DATE IN 1.27.12	SUSPENSE	ENGINEER TW	LOGGED IN 1.27.12	TYPE WFX	APP NO. 1202752153

PTGW

ABOVE THIS LINE FOR DIVISION USE ONLY 895

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

Celero 247128

TD POPE 36 #5

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-05213

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

E 36-14S-37E

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
■ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

Feel Lea

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ■ Working, Royalty or Overriding Royalty Interest Owners

R-13387

[B] ■ Offset Operators, Leaseholders or Surface Owner

[C] ■ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ■ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach	David Catanach	Agent for Celero Energy II, LP
Print or Type Name	Signature	Title
	1/27/12	drcatanach@netscape.com
	Date	E-Mail Address

January 27, 2012

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

HAND DELIVERED

Re: Form C-108
Celero Energy II, LP
Denton Devonian Waterflood Project
Denton-Devonian Pool (16910)
Lea County, New Mexico

Dear Ms. Bailey,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the Denton Devonian Waterflood Project. Division Order No. R-13387, as amended, dated May 5, 2011 approved secondary recovery operations within a pilot project area comprising the S/2 SW/4 of Section 25 and W/2 NE/4 & NW/4 of Section 36, all in Township 14 South, Range 37 East, NMPM, Lea County, New Mexico. Celero Energy II, LP proposes to convert the T D Pope 36 Well No. 5 (API No. 30-025-05213) located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 36 from a producing well to an injection well in order to complete an efficient production/injection pattern within the pilot project area.

Also attached is a request and justification to set the injection packer in the well approximately 186'-316' above the uppermost injection perforations.

All the required information is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,

David Catanach

David Catanach
Agent for Celero Energy II, LP
400 W. Illinois, Suite 1601
Midland, Texas 79701

Xc: OCD-Hobbs

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: ___X___ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? ___X___ Yes _____ No

II. OPERATOR: Celero Energy II, LP

ADDRESS: 400 W. Illinois Avenue Suite 1601 Midland, Texas 79701

CONTACT PARTY: Mr. David Catanach PHONE: (505) 690-9453

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ___X___ Yes _____ No
If yes, give the Division order number authorizing the project: R-13387 issued in Case No. 14612 on May 5, 2011

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: David Catanach TITLE: Agent for Celero Energy II, LP

SIGNATURE: David Catanach DATE: 1/27/12

E-MAIL ADDRESS: drcatanach@netscape.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application
Celero Enegy II, LP
T D Pope 36 Well No. 5
API No. 30-025-05213
1980' FNL & 330' FWL (Unit E)
Section 36, T-14S, R-37E, NMPM
Lea County, New Mexico

I. The purpose of the application is to request approval to convert the T D Pope 36 No. 5 to a water injection well within the Denton Devonian Waterflood Project.

II. Celero Energy II, LP
400 W. Illinois
Suite 1601
Midland, Texas 79701
Contact Party: Mr. David Catanach (505) 690-9453

III. Injection well data sheet and wellbore schematic diagrams showing the current and proposed wellbore configurations are attached.

IV. This is an expansion of the Denton Devonian Waterflood Project that was approved by Order No. R-13387 issued in Case No. 14612 on May 5, 2011.

V. Enclosed are maps that identify all wells/leases within a 2-mile radius of the proposed injection well and a map that identifies the ½ mile "Area of Review" ("AOR").

VI. AOR well data is attached. Well construction data and plugging schematics for many of the AOR wells was previously submitted in Case No. 14612, and consequently, that data is not presented in this application. Well construction data and plugging schematics for all existing wells within the AOR that penetrate the Devonian formation that was not previously submitted is attached. An examination of AOR data indicates that all AOR wells are adequately cased, cemented and/or plugged and abandoned in order to preclude the movement of fluid from the injection zone into other formations or fresh water aquifers.

VII. 1. The average injection rate is anticipated to be approximately 20,000 BWPD. The maximum rate will be approximately 20,000 BWPD. If the average or maximum rates increase in the future, the Division will be notified.

2. This will be a closed system.

Perfs 12,116-12,619

3. Celero Energy II, LP will initially inject water into the subject well at a surface pressure that is in compliance with the Division's limit of ~~0.2~~ psi/ft., ~~or 2,423 psi.~~ Subsequent to obtaining approval for injection, a step rate injection test may be conducted on the subject well, if necessary, in order to obtain a higher surface injection pressure.

4. Produced water from the Denton-Devonian Pool originating from Celero Energy II, LP operated wells in this area will be injected into the subject well.

5. Injection is to occur into a formation that is oil productive.

VIII.

Geologic Age:	Devonian
Geologic Name:	Devonian
Gross Thickness:	1,100 Feet
Lithology:	Dolomite and Limestone
USDW's:	Ogallala is present at a maximum depth of 193'according to attached data obtained from the New Mexico State Engineer's Office.

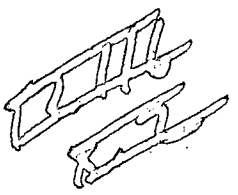
IX. Well will be stimulated with 10,000 gals. of 15% HCL.

X. Logs were filed at the time of drilling. – 1954

XI. Attached is a fresh water analysis obtained from a fresh water well located within one-mile of the T D Pope 36 No. 5. This water analysis shows total dissolved solids to be approximately 1,928 mg/l.

XII. Affirmative statement is enclosed.

XIII. Proof of Notice is enclosed.



Supplemental Attachment
Form C-108: T D Pope 36 No. 5
Packer Setting Depth Exception

Celero Energy II, LP ("Celero") respectfully requests authorization to set a packer on injection tubing in the T D Pope 36 Well No. 5 at a depth more than 100 feet above the uppermost injection perforations. The planned injection interval in the subject well is the Devonian Formation which occurs below 12,101 feet. The packer is proposed to be set at a depth between 11,800 feet and 11,930 feet, with tailpipe extending below the packer a distance of approximately 62 feet (See attached wellbore schematic).

The T D Pope 36 No. 5 has a liner set and cemented through the Devonian Formation with the top of the liner at 11,976 feet and the bottom at 13,800 feet. Our preference for an injection string in this well is 3-1/2" internally plastic-coated tubing. Setting a packer within 100 feet of our planned completion in the Devonian through perforations from 12,116'-12,619' would require that we use a limited amount of 2-3/8" tubing from the top of the liner at 11,976 feet to 12,116 feet.

The mechanical condition of the wellbore is such that we request authorization to set the injection packer in the 7" production casing in the interval from 11,800'-11,930' because the use of 2-3/8" tubing and a packer in the liner presents a number of concerns. First off, it would most likely be difficult and costly to recover 2-3/8" tubing or a packer from the liner should either fail. At this depth, tight clearances along with the possibility of corrosion and/or erosion limit recovery options while increasing cost and risk. Secondly, the velocity of the injected fluid through 3-1/2" tubing exceeds normal engineering convention of that for 2-3/8" tubing by roughly 300%. Setting a packer in the 7" casing above the top of the liner mitigates these concerns. Lastly, it is questionable that setting a packer 100 feet above the top perforation would enable Celero to get a satisfactory mechanical integrity test due to the limited overlap between the top of the liner at 11,976 feet and the top perforation at 12,116 feet. In the event Celero was able to get a satisfactory initial test, it is doubtful that the integrity would be maintained for any appreciable amount of time once injection is started.

