

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

**APPLICATION OF CELERO ENERGY II, LP TO
INSTITUTE A WATERLOOD PROJECT AND
TERTIARY RECOVERY PROJECT FOR THE
NORTH CAPROCK CELERO QUEEN UNIT AREA,
CHAVES AND LEA COUNTIES, NEW MEXICO.**

Case No. 14915

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce, being duly sworn upon his oath, deposes and states:

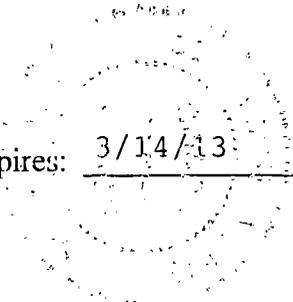
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Celero Energy II, LP.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the surface owners and offset interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

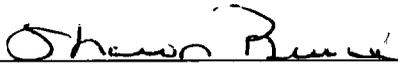


James Bruce

SUBSCRIBED AND SWORN TO before me this 28th day of November, 2012 by James Bruce.

My Commission Expires: 3/14/13





Notary Public

Oil Conservation Division
Case No. 7
Exhibit No. 1

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

October 11, 2012

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

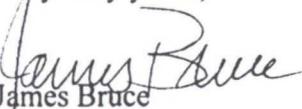
Ladies and gentlemen:

Enclosed is a copy of an application to institute waterflood and tertiary recovery project for the North Caprock Celero Queen Unit, filed with the New Mexico Oil Conservation Division by Celero Energy II, LP.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, November 1, 2012, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as a surface owner or an offset operator or working interest owner who may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required to file a Pre-Hearing Statement no later than Thursday, October 25, 2012. This statement must be filed with the Division's Santa Fe office at the above address, and with the undersigned, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing.

Very truly yours,


James Bruce

Attorney for Celero Energy II, LP

EXHIBIT A

cc: Oil Conservation Division (Hobbs Office) w/encl.

010 390 000 060 010

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 2.70	0500
Certified Fee	\$2.95	
Return Receipt Fee (Endorsement Required)	\$2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 8.00	

SANTA FE NM 87501
 POST HERE
 OCT 12 2012
 USPS

Sent To: Commissioner of Public Lands
 Street, Apt. No.: P.O. Box 1148
 or PO Box No. Santa Fe, New Mexico 87504
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Oil Conservation Division (Hobbs Office)
 1625 N. French Drive
 Hobbs, New Mexico 88240

2. Article Number: 7010 3090 0000 2336 1126
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt *Celero* 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): _____ C. Date of Delivery: 10-15-12

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Commissioner of Public Lands
 P.O. Box 1148
 Santa Fe, New Mexico 87504

2. Article Number: 7010 3090 0000 2336 1133
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt *Celero* 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): _____ C. Date of Delivery: _____

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

010 390 000 060 010

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