



# Celero Energy

May 12, 2010

**SEE ATTACHED ADDRESS LIST**

Re: Revised Unit Agreement and Unit operating Agreement  
Rock Queen Unit  
Lea and Chaves Counties, New Mexico

Ladies and Gentlemen:

As you know Celero Energy II, LP acquired the Rock Queen Unit, Lea and Chaves Counties, New Mexico ("Property") in June of 2007. We have spent quite a lot of money in trying to enhance the production and generally bringing the Property up to compliance with the New Mexico Energy, Minerals and Natural Resources Department, ("OCD").

One of our early objectives for the Property was to initiate a pilot for CO2 injection. In that regard we are moving forward in laying an 18 mile line, from a delivery point operated by Kinder Morgan, to provide CO2 for this pilot. We expect to secure final approval for this CO2 flood from the OCD very soon, and with this new development we felt it was prudent to enter into updated governing agreements for this project. For your information, we anticipate that the costs associated with this pilot this year to be approximately \$16MM, and if successful we would expect a very significant increase in production.

Therefore, attached for your review and execution are the updated Unit Agreement and Unit Operating Agreement for the Property. Also enclosed is a set of execution pages for each agreement. If all is in order, please execute both the agreements as well as the execution pages and return the execution pages to the undersigned. I have enclosed a self addressed and postage paid envelope for your assistance. The agreements should then be retained for your files.

Thank you for your assistance in this regard and please advise should you have any questions or comments regarding the above.

Sincerely:

Celero Energy II, LP

James C. Gresham, Jr. CPL  
Land Director

Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. 10

EXHIBIT A

John Owen  
2282 Highway 15  
Rayville, Louisiana 71269

Robert Owen  
3535 Gillespie Street  
Dallas, Texas 75219

Mark Mourne  
605 Canon Ridge Trail  
Canon City, Colorado 81212-9130

Lisa Owen  
7729 Idlewood  
Dallas, Texas 75230

Jean Elizabeth Summers  
1833 Earlmont Avenue  
La Canada Flintridge, California 91011-1502

Manforth Production Co., Inc.  
Attn: Theodore N. Danforth  
P. O. Box 508  
Locust Valley, New York 11560

OBO Inc.  
Attn: Cathy Rangel  
P. O. Box 22577  
Hialeah, Florida 33002

Circle Ridge Production, Inc.  
Attn: Doug Friedel  
300 East Northside Drive  
Fort Worth, Texas 76106

Dorothy Elizabeth Clardy Barnette  
Attn: Stephen Barnette  
4339 Potomac  
Dallas, Texas 75205