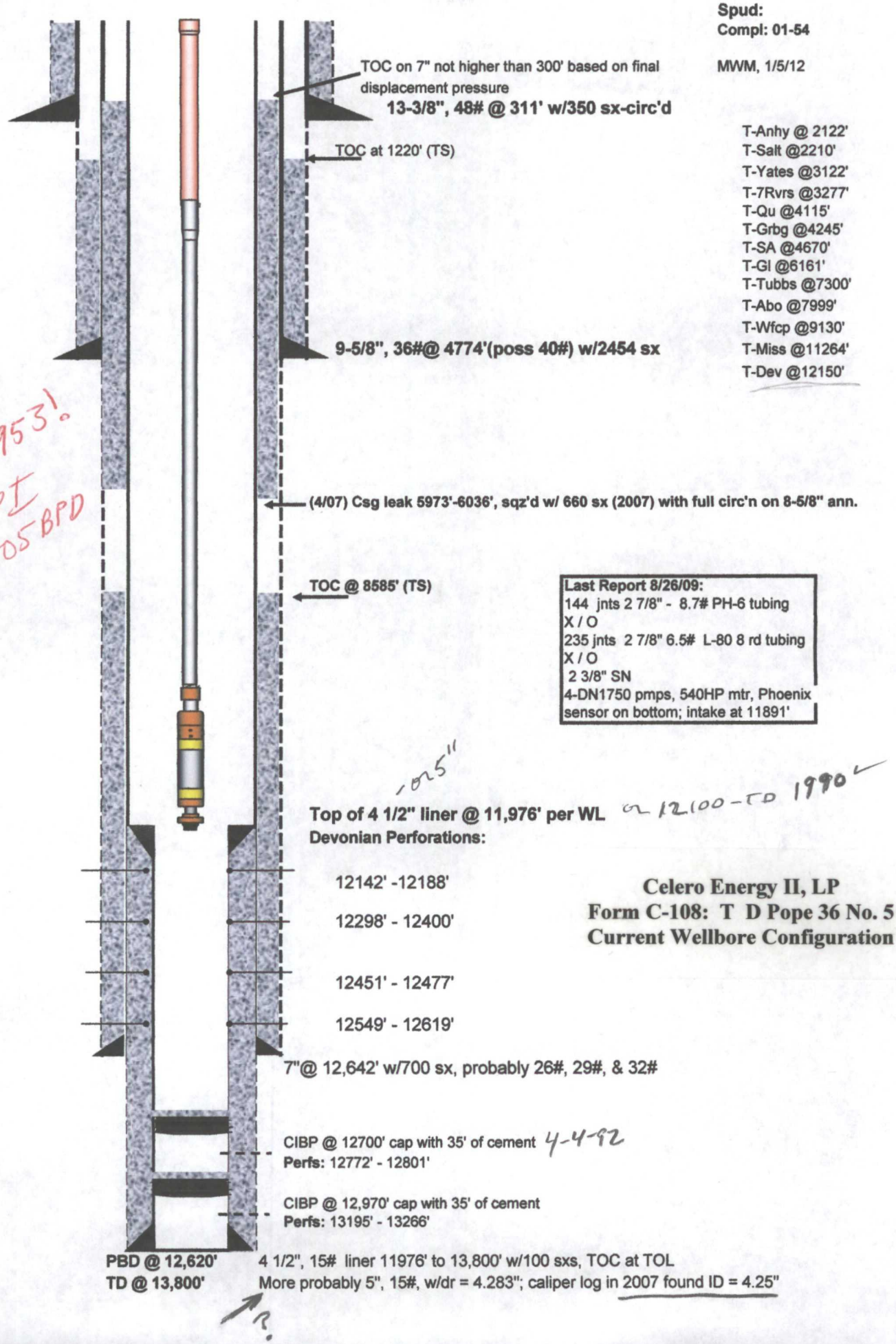
The requested packer setting depth of 11,800'-11,930' allows Celero the flexibility to position the packer/injection string in a manner that should provide a satisfactory mechanical integrity test of the 7" casing. Any depth below 11,800 feet decreases the likelihood of a successful packer set and mechanical integrity test due to past milling and fishing operations by a previous operator. Injected fluid should remain confined to the Devonian even though the proposed packer setting would be as much as 316' above the top perforation. The attached log section shows that the Devonian at 12,101 feet is bounded above by roughly 100 feet of the Woodford shale. A tight, Mississippian shaley-limestone/limestone section immediately above the Woodford Shale extends for at least another 400 feet. Both zones are effective barriers to flow, neither zone produces in the area, and injection into either zone is extremely unlikely in the event a hole were to develop in the casing between the injection packer and top perforation in the Devonian Formation at 12,116 feet.

In choosing a setting depth for the injection packer once the well is cleaned out, it is our intention to run a casing inspection log in order to pick the deepest point below 11,800 feet where a packer will get a good set. A new string of 3-1/2" plastic coated tubing would then be run and set at that depth.

T. D. Pope "36" # 5 - 1980' FNL & 330' FWL of Sec. 36, T-14S, R37E - Unit Letter "E"
API # 30-025-05213

Spud:
Compl: 01-54

MWM, 1/5/12



T-Anhy @ 2122'
T-Salt @2210'
T-Yates @3122'
T-7Rvrs @3277'
T-Qu @4115'
T-Grbg @4245'
T-SA @4670'
T-Gl @6161'
T-Tubbs @7300'
T-Abo @7999'
T-Wfcp @9130'
T-Miss @11264'
T-Dev @12150'

12-21-1953
IPI
150 BPD

Last Report 8/26/09:
144 jnts 2 7/8" - 8.7# PH-6 tubing
X / O
235 jnts 2 7/8" 6.5# L-80 8 rd tubing
X / O
2 3/8" SN
4-DN1750 pmps, 540HP mtr, Phoenix sensor on bottom; intake at 11891'

.025"

@ 12100 - TD 1990

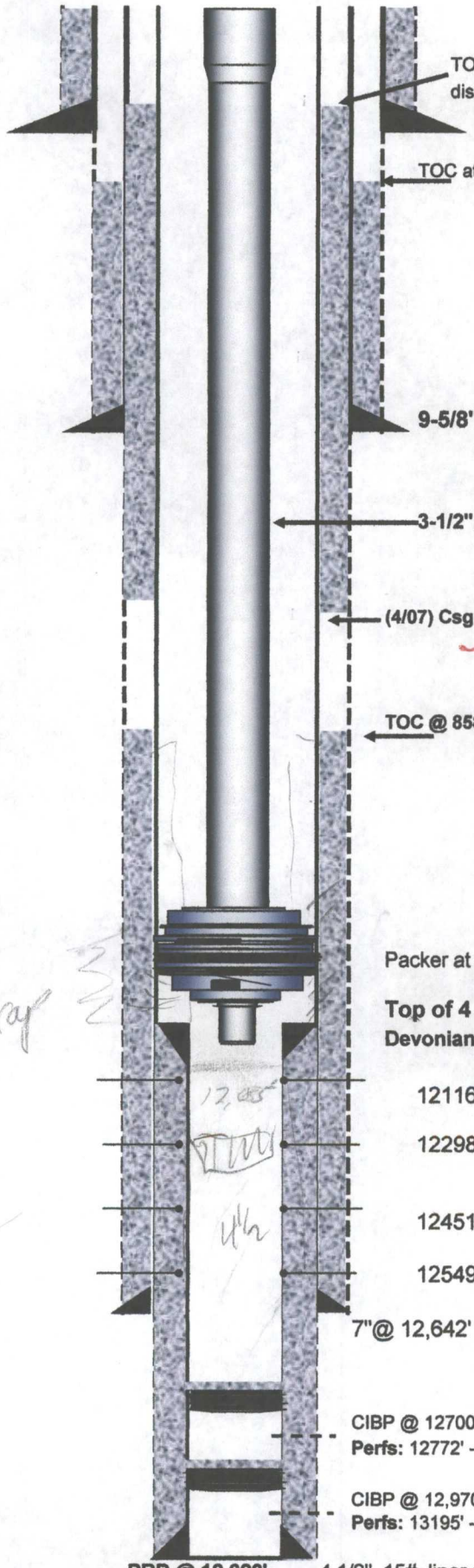
4-4-92

Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
Current Wellbore Configuration

T. D. Pope "36" # 5 - 1980' FNL & 330' FWL of Sec. 36, T-14S, R37E - Unit Letter "E"
API # 30-025-05213

Spud:
Compl: 01-54

MWM, 1/5/12



TOC on 7" not higher than 300' based on final displacement pressure

13-3/8", 48# @ 311' w/350 sx-circ'd

TOC at 1220' (TS)

T-Anhy @ 2122'
T-Salt @2210'
T-Yates @3122'
T-7Rvrs @3277'
T-Qu @4115'
T-Grbg @4245'
T-SA @4670'
T-Gl @6161'
T-Tubbs @7300'
T-Abo @7999'
T-Wfcp @9130'
T-Miss @11264'
T-Dev @12150'

9-5/8", 36#@ 4774'(poss 40#) w/2454 sx

3-1/2", 9.3#, L-80, 8rd EUE IPC tubing

(4/07) Csg leak 5973'-6036', sqz'd w/ 660 sx (2007) with full circ'n on 8-5/8" ann.

TOC @ 8585' (TS)

Last Report 8/26/09:
144 jnts 2 7/8" - 8.7# PH-6 tubing
X / O
235 jnts 2 7/8" 6.5# L-80 8 rd tubing
X / O
2 3/8" SN
4-DN1750 pmps, 540HP mtr, Phoenix sensor on bottom; intake at 11891'

Packer at 11930' w/ 62' of 2-3/8" fiberglass tailpipe to 11992'

Top of 4 1/2" liner @ 11,976' per WL
Devonian Perforations:

12116' -12204'

12298' - 12400'

12451' - 12477'

12549' - 12619'

7"@ 12,642' w/700 sx, probably 26#, 29#, & 32#

CIBP @ 12700' cap with 35' of cement
Perfs: 12772' - 12801'

CIBP @ 12,970' cap with 35' of cement
Perfs: 13195' - 13266'

PBD @ 12,620'
TD @ 13,800'

4 1/2", 15# liner 11976' to 13,800' w/100 sxs, TOC at TOL
More probably 5", 15#, w/dr = 4.283"; caliper log in 2007 found ID = 4.25"

Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
Proposed Wellbore Configuration

PERFORATING GUNS ATLAS CORP.

SIMULTANEOUS RADIATION LOG

NATURAL GAMMA RADIATION — INDUCED NEUTRON RADIATION

LOCATION
1980' FNL
1650' FWL
SEC. 36

COMPANY SINCLAIR OIL & GAS COMPANY
WELL T.D. POPE # 8
FIELD DENTON
COUNTY LEA STATE NEW MEXICO
SECTION 36 TOWNSHIP 14-S RANGE 37-E
SURVEY B.L. & M.

