

HIP - __130__

**GENERAL
CORRESPONDENCE**

**YEAR(S):
2010**

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Wednesday, August 25, 2010 8:40 AM
To: 'JK Associates Inc'
Subject: RE: Celero Energy Hydrotest Determination

Jon,

Thank you for providing the information in the Notice of Intent (NOI), dated July 12, 2010, in order for the OCD to make a determination if a permit is required. Based upon the information provided the submittal, the OCD has determined that activities associated with the hydrostatic testing of the Celero Energy II, LP- CO2 Pipeline Project will not result in the removal of the hydrostatic wastewater from the pipeline and that the activities will not result in a surface discharge. It is OCD's understanding that the hydrostatic wastewater will remain in the pipeline for testing, then it will be pushed directly from the pipeline into one of Celero's tank batteries where it will be injected back into a producing formation through Celero's enhanced oil recovery (EOR) operation. Pursuant to Subsection D of 20.6.2.1201 NMAC, the OCD has determined that a discharge permit is not required.

If you have any questions regarding this matter, please contact me.

Brad

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
E-mail: brad.a.jones@state.nm.us
Office: (505) 476-3487
Fax: (505) 476-3462

From: JK Associates Inc [<mailto:jkengineers@wildblue.net>]
Sent: Tuesday, July 06, 2010 9:55 PM
To: Jones, Brad A., EMNRD
Subject: Celero Energy Hydrotest Determination

Hi Brad,

Made the changes we discussed. Please review and if acceptable, I will send a hard copy with map attachment.

Still gathering data for the EMW Gas NOI to discharge. Will send an electronic copy as I get the data together.

Thanks

Jon Jones
JK Associates, Inc

JK Associates, Inc.

Professional Engineering Services

RECEIVED OCD

2010 JUL 14 A 11:44

July 12, 2010

Brad Jones
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Celero Energy II, LP- CO2 Pipeline Project

Dear Mr. Jones,

JK Associates, Inc. has been retained by Celero Energy II, LP (Celero) in Midland, Texas to design and provide project management for a new 18 mile CO2 pipeline. The purpose of this letter is to determine if a hydrostatic test dewatering permit will be required.

I am attaching some reconnaissance mapping for the alignment for the pipeline.

The six (6") inch pipeline will parallel New Mexico State Highway #172 on the east side for approximately 16.4 miles and then turn southeast for the remaining 1.7 miles. The land status is private and New Mexico State Trust lands. There are no Federal lands that will be crossed.

The pipeline project will begin in the NW corner of Section 35, Township 10 S, Range 31 E and continue south for approximately 18 miles and terminate in the northern half of Section 25, Township 13 S, Range 31 E. The pipe will be new steel pipe.

The pipeline will be hydrostatically tested in one section requiring approximately 150,000 gallons of water. The source of the water will be fresh water from wells operated by Celero. The fresh water is used by Celero in their enhanced oil recovery (EOR) operations. After the test, the test water will be pushed directly from the pipeline into Celero's tank battery. No test water will be discharged on the surface of the land. This tank battery is located at the end of the pipeline in Section 25, Township 13 S, Range 31 E. The tank battery is used for the collection of oil and water. The water is recycled back into the wells for EOR.

The fresh water wells and the injection wells are listed below.

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Fresh Water Wells All in Block 13-South, Range 32-East

Well Number	Section	Tract	Surface Owner	Water Easement Number
L-3776	16	SW/4 SW4	State of NM	W-494
L3776-S-5	21	SW/4 NE/4	State of NM	W-503
L-3776-S-6	21	SW/4 SW/4	State of NM	W-503
L-3776-S-7	28	NE/4 NE/4	State of NM	W-371

Injection Wells

Well Name	API Number	Section	Township	Range
Rock Queen #6	30-025-00308	30	13 S	32 E
Rock Queen #28	30-005-00819	22	13 S	31 E
Rock Queen #34	30-005-00887	27	13 S	31 E
Rock Queen #40	30-005-00877	26	13 S	31 E
Rock Queen #42	30-005-00871	26	13 S	31 E
Rock Queen #44	30-005-00873	26	13 S	31 E
Rock Queen #46	30-005-00878	26	13 S	31 E
Rock Queen #48	30-005-00868	26	13 S	31 E
Rock Queen #50	30-005-00882	26	13 S	31 E
Rock Queen #52	30-005-00865	25	13 S	31 E
Rock Queen #62	30-005-00851	25	13 S	31 E
Rock Queen #64	30-005-00860	25	13 S	31 E
Rock Queen #66	30-005-00862	25	13 S	31 E
Rock Queen #68	30-025-00304	30	13 S	32 E
Rock Queen #70	30-025-00309	30	13 S	32 E
Rock Queen #78	30-025-00310	30	13 S	32 E

