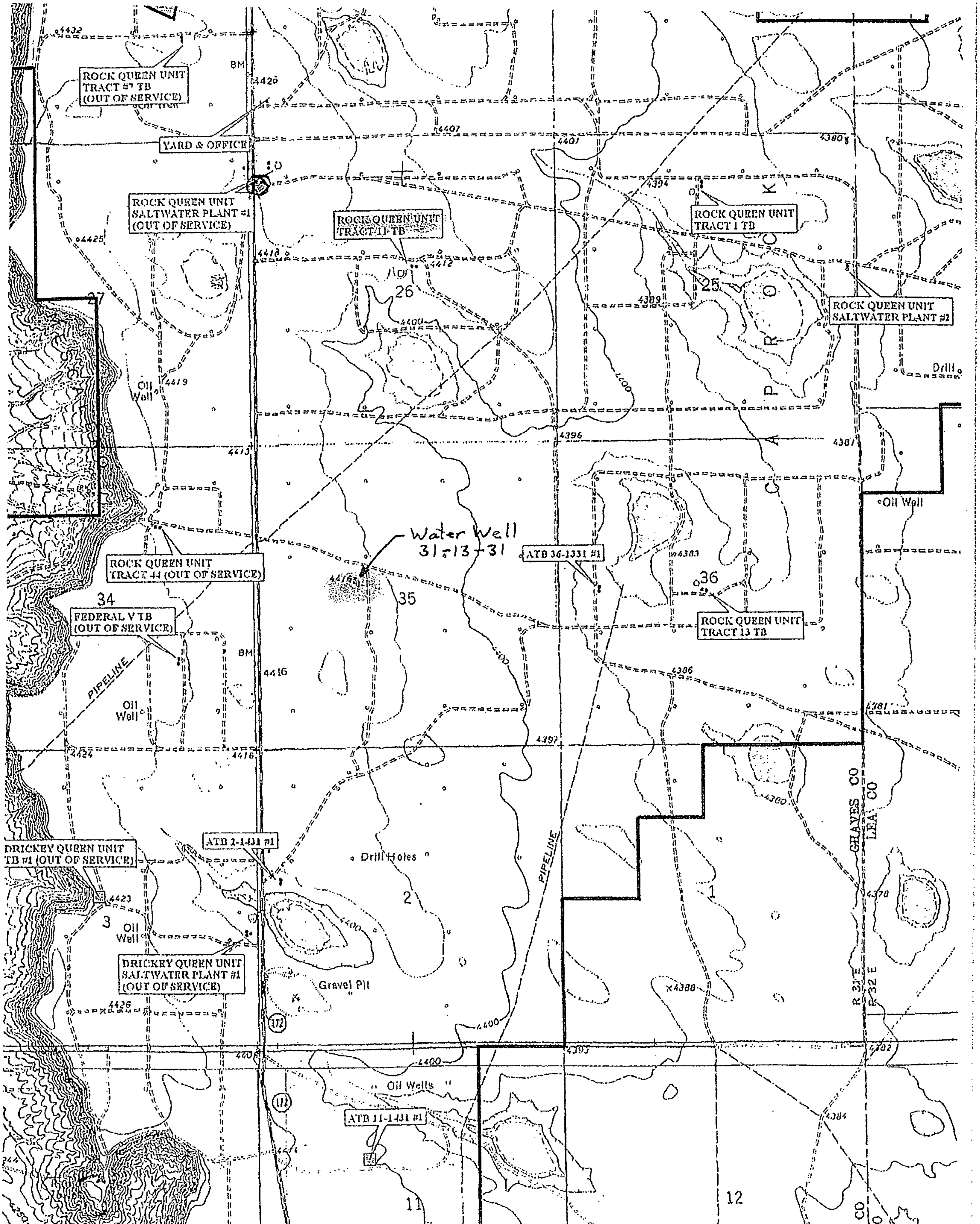
Project Location: Chaves Co. NM
Project Name: Celero Energy-Rock Queen ESA
Project Number: 2972

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
(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
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
Drill Holes
Gravel Pit
Oil Wells
PIPELINE
CHAVES CO
LEA CO
R 31 E
R 32 E
25
26
27
34
35
36
1
2
3
11
12