LOG NO. 8210

LOG MEASURED FROM GROUND LEVEL ELEVATION 3801
DRILLING MEASURED FROM GROUND LEVEL ELEVATION 3801
PERMANENT DATUM GROUND LEVEL ELEVATION 3801

TYPE OF LOG	GAMMA RAY	BRONS NEUTRON		
RUN NUMBER	ONE	ONE		
DATE	6-26-54	6-26-54	JUL 9 1954	
TOTAL DEPTH (DRILLER)	12,603	12,603		
EFFECTIVE DEPTH P. G. A. C.	12,594	12,594		
TOP OF LOGGED INTERVAL	SURFACE	SURFACE		
BOTTOM OF LOGGED INTERVAL	12,589	12,593		
TYPE FLUID IN HOLE	FRESH WATER	FRESH WATER		
FLUID LEVEL	FULL	FULL		
MAXIMUM RECORDED TEMP.				
O. D. OF INSTRUMENT — INCHES	3 5/8	3 5/8		
TIME CONSTANT — SECONDS	5-3	5-3		
LOGGING SPEED — FEET/MINUTE	15-60	15-60		
STATISTICAL VARIATION — INCHES				
RECORDED BY	GOWIN	GOWIN		
WITNESSED BY	CRANE	CRANE		

FILE NUMBER
COMPANY SINCLAIR OIL & GAS CO.
WELL T.D. POPE # 8
FIELD DENTON
COUNTY LEA STATE N. M.
SEC. 36 TWP. 14-S RGE. 37-E
SURVEY B.L. & M.

CASING RECORD

RUN NO.	SIZE, IN.	WEIGHT, LB.	INTERVAL
ONE	9 5/8"		SURFACE TO 4780
ONE	7"		SURFACE T.D.

OPEN HOLE RECORD

BIT SIZE, IN.	INTERVAL
8 3/4	B.H. BEHIND 7" CSG.

REMARKS AND OTHER DATA

1954 Log

GAMMA RAY
MICRO-ROENTGENS PER HOUR

DEPTH
6

BRONS NEUTRON

11700
11800
11900
12000
12100
12200
12300
12400

APPARENT φ POROSITY
20 15 10 5 3 2

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: T D Pope 36 Well No. 5

WELL LOCATION:	1980' FNL & 330' FWL	E	36	14 South	37 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 ¼" Casing Size: 13 3/8" @ 311'
Cemented with: 350 Sx. or _____ ft³
Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 ¼" Casing Size: 9 5/8" @ 4,774'
Cemented with: 2454 Sx. or _____ ft³
Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 8 3/4" Casing Size: 7" @ 12,642'
Cemented with: 700 Sx. or _____ ft³
Top of Cement: 8,585' Method Determined: T.S.

Liner

Hole Size: 6" Casing Size: 4 ½" Liner 12,100'-13,800'
Cemented with: 180 Sx. or _____ ft³
Top of Cement: 12,100' Method Determined: Calculated

Total Depth: 13,800' Plug Back Total Depth: 12,620'

Injection Interval

Devonian Formation: 12,116'-12,619' Perforated

21 TP

Inactive
4 PA
1 TA

CELERO ENERGY II, LP
AREA OF REVIEW WELL DATA
T D POPE 36 WELL NO. 5

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSHP.	RNG.	DATE DRILLED	TOTAL DEPTH	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	COMPLETION	REMARKS
30-025-05199	Mobil Oil Corporation	DNWU Tract 6	27	P	PA	1980'	N	2180'	E	G	35	14S	37E	Sep-53	9,355'	PA'd Wolfcamp producing well. Total depth 9,355'. Did not penetrate Devonian injection interval												9,181'-9,206'	
30-025-33091	Collins & Ware, Inc.	T D Pope	34J		ND	2510'	S	1486'	E	J	35	14S	37E	Well never drilled. APD cancelled 1/15/1998															
30-025-40033	Celero Energy II, LP	T D Pope 35	34	P	Active	715'	N	1065'	E	A	35	14S	37E	May-11	12,917'	17 1/2"	13 3/8"	372'	495	Surface	Circ.	12 1/4"	9 5/8"	4,795'	1725	Surface	Circ.	12,115'-12,848'	CIBP @ 12,820'
																						8 3/4"	7"	12,015'	1084	5,356'	Calc.		
																						6 1/8"	4 1/2"	11,823'-12,917'	100	TOL	Calc.		
30-025-05190	Collins & Ware, Inc.	T D Pope	5	P	PA	1980'	N	1980'	E	G	35	14S	37E	Nov-52	12,342'	17 1/2"	13 3/8"	430'	450	Surface	Calc.	12 1/4"	8 5/8"	4,820'	3700	Surface	Calc.	12,010'-12,342'	Horizontal Well. PA'd 9/94.
																						6 3/4"	5 1/2"	4,584'-12,010'	940	TOL	Calc.		Schematic Attached
30-025-05193	Stephens & Johnson	T D Pope	13	P	PA	660'	N	1980'	E	B	35	14S	37E	Apr-53	12,635'	17 1/2"	13 3/8"	492'	525	Surface	Circ.	12 1/4"	8 5/8"	4,850'	2450	Surface	Circ.	11,970'-12,539'	PA'd 6/2006. Schematic Attached
																						7 7/8"	5 1/2"	4,653'-12,635'	1200	TOL	File		
30-025-05194	Stephens & Johnson	DNWU	20	P	Active	1980'	S	660'	E	I	35	14S	37E	May-53	12,632'	17 1/2"	13 3/8"	439'	475	Surface	Calc.	11"	8 5/8"	4,850'	2180	Surface	Circ.	12,149'-12,615'	CIBP @ 12,000' w/35' of cement
																						7 7/8"	5 1/2"	4,706'-12,632'	900	7,832'	Calc.	9,128'-9,175'	Active Wolfcamp completion
30-025-05211	Stephens & Johnson	DNWU	3	I	Active	660'	S	660'	W	M	36	14S	37E	Jun-53	9,330'	Active Wolfcamp injection well. Total depth 9,330'. Did not penetrate Devonian injection interval													
30-025-05212	Stephens & Johnson	DNWU	4	P	Active	1815'	S	330'	W	L	36	14S	37E	Aug-53	12,642'	17 1/4"	13 3/8"	320'	350	Surface	Circ.	12 1/4"	9 5/8"	4,767'	2816	Surface	Circ.	12,298'-12,580'	CIBP @ 12,100' w/35' of cement
																						8 3/4"	7"	12,641'	700	8,660'	Well File	9,138'-9,229'	Active Wolfcamp completion
30-025-05215	Celero Energy II, LP	DNWU	7	I	TA	1980'	S	1650'	W	K	36	14S	37E	Jan-54	12,640'	17 1/4"	13 3/8"	327'	350	Surface	Circ.	12 1/4"	9 5/8"	4,772'	2000	Surface	Circ.	12,317'-12,604'	CIBP @ 12,117' w/5 sx. cement
																						8 3/4"	7 5/8"	6,842'	200	6,030'	T.S.	9,197'-9,375'	CIBP @ 9,100' w/25' of cement.
																						6 1/4"	5 1/2"	12,639'	600	8,658'	T.S.		
30-025-05220	Sinclair Oil & Gas Co.	T D Pope	12	P	PA	2130'	S	1650'	W	K	36	14S	37E	Sep-54	9,470'	PA'd Wolfcamp producing well. Total Depth 9,470'. Did not penetrate Devonian injection interval.													
30-025-39999	Celero Energy II, LP	T D Pope 36	10	P	Active	350'	N	990'	W	D	36	14S	37E	Jan-11	12,760'	17 1/2"	13 3/8"	335'	445	Surface	Circ.	12 1/4"	9 5/8"	4,790'	1855	Surface	Circ.	12,205'-12,704'	
																						8 3/4"	7"	12,185'	1030	9,250'	File		
																						6 1/8"	4 1/2"	12,040'-12,759'	92	TOL	Circ.		
30-025-05187	Celero Energy II, LP	T D Pope 35	4	P	Active	660'	S	1980'	E	O	35	14S	37E	May-51	12,666'	17 1/2"	13 3/8"	411'	425	Surface	Circ.	12 1/4"	8 5/8"	4,746'	2888	Surface	Circ.	12,334'-12,481'	Squeezed w/180 sx. cement
		Horizontal Well BHL				2378'	N	346'	E	H	35	14S	37E									7 7/8"	5 1/2"	12,487'	1793	910'	Well File	12,487'-15,465'	Measured Depth Completion Interval

Well Data for the following AOR wells was previously submitted in Case No. 14612 on March 31, 2011

