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October 6, 2011

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14754

Dear Florene:

Enclosed for filing, on behalf of Celero Energy II, L.P., is an application for approval of unit expansion, etc., together with a proposed advertisement. Please set this matter for the November 10, 2011 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Celero Energy II, L.P.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF CELERO ENERGY II, LP
TO APPROVE THE EXPANSION OF THE
DRICKEY QUEEN SAND UNIT AREA, AND
TO CONSOLIDATE SECONDARY RECOVERY
PROJECTS WITHIN THE EXPANDED UNIT
AREA, CHAVES COUNTY, NEW MEXICO.

Case No. 14754

APPLICATION

Celero Energy II, LP, for its application, states:

1. Applicant is the operator of the Drickey Queen Sand Unit Area (the "Unit Area"), originally approved by Commission Order No. R-1477.
2. The Unit Area has been expanded at various times since it was originally approved, and under Division Order No. R-1477-A it now covers the lands described below:

Township 13 South, Range 31 East, N.M.P.M.

Section 33: E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$
Section 34: S $\frac{1}{2}$
Section 35: NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$

Township 14 South, Range 31 East, N.M.P.M.

Section 1: Lots 3, 4, and SW $\frac{1}{4}$ NW $\frac{1}{4}$
Section 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, and S $\frac{1}{2}$ (All)
Section 3: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, and S $\frac{1}{2}$ (All)
Section 4: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$
Section 9: All
Section 10: All
Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 14: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 15: All
Section 16: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$
Section 22: N $\frac{1}{2}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing 7002.52 acres, more or less, of federal, state, and fee lands.

3. Applicant requests permission to expand the unit to include the following 240.24 acres of federal lands:

Township 14 South, Range 31 East, N.M.P.M.

Section 4: W½SW¼

Section 5: Lot 1, SE¼NE¼, and E½SE¼

4. Applicant is seeking approval of the proposed expansion from the Bureau of Land Management and the Commissioner of Public Lands.

5. The Unit Area was formed for purposes of instituting a secondary recovery project in a portion of the Caprock-Queen Pool. All of the tracts in the current Unit Area are subject to Division-approved secondary recovery operations under Order No. R-1477-A.

6. The expansion lands are subject to a Division-approved secondary recovery operation in the Caprock-Queen Pool under Order No. R-12912, as amended. The approved injection wells within the expansion lands are as follows:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Trigg Federal No. 30 (n/k/a DQSU No. 830)	30-005-00991	2310' FSL & 990' FWL (Unit L) §4
Trigg Federal No. 29 (n/k/a DQSU No. 829)	30-005-00990	660' FSL & 990' FWL (Unit M) §4
Trigg Federal No. 35 (n/k/a DQSU No. 835)	30-005-00996	1989' FNL & 330' FEL (Unit H) §5
Trigg Federal No. 34	30-005-00995	1650' FSL & 330' FEL (Unit I) §5
Trigg Federal No. 36	30-005-00997	335' FNL & 330' FEL (Unit A) §5

7. Incorporating the additional lands and wells into the Drickey Queen Sand Unit Secondary Recovery Project will allow applicant to conduct secondary recovery operations in a more efficient and effective method.

8. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Celero Energy II LP

PROPOSED ADVERTISEMENT

Case No. 14754

Application of Celero Energy II, LP to approve the expansion of the Drickey Queen Sand Unit Area and to consolidate secondary recovery projects within the expanded unit area, Chaves County, New Mexico. Applicant seeks an order approving the expansion of the Drickey Queen Sand Unit Area, covering 7002.52 acres, to include 240.24 acres of land not originally within the unit area. The unit area, as expanded, contains 7242.76 acres of federal, state, and fee lands covering all or parts of 33-35, Township 13 South, Range 31 East, N.M.P.M., and Sections 1-5, 9-11, 14-16, and 22, Township 14 South, Range 31 East, N.M.P.M. Applicant further seeks the consolidation of existing Division-approved secondary recovery projects covering the lands in the unit area, as expanded, into a single project for the Drickey Queen Sand Unit Area. The unit area is centered approximately 19-1/2 miles south-southwest of Caprock, New Mexico.

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