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Rock Queen #83	30-005-00938	36	13 S	31 E
Rock Queen #85	30-005-00930	36	13 S	31 E
Rock Queen #87	30-005-00936	36	13 S	31 E
Rock Queen #91	30-005-00932	36	13 S	31 E
Rock Queen #93	30-005-00934	36	13 S	31 E
Rock Queen #95	30-005-00942	36	13 S	31 E
Rock Queen #97	30-005-00929	35	13 S	31 E
Rock Queen #106	30-025-00284	19	13 S	32 E
Rock Queen #108	30-025-00285	19	13 S	32 E

I would appreciate your review of this project and provide a determination if a discharge permit is required. Should you have any questions, I may be contacted by phone or e-mail. Thank you for your assistance.

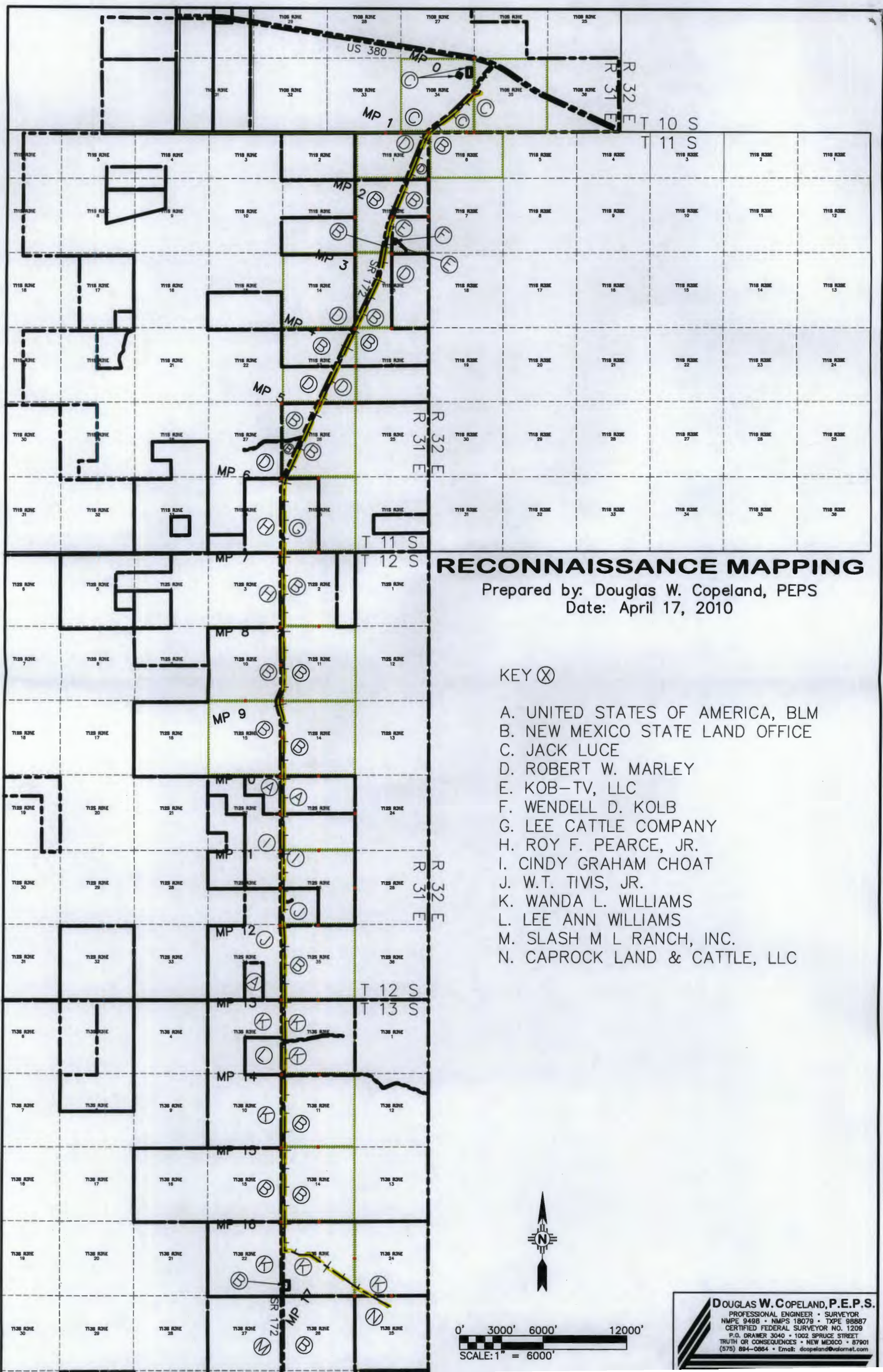
Sincerely yours,



Jon W. Jones, P.E.
JK Associates, Inc.
(505) 263-0819
jkengineers@wildblue.net

Enclosures

cc: Bruce Woodward, Operations Manager, Celero Energy II, LP



RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS
Date: April 17, 2010

KEY ⊗

- A. UNITED STATES OF AMERICA, BLM
- B. NEW MEXICO STATE LAND OFFICE
- C. JACK LUCE
- D. ROBERT W. MARLEY
- E. KOB-TV, LLC
- F. WENDELL D. KOLB
- G. LEE CATTLE COMPANY
- H. ROY F. PEARCE, JR.
- I. CINDY GRAHAM CHOAT
- J. W.T. TIVIS, JR.
- K. WANDA L. WILLIAMS
- L. LEE ANN WILLIAMS
- M. SLASH M L RANCH, INC.
- N. CAPROCK LAND & CATTLE, LLC



0' 3000' 6000' 12000'
SCALE: 1" = 6000'

DOUGLAS W. COPELAND, P.E.P.S.
PROFESSIONAL ENGINEER • SURVEYOR
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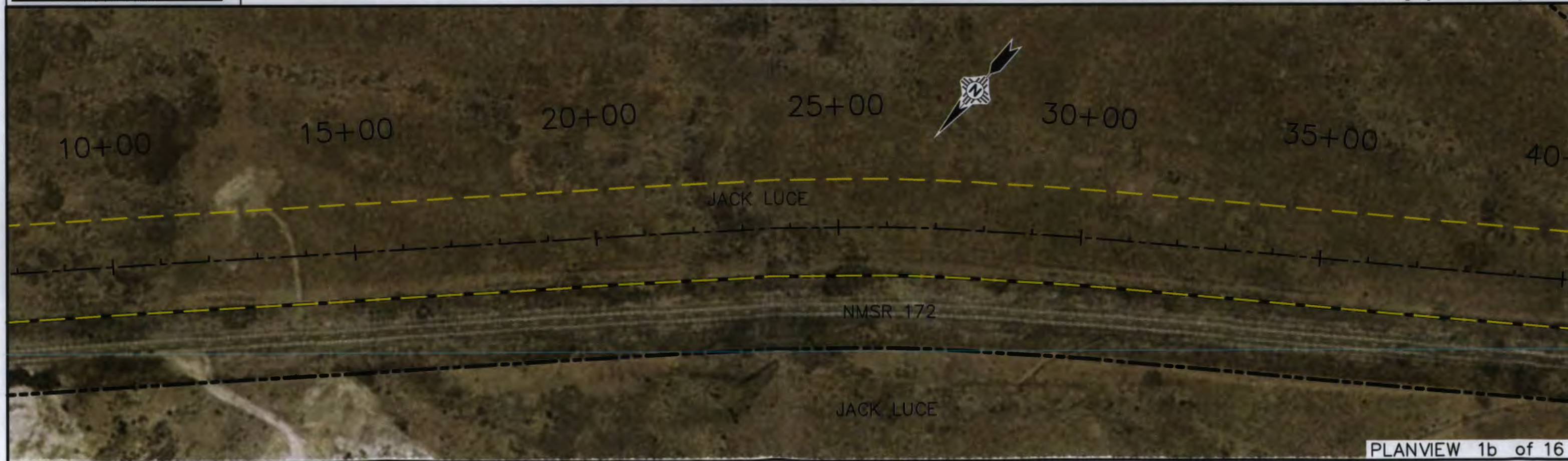
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RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS
Date: April 17, 2010

0' 100' 200' 400'
SCALE: 1" = 200'