30-025-05122	Celero Energy II, LP	Buckley "A"	4	P	Active	330'	S	1650'	W	N	25	14S	37E
30-025-05118	Celero Energy II, LP	Buckley "A"	1	P	Active	330'	S	330'	W	M	25	14S	37E
30-025-05120	Stephens & Johnson	DNWU	2	I	Active	330'	S	430'	W	M	25	14S	37E
30-025-05200	Stephens & Johnson	DNWU	29	P	Active	660'	N	460'	E	A	35	14S	37E
30-025-05201	Stephens & Johnson	DNWU	30	I	PA	1980'	N	460'	E	H	35	14S	37E
30-025-32918	Stephens & Johnson	DNWU	632	P	Active	103'	N	1431'	E	B	35	14S	37E
30-025-33090	Stephens & Johnson	DNWU	633	P	Active	1458'	N	1347'	E	G	35	14S	37E
30-025-36933	Celero Energy II, LP	T D Pope 35	1	P	Active	810'	N	1980'	E	B	35	14S	37E
30-025-37032	Celero Energy II, LP	T D Pope 35	2	P	Active	2550'	N	330'	E	H	35	14S	37E
30-025-37175	Celero Energy II, LP	T D Pope 35	3	P	Active	1505'	N	2120'	E	G	35	14S	37E
30-025-05191	Celero Energy II, LP	T D Pope 35	7	P	Active	1980'	S	1980'	E	J	35	14S	37E
30-025-05195	Celero Energy II, LP	T D Pope 35	21	P	Active	660'	N	660'	E	A	35	14S	37E
30-025-05197	Stephens & Johnson	T D Pope 35	23	P	PA	1980'	N	660'	E	H	35	14S	37E
30-025-05205	Celero Energy II, LP	DNWU Tract 8	3	P	PA	1980'	N	2310'	E	G	36	14S	37E
30-025-05214	Celero Energy II, LP	T D Pope 36	6	P	Active	660'	N	330'	W	D	36	14S	37E
30-025-05216	Celero Energy II, LP	T D Pope 36	8	P	Active	1980'	N	1650'	W	F	36	14S	37E
30-025-05217	Celero Energy II, LP	T D Pope 36	9	P	Active	660'	N	1650'	W	C	36	14S	37E
30-025-05218	Mobil Oil Corporation	DNWU Tract 7	10	I	PA	1830'	N	330'	W	E	36	14S	37E
30-025-05219	Stephens & Johnson	DNWU	11	P	PA	510'	N	330'	W	D	36	14S	37E
30-025-05221	Stephens & Johnson	DNWU	13	P	Active	510'	N	1650'	W	C	36	14S	37E

INJECTION WELL DATA SHEET

Tubing Size: 3 ½" Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: Propose to set the packer at a depth between 11,800'-11,930'. (See attached narrative describing justification for setting the packer approximately 186'-316' above the uppermost injection perforations.

Other Type of Tubing/Casing Seal (if applicable):

Additional Data

1. Is this a new well drilled for injection: ____ Yes X No

   If no, for what purpose was the well originally drilled: Well was drilled in 1953 as an oil producer.

2. Name of the Injection Formation: Devonian

3. Name of Field or Pool (if applicable): Denton-Devonian Pool (16910)

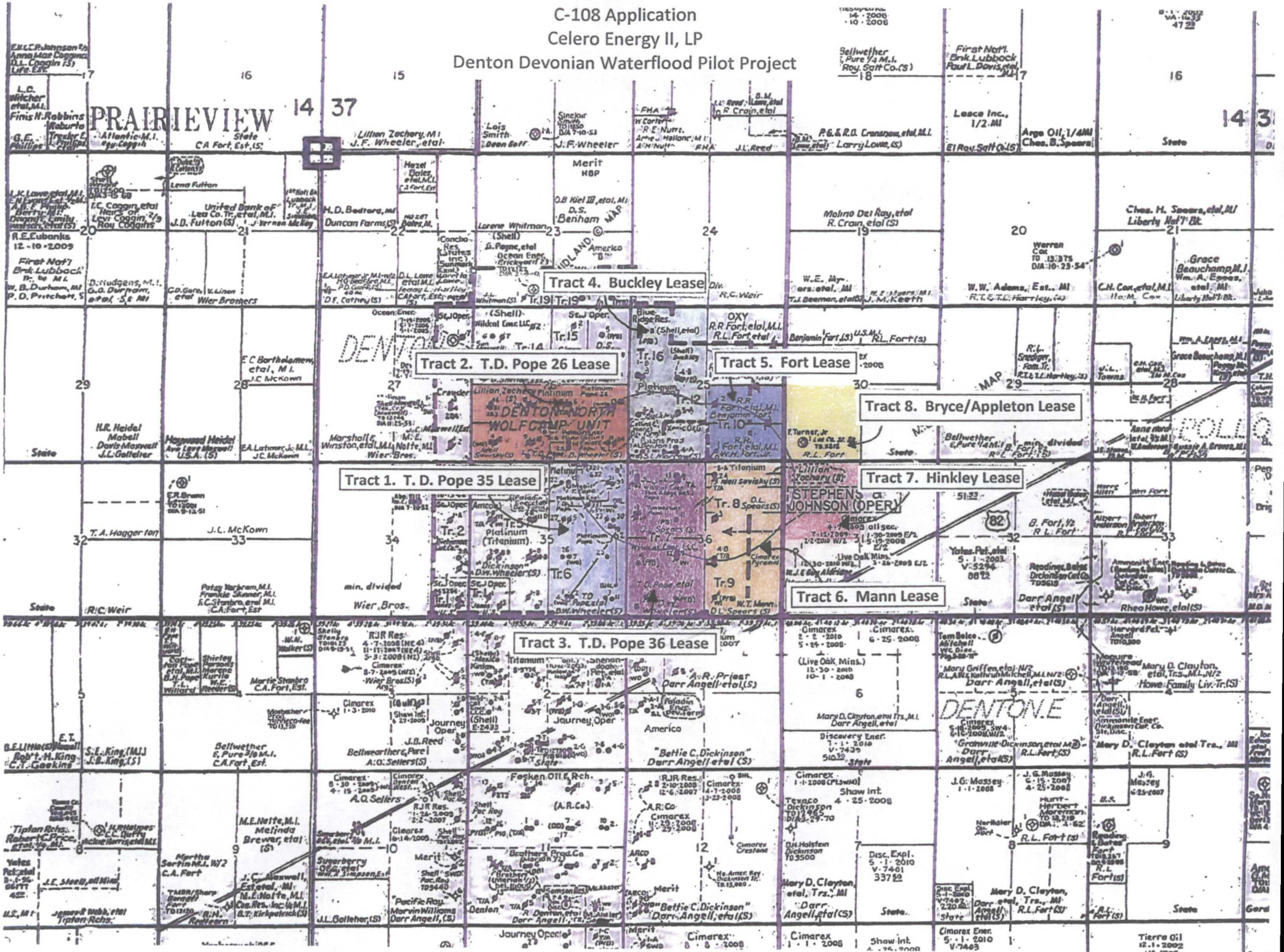
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

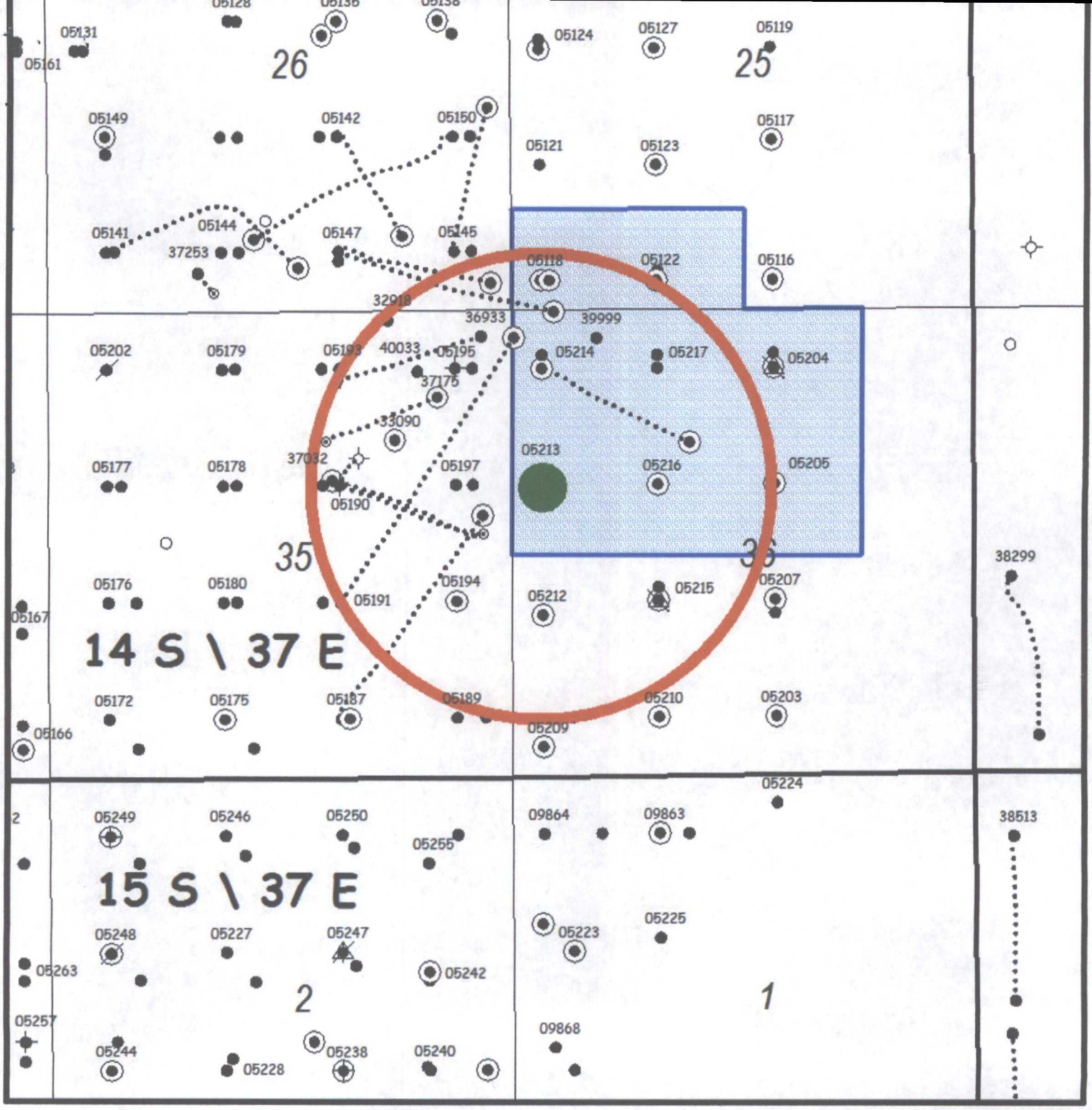
   Montoya Formation: 13,195'-13,266'; Set CIBP @ 12,970' w/35' of cement on top
   Fusselman Formation: 12,772'-12,801'; Set CIBP @ 12,700' w/35' of cement on top