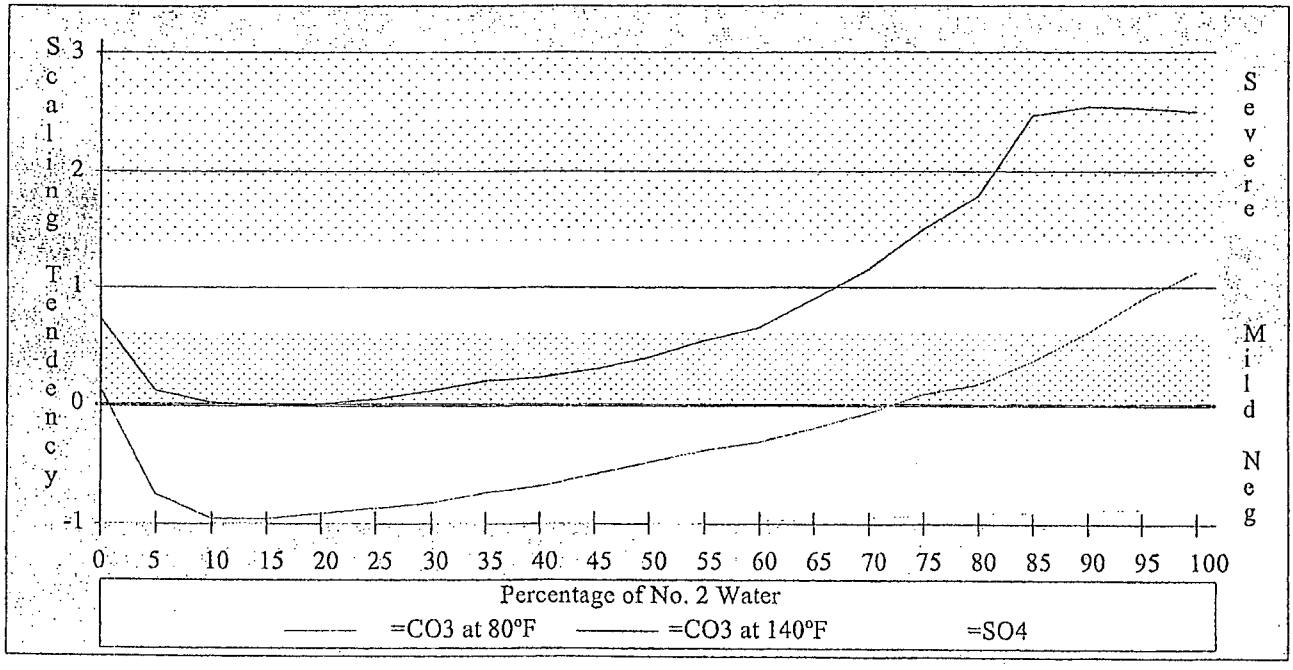
Comparison Between Two Waters

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

Form C-108
Affirmative Statement
Celero Energy II, LP
Rock Queen Unit Wells No. 701-704
Section 36, 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

2/28/11
Date

February 23, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: **Offset Operators/Lessees & Surface Owners**
(See Attached List)

Re: Celero Energy II, LP
Form C-108 (Application for Authorization to Inject)
Rock Queen Unit Wells No. 701, 702, 703 and 704
Section 36, 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. 701-704 located in Section 36, T-13 South, R-31 East, NMPM, Chaves County, New Mexico. You are being provided a copy of the application as either the surface owner of the land on which the proposed injection wells are located, or as an offset lease owner. In accordance with the provisions of Division Order No. R-1541-A, Celero Energy II, LP proposes to inject CO2/Water (WAG) into the Rock Queen Unit Wells No. 701, 702 and 703 and inject water into the Rock Queen Unit Well No. 704. The proposed expansion of the Rock Queen CO2 Pilot Project will allow the completion of an efficient injection/production pattern within the Unit Area.

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

Celero Energy II, LP
Form C-108: Rock Queen Unit Wells No. 701-704
Section 36, T-13 South, R-31 East, NMPM
Chaves County, New Mexico

Offset Operator/Leasehold Owner Notification List

All acreage located within a ½ mile radius of the Rock Queen Unit Wells No. 701-704, which includes the S/2 of Section 25, E/2 SE/4 & SW/4 SE/4 of Section 26, NE/4 & NE/4 SE/4 of Section 35 and the N/2 & N/2 S/2 of Section 36, all in Township 13 South, Range 31 East, is currently contained within either the Rock Queen Unit Area or the Drickey Queen Sand Unit Area, both operated by Celero Energy II, LP.

All four wells are located on State of New Mexico Lease No. BO-9541. Consequently, as surface owner, notice of this application is being provided to:

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Additional Notice

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

Form C-108
Celero Energy II, LP
Rock Queen Unit Wells No. 701-704
Section 36, T-13 South, R-31 East, NMPM
Chaves County, New Mexico

The following-described legal notice will be published 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 CO2/Water injection wells within the Rock Queen Unit Waterflood/Tertiary Recovery Project, Caprock-Queen Pool, Chaves County, New Mexico:

RQU Well No. 701 API No. 30-005-29159, 100' FNL & 1309' FWL (Unit D)
Sec 36, T13S, R31E,
Injection Interval: 3,030'-3,070' (Estimated)

RQU Well No. 702 API No. 30-005-29160, 100' FNL & 2628' FWL (Unit C)
Sec 36, T13S, R31E
Injection Interval: 3035'-3075' (Estimated)

RQU Well No. 703 API No. 30-005-29161, 1310' FNL & 850' FWL (Unit D)
Sec 36, T13S, R31E
Injection Interval: 3025'-3060' (Estimated)

Also included in that application is a request to convert the following-described well to water injection within the Rock Queen Unit Waterflood/Tertiary Recovery Project, Caprock-Queen Pool, Chaves County, New Mexico:

RQU Well No. 704 API No. 30-005-29162 1309' FNL & 2629' FWL (Unit C)
Sec 36, T-13S, R-31E
Injection Interval: 3,040'-3,075' (Estimated)

CO2 and Caprock-Queen Pool produced water will be injected into the CO2/Water injection wells at average and maximum rates of 1,250 MCFGPD and 3,000 MCFGPD and 600 BWPD and 1,500 BWPD, respectively. Produced water will be injected in the water injection well at average and maximum rates of 600 BWPD and 1,500 BWPD, respectively. The average and maximum surface injection pressure for CO2 injection is 1,200 psi and 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.

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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SANTA FE NM 87504 OFFICIAL USE

Postage	$ $1.90	0501
Certified Fee	$2.80	10
Return Receipt Fee (Endorsement Required)	$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	FEB 28 2011
Total Postage & Fees	$ $7.00	02/28/2011

Sent To: Commissioner of Public Lands

Street, Apt. No.; or PO Box No.: P.O. Box 1148

City, State, ZIP+4: Santa Fe, N.M. 87504-1148

PS Form 3800, August 2006 — See Reverse for Instructions