Aerial Imagery: USDA July 2009



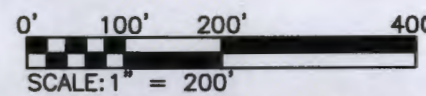


PLANVIEW 2a of 16

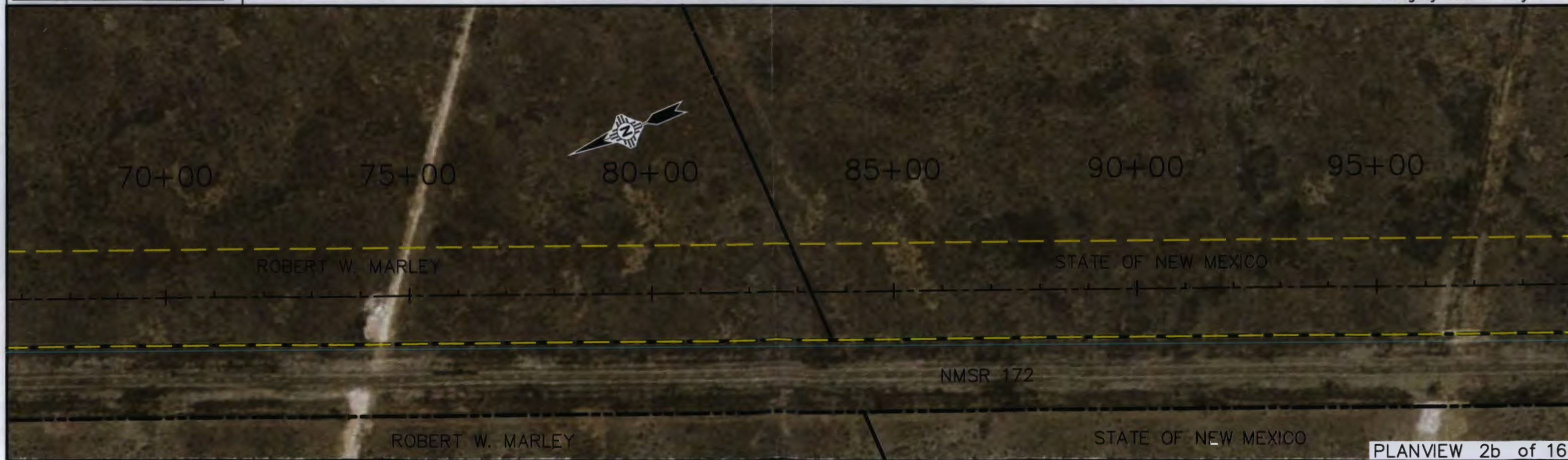
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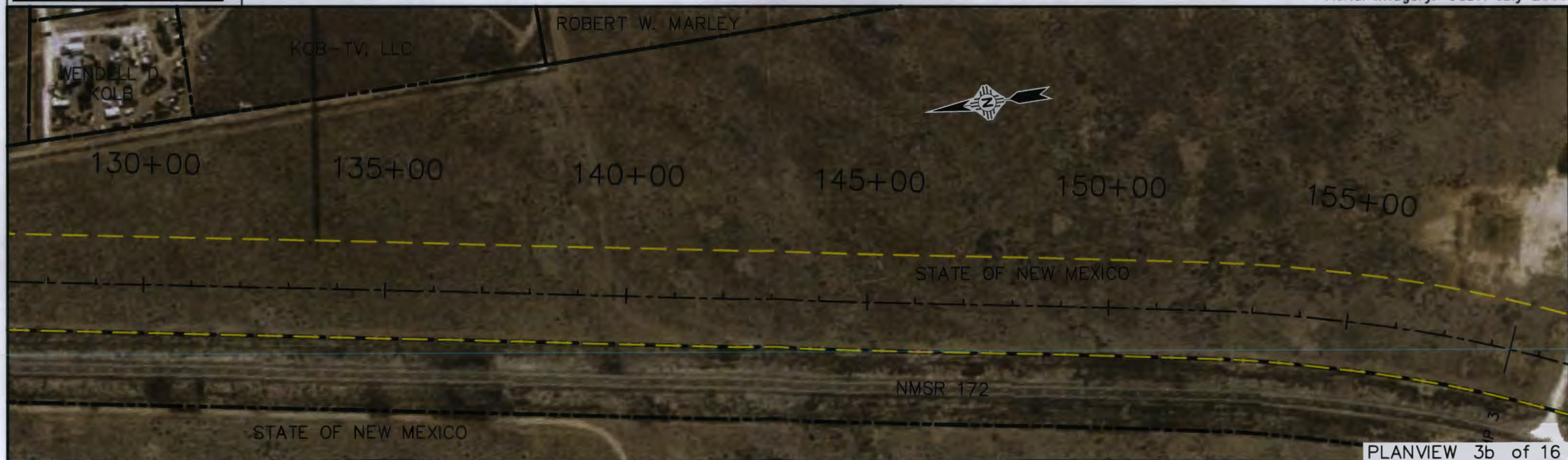
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160+00

165+00

170+00

175+00

180+00

185+00



STATE OF NEW MEXICO

NMSR 172

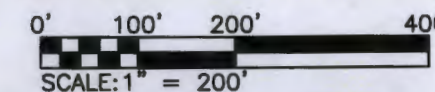
STATE OF NEW MEXICO

PLANVIEW 4a of 16

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RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS
Date: April 17, 2010



Aerial Imagery: USDA July 2009

190+00

195+00

200+00

205+00

210+00

215+00

220+00



STATE OF NEW MEXICO

NMSR 172

STATE OF NEW MEXICO

ROBERT W. MARLEY

STATE OF NEW MEXICO

PLANVIEW 4b of 16

220+00

225+00

230+00

235+00

240+00

245+00

250+00

STATE OF NEW MEXICO

ROBERT W. MARLEY

NMSR 172

STATE OF NEW MEXICO

ROBERT W. MARLEY

PLANVIEW 5a of 16

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RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS

Date: April 17, 2010

0' 100' 200' 400'
SCALE: 1" = 200'

Aerial Imagery: USDA July 2009

+00

255+00

260+00

265+00

270+00

275+00

280+00

ROBERT W. MARLEY

STATE OF NEW MEXICO

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ROBERT W. MARLEY

STATE OF NEW MEXICO

PLANVIEW 5b of 16

285+00

290+00

295+00

300+00

305+00

310+00

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PLANVIEW 6a of 16

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RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS

Date: April 17, 2010

0' 100' 200' 400'
SCALE: 1" = 200'

Aerial Imagery: USDA July 2009

0+00

STATE OF
NEW MEXICO

315+00

320+00

325+00

330+00

335+00

340+00

LEE CASTLE COMPANY

STATE OF
NEW MEXICO

MP 6

NMSR 172

ROBERT W.
MARLEY

ROY F. PEARCE, JR.

PLANVIEW 6b of 16



345+00

350+00

355+00

360+00

365+00

370+00

375+00

LEE CATTLE COMPANY

NMSR 172

ROY F. PEARCE, JR.

MP 7

STATE OF NEW MEXICO

Parcel Map Discrepancy from
Chaves County GIS

ROY F. PEARCE, JR.

PLANVIEW 7a of 16

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375+00

380+00

385+00

390+00

395+00

400+00

405+00

STATE OF NEW MEXICO

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ROY F. PEARCE, JR.

PLANVIEW 7b of 16



PLANVIEW 8a of 16

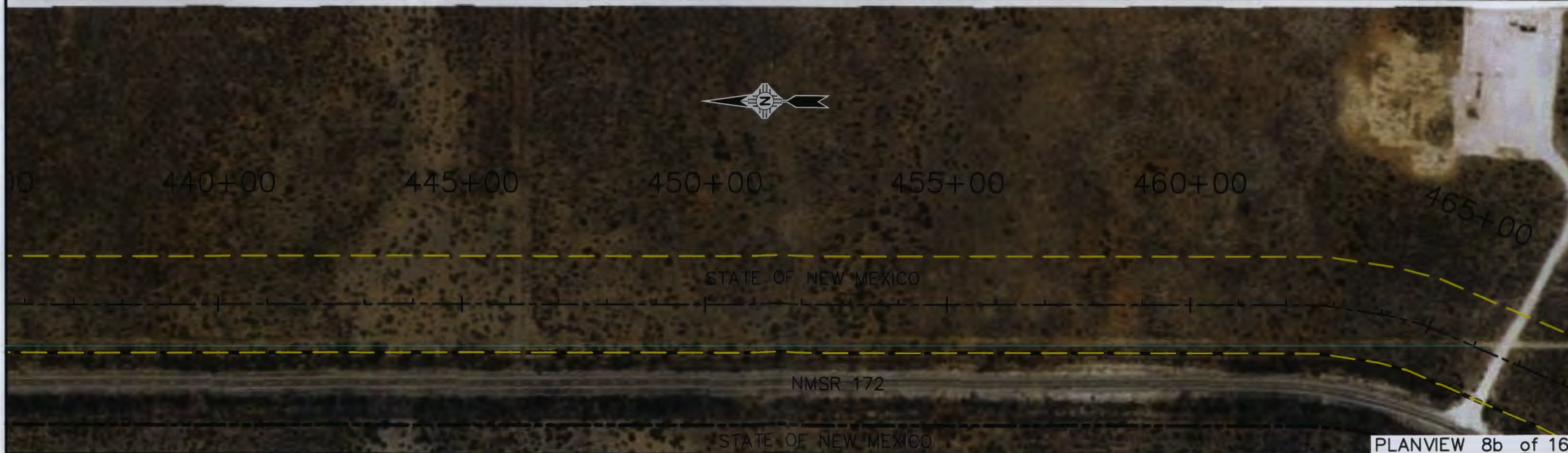
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Aerial Imagery: USDA July 2001



