

3 IN THE MATTER OF THE HEARING CALLED
4 BY THE OIL CONSERVATION DIVISION FOR
5 THE PURPOSE OF CONSIDERING:

5 APPLICATION OF CELERO ENERGY II, LP
6 TO EXPAND THE WATERFLOOD PROJECT AND
7 TERTIARY RECOVERY PROJECT FOR THE
8 ROCK QUEEN UNIT, AND TO QUALIFY THE
9 EXPANDED PROJECT FOR THE RECOVERED
10 OIL TAX RATE.

CASE NO. 14942

ORIGINAL

10 REPORTER'S TRANSCRIPT OF PROCEEDINGS

11 EXAMINER HEARING

12
13 BEFORE: RICHARD EZEANYIM, CHIEF EXAMINER
14 DAVID K. BROOKS, LEGAL EXAMINER
15 PHILLIP GOETZE, TECHNICAL EXAMINER

16 February 21, 2013

17 Santa Fe, New Mexico

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18 This matter came on for hearing before the
19 New Mexico Oil Conservation Division, Richard Ezeanyim,
20 Chief Examiner, and David K. Brooks, Legal Examiner, and
21 Phillip Goetze, Technical Examiner, on Thursday,
22 February 21, 2013, at the New Mexico Energy, Minerals
23 and Natural Resources Department, 1220 South St. Francis
24 Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

25 REPORTED BY: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102

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APPEARANCES

FOR APPLICANT CELERO ENERGY II, LP:

JAMES G. BRUCE, ESQ.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

INDEX

PAGE

Case Number 14942 Presented by Affidavit	3
Proceedings Conclude	5
Certificate of Court Reporter	6

EXHIBITS OFFERED AND ADMITTED

Celero Energy II, LP Exhibit Letter X	4
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1 (8:23 a.m.)

2 EXAMINER EZEANYIM: Okay. Now I want to
3 take something that is going to be easy. What I would
4 like to do is go to page 2. This case has been heard,
5 and then it was continued for some notice requirement.
6 So I'll call this case first, and then I'll call the
7 cases according to what the docket says. We're going to
8 get out of here in an hour, I think.

9 If there is no objection, then I'll call
10 that case, 14942. This case was continued from January
11 4th of this year. This is the application of Celero
12 Energy II, LP to expand waterflood project and tertiary
13 recovery project for the Rock Queen Unit, and to qualify
14 the expanded project for the recovered oil tax rate,
15 Chaves and Lea Counties, New Mexico.

16 Call for appearances.

17 MR. BRUCE: Mr. Examiner, Jim Bruce of
18 Santa Fe representing the Applicant.

19 I simply have an affidavit to submit.

20 Mr. Examiner, as you said, the case was
21 presented awhile back. I forget the exact hearing date,
22 but we had -- we discovered one additional operator who
23 needed to be notified. Plus, there was -- or, actually,
24 two operators we needed to notify. So a notice letter
25 has been sent to them, and both parties did receive

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actual notice. So I'd move the admission of Exhibit X
and request that the matter be taken under advisement.

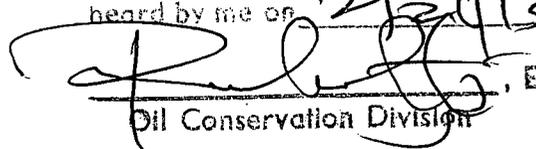
EXAMINER EZEANYIM: Exhibit X will be
admitted.

(Celero Energy Exhibit Letter X was offered
and admitted into evidence.)

EXAMINER EZEANYIM: Case Number 14942 will
be taken under advisement for a second time.

(Case Number 14942 concludes, 8:26 a.m.)

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14942
heard by me on 2/24/13


_____, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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CERTIFICATE OF COURT REPORTER

I, MARY C. HANKINS, New Mexico Certified Court Reporter No. 20, and Registered Professional Reporter, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that were reduced to printed form by me to the best of my ability.

I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects the exhibits, if any, offered by the respective parties.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this case.



MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2013