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Denton-Wolfcamp Pool (17290) (Depth Range: 9,000'-9,500')

C-108 Application
Celero Energy II, LP
Denton Devonian Waterflood Pilot Project





Denton Devonian Waterflood Project

Celero Energy II, LP

Denton (Devonian) Pool

Lea County, New Mexico

T-14-S & 15-S R-37-E

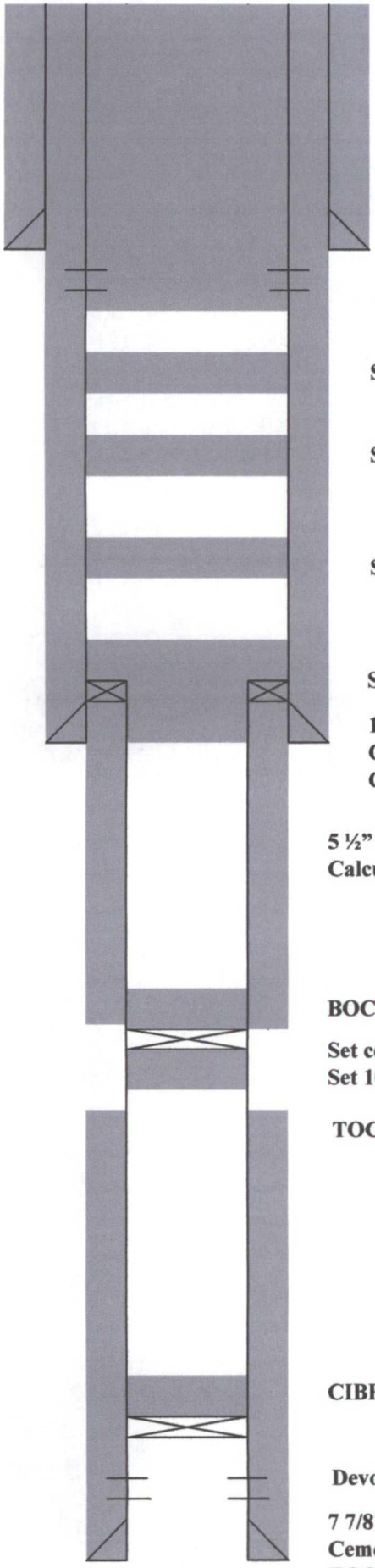
○ - 1/2 Mile AOR

● - Pope 36 #5

- Last 5 API No. of Devonian Penetrations

Scale: 1"=2000'

Stephens & Johnson Operating Co.
T D Pope No. 13
API No. 30-025-05193
660' FNL & 1980' FEL (Unit B)
Section 35, T-14 South, R-37 East, NMPM



17 ½" Hole; Set 13 3/8" Csg @ 492'
Cemented w/525 Sx.
Cement circulated to Surface

Drilled: 4/1953
Plugged: 6/2006

Perforate @ 542'. Set packer @ 30' and circulate 160 sx. -surface.

Set 60 Sx. cement plug 1,169'-1,400'

Set 35 Sx. cement plug 2,115'-2,250'

Set 35 Sx. cement plug 2,915'-3,050'

Set 40 Sx. cement plug @ 4,703'. Tagged plug @ 4,520'

12 ¼" Hole; Set 8 5/8" Csg @ 4,850'
Cemented w/2,450 Sx.
Cement circulated to surface

5 ½" liner top squeezed w/400 Sx.
Calculated BOC @ 6,786'

BOC @ 6,786' by calc.

Set cement retainer @ 6,800'. Squeeze 70 Sx. cement under retainer.
Set 10 Sx. cement plug on top of retainer.

TOC @ 9,435' by calc.

CIBP @ 11,827' w/35' of cmt. on top

Devonian Perforations: 11,970'-12,539'

7 7/8" Hole; Set 5 ½" Liner 4,653'-12,635'
Cemented w/600 Sx.
TOC @ 9,435' by Calc.

T.D. 12,635'

Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
PA Diagram
T D Pope No. 13

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-025-05193

5. Indicate Type of Lease STATE ☐ FEE X

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: T.D. POPE

8. Well Number 13

1. Type of Well: Oil Well X Gas Well X Other Injection Well

2. Name of Operator: STEPHENS & JOHNSON OPERATING COMPANY

9. OGRID Number: 019958

3. Address of Operator: P.O. Box 2249, Wichita Falls, TX 76307-2249

10. Pool name or Wildcat: Denton Devonian

4. Well Location
Unit Letter B : 660 feet from the NORTHH line and 1980 feet from the EAST line
Section 35 Township 14S Range 37E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3820' DF

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type STEEL Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	X
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6-15-06 Notify NMOCD, El Gonzales.
6-16-06 Set Cement Retainer @6,800'. Circulate well with 9.5# M.L.F.
6-19-06 Sqz. 70 sx. cmt. under CR @ 1 bbls./min. @1,800 PSI. SIP @1,500 PSI. Spot 10 sx. cmt. on top of CR 6,800'-6,699'. Spot 40 sx. cmt. @4,703'.
6-20-06 Tag T.O.C. @ 4,520'. Spot 35 sx. cmt. – 3,050'-2,915'. Spot 35 sx. cmt. – 2,250'-2,115'. Spot 60 sx. cmt. – 1,400'-1,169'. Perf. @ 542'. Set pkr. @ 30'. Pressure up on 8 5/8" csg. To 750' PSI. Pressure held. Circulate 160 sx. @600' – surface. Remove W.H. & Anchors. Install P & A Marker. Backfill collar.

Approved as to plugging of the Well Bore.
Liability under bond is retained until surface restoration is completed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE _____ TITLE AREA MANAGER DATE: 6-26-06

Type or print name ROGER MASSEY Telephone No. 432-530-0907

For State Use Only

APPROVED BY: Gary W. Wink TITLE OCD FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUL 05 2006

Conditions of Approval (if any):

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-025-05193

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: T. D. Pope

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 13

2. Name of Operator: Stephens & Johnson Operating Co.

9. OGRID Number 019958

3. Address of Operator: P.O. Box 2249 Wichita Falls, Texas 76307-2249

10. Pool name or Wildcat: Denton Devonian

4. Well Location

Unit Letter B : 660 feet from the North line and 1980 feet from the East line

Section 35 Township 14S Range 37E NMPM County Lea

11. Elevation (*Show whether DR, RKB, RT, GR, etc.*) 3820' DF

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☒	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Received Hobbs OCD Apr 2006

THE OIL CONSERVATION DIVISION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS.

See Attachment

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Peyton S. Carnes Jr. TITLE Petroleum Engineer DATE 4-6-06

E-mail address:

Type or print name Peyton S. Carnes, Jr. Telephone No. (940) 723-2166

For State Use Only

APPROVED BY Gary W. Wink TITLE cc FIELD REPRESENTATIVE II/STAFF MANAGER DATE APR 13 2006

Conditions of Approval, if any:

Well currently has CIBP @ 11827' and 35' of cement on top of plug as approved by E.L. Gonzales (OCD). Found casing leaks in the intervals from 7062'-94' and 1304'-35'. Also found leak in the flanged wellhead and found surface pipe badly corroded when backhoe dug around it. Decided to plug and abandon well as follows:

1. Run 5 1/2" cement retainer, set retainer at 6800' and pump 70 sacks of cement thru retainer and squeeze casing leak. Pull out of retainer, circulate mud laden salt water and pull tubing.