PLANVIEW 8b of 16



PLANVIEW 9a of 16

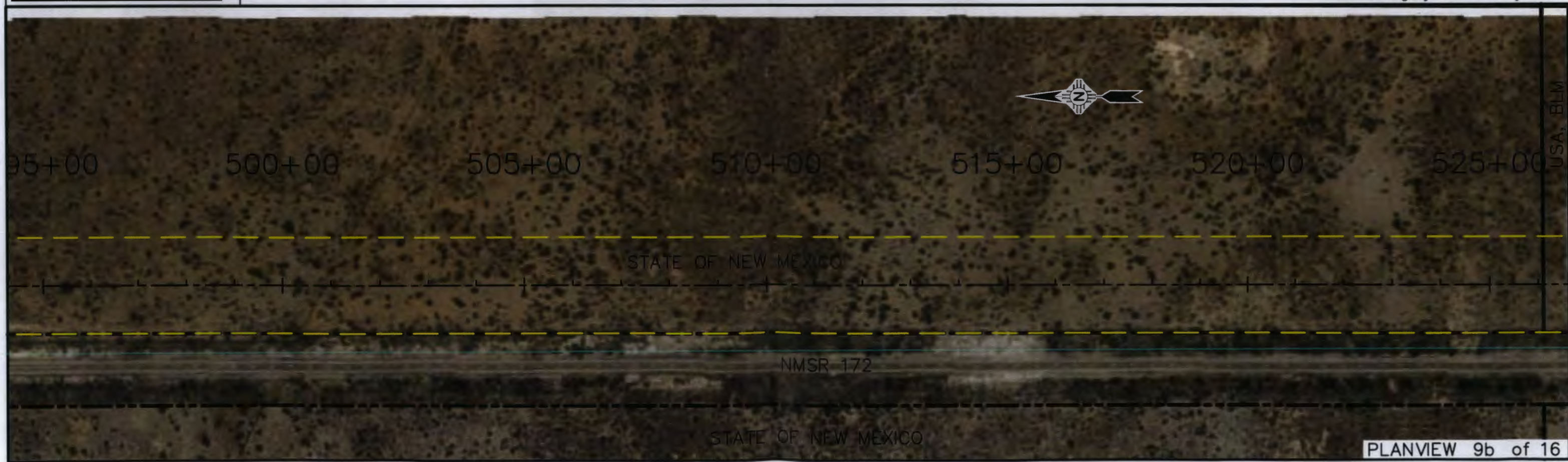
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RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS
 Date: April 17, 2010

0' 100' 200' 400'
 SCALE: 1" = 200'

Aerial Imagery: USDA July 2009



PLANVIEW 9b of 16

STATE OF
NEW MEXICO



530+00

535+00

540+00

545+00

550+00

555+00

UNITED STATES OF AMERICA, BLM

CINDY GRAHAM CHOAT

MP 10

NMSR 172

UNITED STATES OF AMERICA, BLM

CINDY GRAHAM CHOAT

PLANVIEW 10a of 16

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RECONNAISSANCE MAPPING

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0' 100' 200' 400'

SCALE: 1" = 200'

Aerial Imagery: USDA July 2009



560+00

565+00

570+00

575+00

580+00

585+00

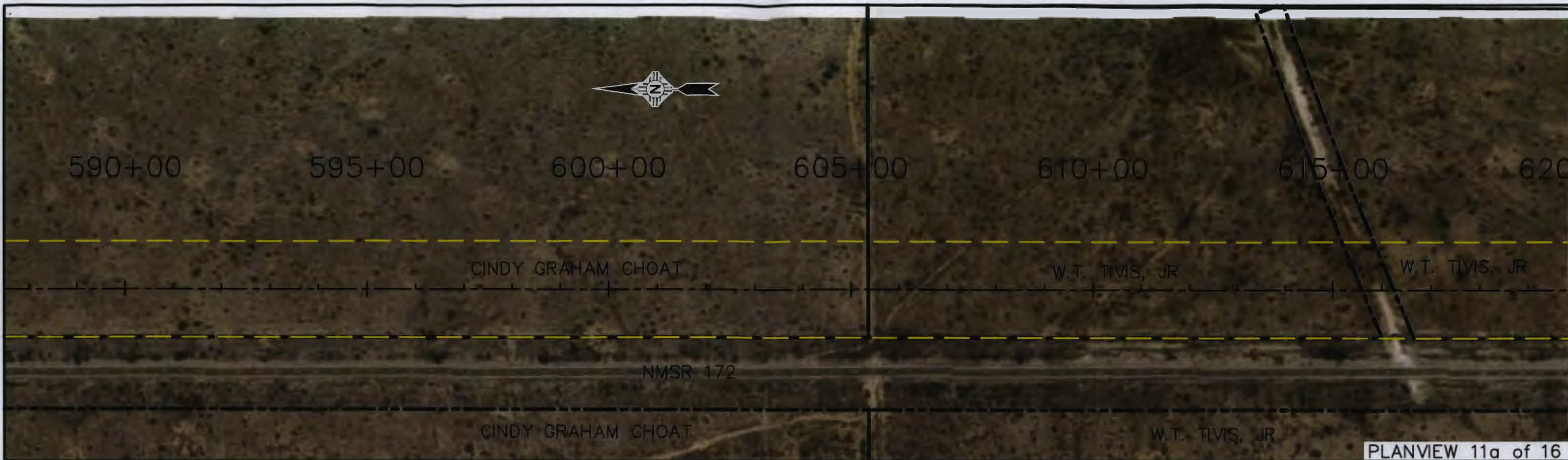
CINDY GRAHAM CHOAT

NMSR 172

CINDY GRAHAM CHOAT

MP 11

PLANVIEW 10b of 16



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RECONNAISSANCE MAPPING

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Date: April 17, 2010

0' 100' 200' 400'
SCALE: 1" = 200'

