



Celero Energy

John E. Lodge

Vice President - Land

October 12, 2012

**RE: Request for Ratification of Unit Agreement for the
Development and Operation of the North Caprock Celero Queen Unit
Chaves and Lea Counties, New Mexico**

Ladies and Gentlemen:

Please be advised that Celero Energy II, LP ("Celero") has obtained preliminary approval from the State Land Office of New Mexico of the North Caprock Celero Queen Unit (hereinafter referred to as NCCQ Unit) covering approximately 2846.66 acres of land located in Chaves and Lea Counties, New Mexico. We are currently in the process of seeking approval of said Unit from the Oil Conservation Division of the State of New Mexico. Over the past five (5) years, Celero has been developing the Rock Queen Unit as a secondary and tertiary recovery project, and are encouraged by the results of our injection of CO₂ into the Queen formation, that is located at a depth of approximately 3000 feet. The Rock Queen Unit is located approximately 2 miles south of the southern boundary of the NCCQ Unit and we anticipate conducting similar operations on the NCCQ Unit as previously utilized in our Rock Queen Unit.

You are the owner of a royalty or overriding royalty interest associated with an Oil and Gas Lease covering a portion of the land that will be included within the NCCQ Unit. I have enclosed for your reference, a copy of the Unit Agreement for said NCCQ Unit. To assist in the unitization of your royalty or overriding royalty interest within this Unit, I have also enclosed four (4) duplicate original Ratifications for this Unit.

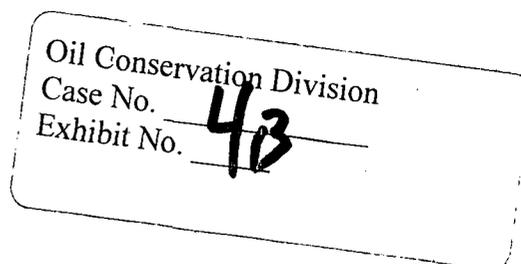
We hereby request that the owners of all royalty and overriding royalty interest to be included in the NCCQ Unit execute the enclosed Ratifications of the NCCQ Unit Agreement and have your signature acknowledged before a duly authorized Notary Public. Upon final execution and acknowledgment, please retain one (1) original for your files and return the remaining three (3) originals in the enclosed self-addressed, stamped envelope.

Thank you in advance for your assistance in this regard, and if you have any questions, please do not hesitate to contact me.

Best Regards,

John E. Lodge
Vice President, Land

JEL/lrw
Enclosures

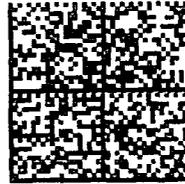


Address List for Letter dated October 12, 2012

Crown Oil Partners IV, LP
303 Verterans Air Park Lane, Suite 600
Midland, Texas 79705

Charles D. Ray
P.O Box 51608
Midland, Texas 79710

Record Title Interest Owners in the North Caprock Celero Queen Unit



HASLER
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\$2.10⁰
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Celero Energy

400 West Illinois Avenue, Suite 1601
Midland, TX 79701

Crown Oil Partners IV, LP
303 Verterans Air Park Lane, Suite 600
Midland, Texas 79705

Attn: Brian Arnold, Jr.



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HASSELLER

\$2.10g

10/12/2012

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Celero Energy

400 West Illinois Avenue, Suite 1601
Midland, TX 79701

Charles D. and Lynne W. Ray
P.O Box 51608
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