2. Spot 40 sack plug @ 4703' in 5 1/2" casing to 4535' in 8 5/8" casing. Tag plug.

3. Spot 35 sack plug @ 3050' in 8 5/8" casing.

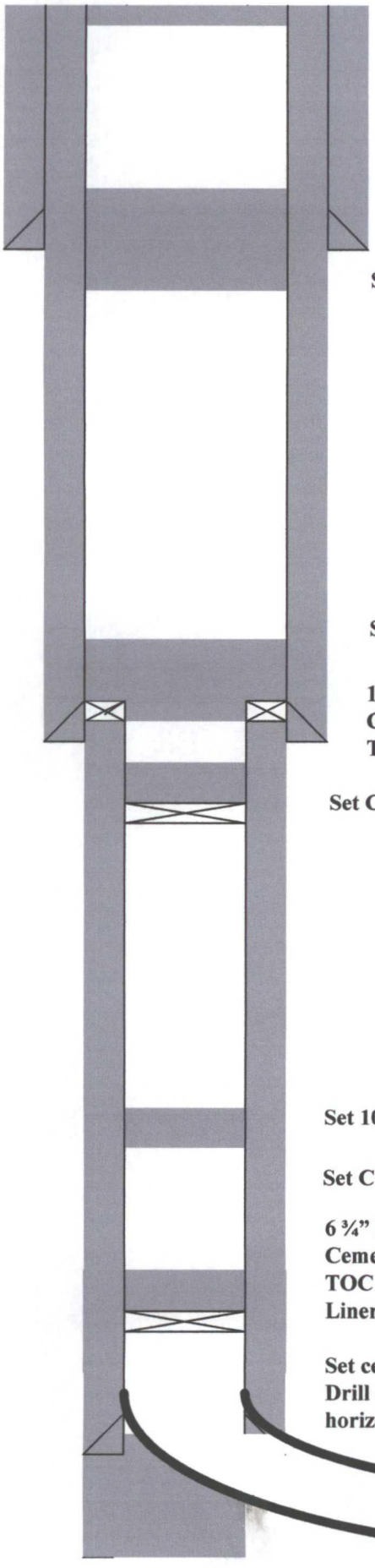
4. Spot 35 sack plug @ 2250' in 8 5/8" casing.

5. Spot 60 sack plug @ 1400' to 1196' in 8 5/8" casing.

6. Perforate 8 5/8" casing @ 542' and attempt to circulate. If it does not circulate, fill 8 5/8" casing with cement to surface.

7. Cut off casing 3' below ground and install permanent marker.

Collins & Ware, Inc.
T D Pope No. 5
API No. 30-025-05190
1980' FNL & 1980' FEL (Unit G)
Section 35, T-14 South, R-37 East, NMPM



10 Sx. Cmt. Plug

17 ½" Hole; Set 13 3/8" Csg @ 430'
Cemented w/450 Sx.
TOC @ surface by calculation

Set 60 Sx. cement plug 330'-530'

Drilled: 11/1952
Plugged: 9/1994

Set 200 Sx. cement 4,270'-4,740'. Tagged plug

12 ¼" Hole; Set 8 5/8" Csg @ 4,820'
Cemented w/3700 Sx.
TOC @ surface by calculation

Set CIBP @ 4,790' w/35' of cement on top

Set 100 Sx. cement @ 8,400'

Set CIBP @ 11,980' w/35' of cement on top

6 ¾" Hole; Set 5 ½" Liner 4,584'-12,010'
Cemented w/740 Sx.
TOC @ Liner Top by calculation
Liner top squeezed w/190 Sx.

Set cement retaineer @ 11,850' and cemented w/725 sx. cement.
Drill out retainer & cement to 12,162' (KOP). Kick off and drill horizontally to a MD of 12,500' and a TVD of 12,133'

T.D. 12,342'

Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
PA Diagram
T D Pope No. 5

Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-05190

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: T. D. Pope

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator: Collins & Ware, Inc.

8. Well No. 5

3. Address of Operator: 508 W. Wall, Suite 1200, Midland, Texas 79701

9. Pool name or Wildcat: Denton Devonian

4. Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line

Section 35 Township 14 South Range 37 East NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3,803 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☒
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER:	☐		

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

9/15/94 Set CIBP @ 11,980 w/ 35' cement on top
Spot 100 sx plug @ 8400'
9/16/94 Set CIBP @ 4790' w/ 35' cement on top

9/21/94 Pull 4584' 5 1/2" casing - casing stub @ 4640'
Spot 200' plug from 4740 to 4540'
9/22/94 Tag cement plug @ 4270'
Spot 60 sx plug from 530' to 330'
Spot 10 sx plug at surface
Weld on dry hole marker, clean location and fill pits per NMOCD regulations

WELL P & A

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Dianne Sumrall TITLE Production Clerk DATE 10/03/94

TYPE OR PRINT NAME Dianne Sumrall (915) 687-3435 TELEPHONE NO.

(This space for State Use)

APPROVED BY Billy E. Prichard TITLE DATE OCT 27 1994

CONDITIONS OF APPROVAL, IF ANY:

SAD

Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO.
30-025-05190

5. Indicate Type of Lease STATE [ ] FEE [X]

6. State Oil & Gas Lease No.
NM 623-3

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
T.D. Pope

1. Type of Well:
OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator
Collins & Ware, Inc.

8. Well No.
5

3. Address of Operator
303 W.Wall, Ste. 2200,Midland, TX 79701

9. Pool name or Wildcat
Denton Devonian

4. Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line

Section 35 Township 14S Range 37E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3804 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [X]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: [ ]		OTHER: HORIZONTAL PLUG BACK [ ]	

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

PU 8 5/8" X 5 1/2" liner hanger; run 110 jts. 5 1/2" 17# csg. Tagged top of liner @ 4584' and set liner hanger. TIH: set EZ Drill cement retainer @ 11850'; RU and pump 200 sx. cement; WOC/ Pressure backside and pump 300 sx. cement; WOC.

RU and pump 175 sx. "H" cement; WOC. TIH and drill retainer and cement to 12040'. SD; waiting on horizontal drilling equipment.

RU horiz. drill equip. Drill cement to 12085'. TOOH w/ BHA & DP. TIH w/ DP open ended to set kickoff plug. Set. 50 sx. "H" w/ .75 CFR-3 plug. WOC.

TIH; tag TOC @ 12055'; drill out to 12085'. TOH.
TIH w/ SRAB assembly; drill out to 12162'; TOH for squeeze.

(Continued next page)

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE [signature] TITLE Regulatory Mgr. DATE 2-2-94

TYPE OR PRINT NAME Max Guerry TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-025-05190

5. Indicate Type of Lease STATE [ ] FEE [X]

6. State Oil & Gas Lease No.
NM 623-3

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
T.D. Pope

1. Type of Well:
OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator
Collins & Ware, Inc.

8. Well No.
5

3. Address of Operator
303 W.Wall, Ste. 2200, Midland, TX 79701

9. Pool name or Wildcat

4. Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line

Section 35 Township 14S Range 37E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3804 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[X]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER:	[ ]		

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

PU downhole motor & SRAH assembly; check and test MWD & Probe. Drilled to TD @ 12500'.

Ran 2 7/8" tbg. and BP; set BP @ 5744'.
Ran rods and pump and set pumping unit. Hung well on production.
Recovering load water.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] Max Guerry TITLE Regulatory Mgr. DATE 2-2-94

TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use) ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub basin	Use	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 01403 APPRO		STK	LE	2	4	3	36	14S	37E	672278	3659043*	85	39	46
L 01683		PRO	LE		3	3	36	14S	37E	671776	3658938*	115	55	60
L 01683 APPRO		PRO	LE		3	3	36	14S	37E	671776	3658938*	115	55	60
L 02085		PRO	LE		1	4	36	14S	37E	672574	3659352*	112	50	62
L 02085 APPRO		PRO	LE		1	4	36	14S	37E	672574	3659352*	112	50	62
L 02116		PRO	LE		2	3	36	14S	37E	672171	3659346*	112	50	62
L 02116 APPRO		PRO	LE		2	3	36	14S	37E	672171	3659346*	112	50	62
L 02334		PRO	LE		1	1	36	14S	37E	671753	3660144*	110	55	55
L 02334 APPRO		PRO	LE		1	1	36	14S	37E	671753	3660144*	110	55	55
L 02473		PRO	LE		4	1	36	14S	37E	672163	3659748*	120	55	65
L 02473 APPRO		PRO	LE		4	1	36	14S	37E	672163	3659748*	120	55	65
L 02531		PRO	LE		3	1	36	14S	37E	671761	3659742*	115	50	65
L 02531 APPRO		PRO	LE		3	1	36	14S	37E	671761	3659742*	115	50	65
L 02763		PRO	LE		2	4	36	14S	37E	672976	3659358*	100	40	60
L 02763 APPRO		PRO	LE		2	4	36	14S	37E	672976	3659358*	100	40	60
L 02953		PRO	LE		2	4	36	14S	37E	672976	3659358*	120	65	55
L 02953 APPRO		PRO	LE		2	4	36	14S	37E	672976	3659358*	120	65	55
L 04694		DOM	LE	3	4	1	36	14S	37E	672062	3659647*	122	90	32
L 04694 APPRO		DOM	LE	3	4	1	36	14S	37E	672062	3659647*	122	90	32
L 06263		DOM	LE	3	1	4	36	14S	37E	672473	3659251*	100	50	50
L 12362 POD1		SAN	LE	2	2	2	36	14S	37E	673058	3660277	193	95	98

Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
State Engineer-Fresh Water Data

*UTM location was derived from PLSS - see Help

Average Depth to Water: **57 feet**

Minimum Depth: **39 feet**

Maximum Depth: **95 feet**

Record Count: 21

Basin/County Search:

County: Lea

PLSS Search:

Section(s): 36 **Township:** 14S **Range:** 37E

KEL-TECH

WATER ANALYSIS REPORT

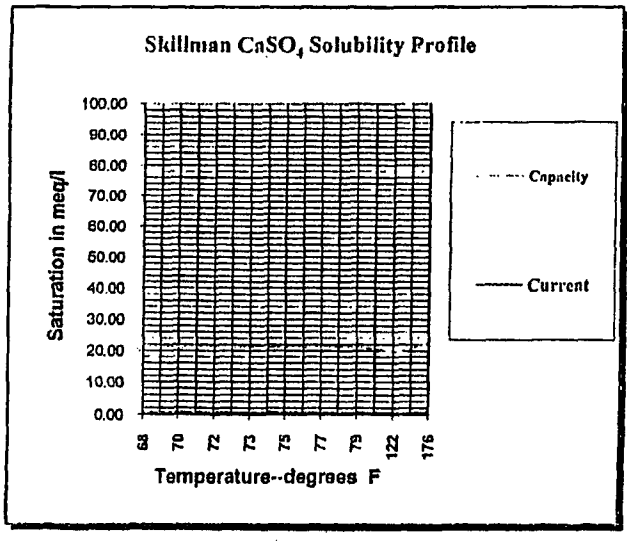
SAMPLE

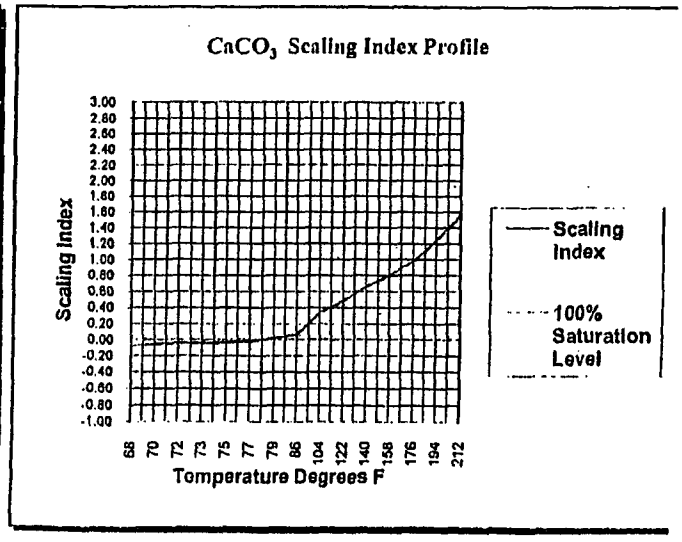
Oil Co: CELERO
Lease: DENTON FIELD
Well No.: FRESH WATER WELL EAST
Location: DISCHARGE LINE
Attention: ACCT. MANAGER

Date Sampled: 10/27/10
Date Analyzed: 10/28/10
Lab ID Number: 10/28/10CELERO DENTON FIELDFRESH WATER WELL EAST
Account Manager: C. DANIELS
Requested By: LAB
File Name: 10/28/10CELERO DENTON FIELDFRESH WATER WELL EAST
Note: L

ANALYSIS

1	pH		7.0		
2	Specific Gravity		1.007		
3	$CaCO_3$ Saturation Index	@80 F	0.02		
		@140 F	0.66		
	DISSOLVED GASES		**MG/L**	**EQ. WT**	**MEQ/L**
4	Hydrogen Sulfide		0		
5	Carbon Dioxide		5		
6	Dissolved Oxygen		NOT DETERMINED		
	CATIONS				
7	Calcium	(Ca^{++})	160	20.1	7.96
8	Magnesium	(Mg^{++})	24	12.2	1.99
9	Sodium	(Na^{+}) (Calculated)	514	23.0	22.34
10	Barium	(Ba^{++})	0	68.7	0.00
	ANIONS				
11	Hydroxyl	(OH^{-})		17.0	0.00
12	Carbonate	(CO_3^{--})		30.0	0.00
13	Bicarbonate	(HCO_3^{-})	207	61.1	3.39
14	Sulfate	(SO_4^{--})	31	48.8	0.64
15	Chloride	(Cl^{-})	1,000	35.5	28.17
16	Total Dissolved Solids		1,938		
17	Total Iron	(Fe)	2	18.2	0.09
18	Total Hardness as $CaCO_3$		500		
19	Resistivity @ 75	°F (Actual)	13.8568	OHM/METERS	

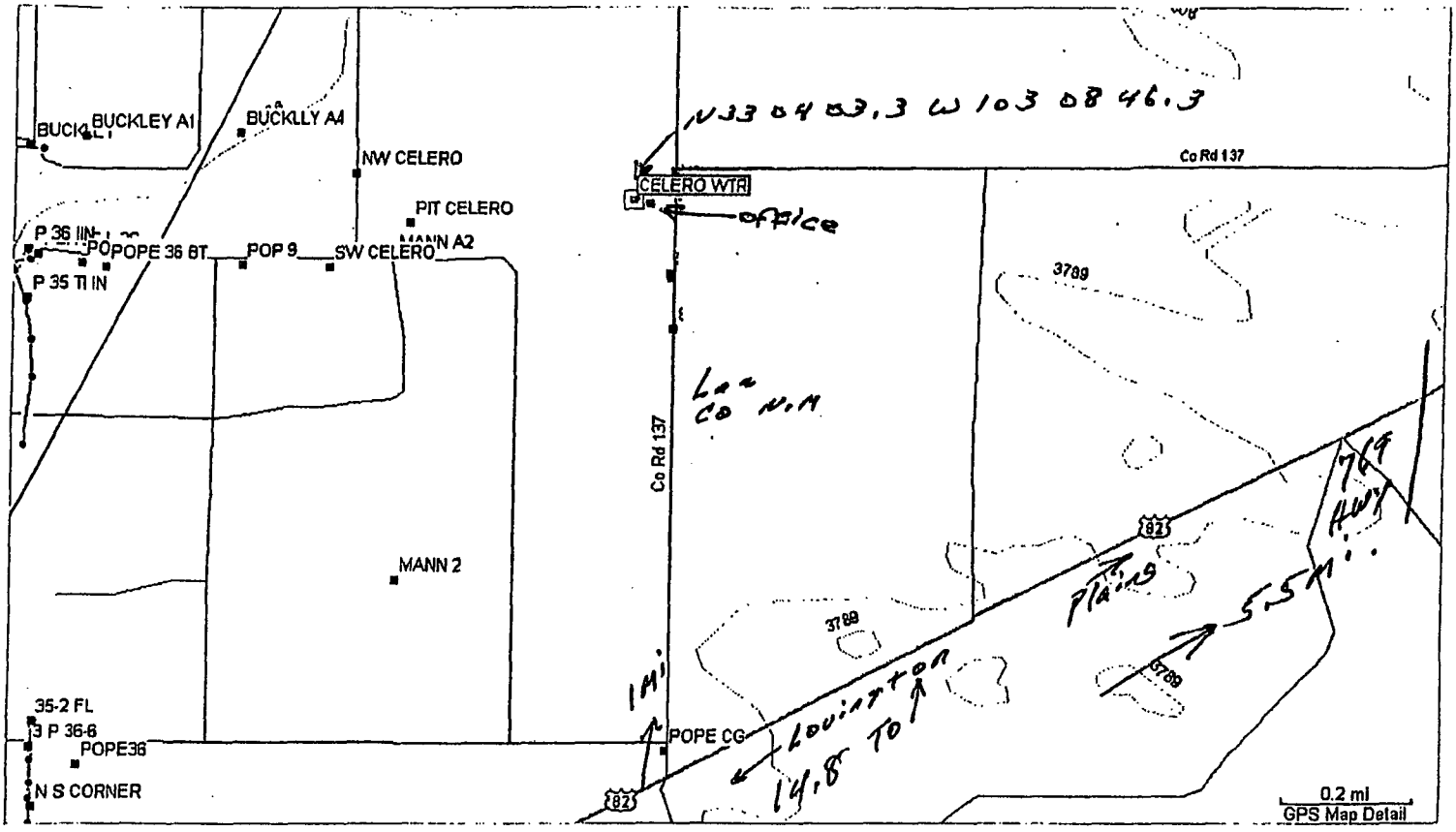




** CaSO4 Scale is not likely

Post Office Box 11383 Midland, Texas 79702 (432) 684-4700 (432) 686-8000

Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
Fresh Water Analysis



Celero Energy II, LP
Form C-108: T D Pope 36 No. 5
Water Well Location

Form C-108
Affirmative Statement
Celero Energy II, LP
T D Pope 36 No. 5 (API No. 30-025-05213)
1980' FNL & 330' FWL (Unit E), Section 36,
T-14 South, R-37 East, NMPM,
Lea County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.