Aerial Imagery: USDA July 2009



0+00 655+00 660+00 665+00 670+00 675+00 680+00



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NMSR 172

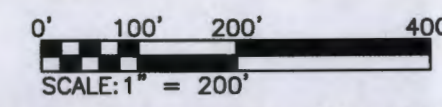
W.T. TIVIS, JR

PLANVIEW 12a of 16

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(575) 894-0664 • Email: dcope land@valornet.com

RECONNAISSANCE MAPPING

Prepared by: Douglas W. Copeland, PEPS
Date: April 17, 2010



Aerial Imagery: USDA July 2009

0 685+00 690+00 695+00 700+00 705+00 710+00



STATE OF
NEW MEXICO

WANDA L. WILLIAMS

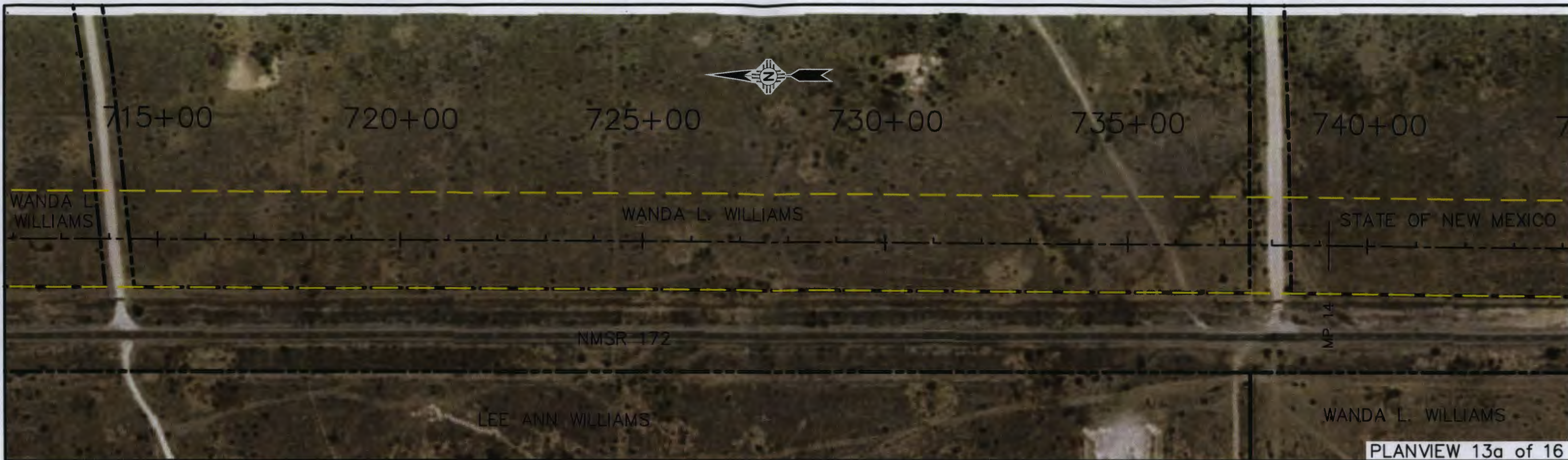
NMSR 172

W.T. TIVIS, JR

WANDA L. WILLIAMS

LEE ANN
WILLIAMS

PLANVIEW 12b of 16



PLANVIEW 13a of 16

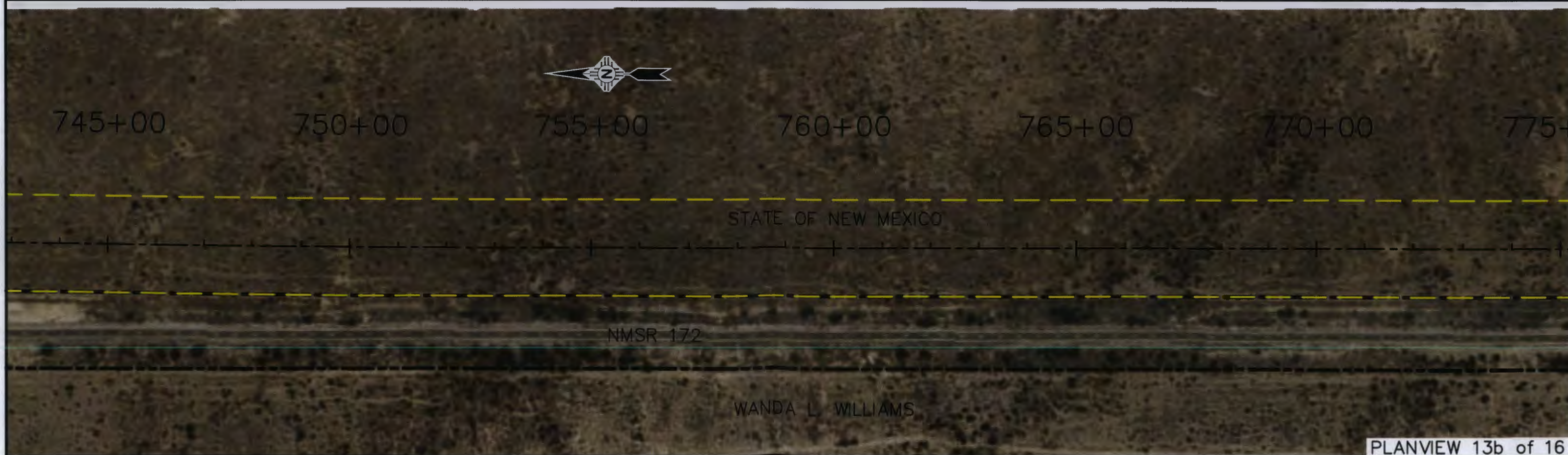
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0' 100' 200' 400'
SCALE: 1" = 200'

Aerial Imagery: USDA July 2009



PLANVIEW 13b of 16

775+00

780+00

785+00

790+00

795+00

800+00

805+00



STATE OF NEW MEXICO

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MP 15

WANDA L. WILLIAMS

STATE OF NEW MEXICO

PLANVIEW 14a of 16

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0' 100' 200' 400'
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Aerial Imagery: USDA July 2000



+00

810+00

815+00

820+00

825+00

830+00

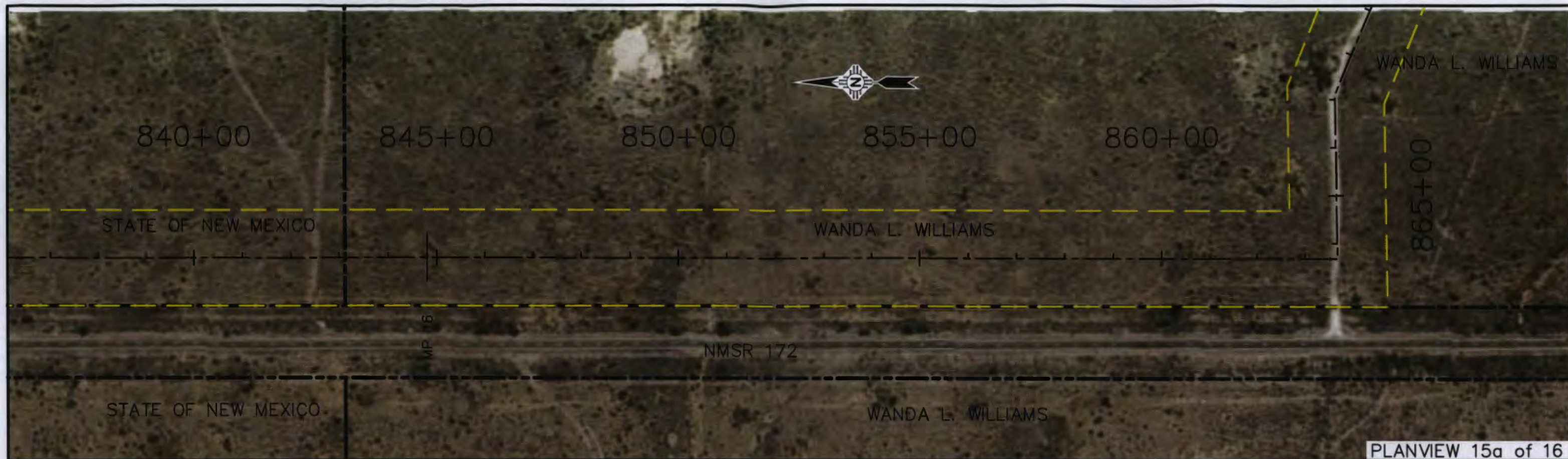
835+00

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PLANVIEW 14b of 16



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895+00

900+00

905+00

910+00

915+00

920+00

925+00

WANDA L. WILLIAMS

WANDA L. WILLIAMS

PLANVIEW 16a of 16

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925+00

930+00

935+00

940+00

945+00

950+00

WANDA L. WILLIAMS

CAPROCK LAND & CATTLE, LLC

WANDA L. WILLIAMS

CAPROCK LAND & CATTLE, LLC

MP 17.98

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