David Catanach
Agent for Celero Energy II, LP

1/27/12
Date

Celero Energy II, LP
Form C-108 Application
T D Pope 36 Well No. 5
Denton Devonian Waterflood Project
½ Mile AOR Operator/Leasehold Owner Identification List

Section 25, T-14 South, Range 37 East:

S/2 SW/4 (Buckley Lease)

Stephen & Johnson Operating Company-Operator/Leasehold Owner
Celero Energy II, LP-Operator/Leasehold Owner
Harvard Petroleum Corporation-Operator

Section 26, T-14 South, Range 37 East:

S/2 SE/4 (T. D. Pope "26" Lease)

Stephens & Johnson Operating Company-Operator/Leasehold Owner
Celero Energy II, LP-Operator/Leasehold Owner

Section 35, T-14 South, Range 37 East:

E/2 (T. D. Pope "35" Lease)

Stephens & Johnson Operating Company-Operator/Leasehold Owner
Celero Energy II, LP-Operator/Leasehold Owner

Section 36, T-14 South, Range 37 East:

W/2 (T. D. Pope "36" Lease)

Stephens & Johnson Operating Company-Operator/Leasehold Owner
Celero Energy II, LP-Operator/Leasehold Owner

W/2 NE/4 & NW/4 SE/4 (Mann Lease)

Stephens & Johnson Operating Company-Operator/Leasehold Owner
Celero Energy II, LP-Operator/Leasehold Owner

Celero Energy II, LP
Form C-108 Application
T D Pope 36 Well No. 5
Denton Devonian Waterflood Project
½ Mile AOR Operator/Leasehold Owner Identification List-Cont.

Celero Energy II, LP
Offset Lease Working Interest Owners

Buckley Lease

Roy G Barton, Sr. &
Opal Barton Revocable Trust
J. T. Hanners
Trabajo Del Spear, LP

T. D. Pope "36" Lease

Herd Oil & Gas Company

Surface Owner

Donald Spears

Additional Notice

Oil Conservation Division-Hobbs District Office

Celero Energy II, LP
Form C-108 Application
T D Pope 36 Well No. 5
Denton Devonian Waterflood Project
Notice List

Stephens & Johnson Operating Company
P.O. Box 2249
Wichita Falls, Texas 76307

Harvard Petroleum Corporation
Box 936
Roswell, New Mexico 88202

Roy G. Barton Sr. &
Opal Barton Revocable Trust
Roy G. Barton Jr., Trustee
1919 N. Turner Street
Hobbs, New Mexico 88240

J. T. Hanners
P.O. Box 1224
Lovington, New Mexico 88260

Trabajo Del Spear, LP
P.O. Box 1684
Midland, Texas 79702

Herd Oil & Gas Company
P.O. Box 130
Midland, Texas 79702

Donald Spears
Rt. 1, Box 504
66 Donald Lane
Lovington, New Mexico 88260

Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

January 27, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Offset Operators/Leasehold Owners/Surface Owner

Re: Celero Energy, II, LP
Form C-108 (Application for Authorization to Inject)
T D Pope 36 Well No. 5
1980' FNL & 330' FWL (Unit E)
Section 36, T-14 South, R-37 East, NMPM,
Lea County, New Mexico

Dear Sir:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Celero Energy II, LP's T D Pope 36 Well No. 5 located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 36, T-14 South, R-37 East, NMPM, Lea County, New Mexico. This well will be converted to injection within the Denton Devonian Waterflood Project, Denton-Devonian Pool, in order to complete an efficient injection/production pattern. You are being provided a copy of the application as an offset operator, offset leasehold owner or surface owner of the land on which the proposed injection well is located.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (505) 690-9453.

Sincerely,

David Catanach

David Catanach
Agent for Celero Energy II, LP
400 W. Illinois
Suite 1601
Midland, Texas 79701

Enclosure

Form C-108
Celero Energy, II, LP
T D Pope 36 Well No. 5
Section 36, T-14 South, R-37 East, NMPM,
Lea County, New Mexico

The following-described legal notice was published on January 26, 2012 in the:

Hobbs Daily News Sun
201 N. Thorp
P.O. Box 936
Hobbs, New Mexico 88241

The affidavit of publication will be forwarded to the Division upon receipt by Celero Energy II, LP

LEGAL NOTICE

Celero Energy II, LP, 400 W. Illinois Avenue, Suite 1601, Midland Texas 79701 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described well to water injection within the Denton Devonian Waterflood Project, Denton-Devonian Pool, Lea County, New Mexico:

T D Pope 36 Well No. 5	**API No. 30-025-05213 1980' FNL & 330' FWL (Unit E)** **Section 36, Township 14 South, Range 37 East,** **Injection Interval: 12,116-12,619' (Perforated)**

Produced water will be injected into this well at average and maximum rates of 20,000 BWPD. The average maximum initial surface injection pressure will be 2,423 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication. Additional information can be obtained by contacting Mr. David Catanach, Agent for Celero Energy II, LP at (505) 690-9453.

Warnell, Terry G, EMNRD

From: Kautz, Paul, EMNRD
Sent: Thursday, February 23, 2012 8:33 AM
To: Warnell, Terry G, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: WFX application of Celero T D Pope 36 # 5

Terry

I have looked at the log you had sent to me. There is a section in the Mississippian interval from 12083 to 12185 (I can't remember the name for this formation in Texas) is productive in West Texas. I do not remember which well, but I have seen this interval in the Mississippian productive in Lea County in several wells. And when it is productive we include it as part of the Mississippian Lime since it is sometimes perforated along with other sections in the Mississippian Lime.

The Woodford Shale is from 12083 to 12185 was productive approximately 15 miles north of this well. The Woodford Shale is a carbon rich shale, which may have potential for drilling horizontal wells with large frac treatments.

What we refer to as the top of Devonian occurs at 12185' in T D Pope 36 # 5. I would recommend that the packer be set within 100' of the top of the Devonian at 12185'.

Paul

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

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

CASE NO. 14612
ORDER NO. R-13387

APPLICATION OF CELERO ENERGY II, LP FOR APPROVAL OF A COOPERATIVE WATERFLOOD PROJECT, AND TO QUALIFY THE PROJECT FOR THE RECOVERED OIL TAX RATE, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 31, 2011, at Santa Fe, New Mexico, before Examiner Terry Warnell.

NOW, on this 5th day of May, 2011, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

1. Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

2. The applicant, Celero Energy II, LP ("Celero" or "Applicant"), seeks authority to institute a cooperative waterflood project in a portion of the Denton-Devonian Pool (16910) by injection of produced Devonian water. The Applicant is the operator in the Devonian formation of the three leases described below, insofar as they cover the following described 320 acres of fee lands:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM

Section 25: S/2 SW/4	(Buckley Lease)
Section 36: W/2 NE/4	(W.T. Mann Lease)
Section 36: NW/4	(T.D. Pope 36 Lease)

3. The applicant further requests approval to inject Devonian produced water into the following two proposed injection wells in Lea County, New Mexico:

Well Name & Number	API No.	Well Location
W.T. Mann A Well No. 2	30-025-05204	Unit B, Section 36, T-14 South, R-37 East
T.D. Pope 36 Well No. 10	30-025-39999	Unit D, Section 36, T-14 South, R-37 East

4. Applicant further requests that the project be called the Denton Devonian Waterflood Project.

5. Celero further seeks provisions allowing for the administrative approval of additional injection wells and seeks to qualify the proposed project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (NMSA 1978 Sections 7-29A-1 through 7-29A-5, as amended).

6. The proposed 320-acre project area is fully contained within the Denton-Devonian Pool.

7. No other parties entered an appearance in this case or otherwise indicated opposition to the cooperative waterflood project.

8. Celero presented the testimony of land director Jim Grisham as follows:

(a) Celero seeks to institute a cooperative waterflood project consisting of three fee leases.

(b) Celero also requests approval to inject produced Devonian formation water into two Devonian wells.

(c) Celero is the operator of these three fee leases in the Devonian formation and has Devonian working interest in all three leases.

(d) Surface owner of the entire 320-acre project area is Mr. Donald Spears.

9. Celero presented the testimony of petroleum geologist John Baker as follows:

(a) The primary stratigraphic interval of interest in the proposed Denton Devonian Waterflood Project is the Celero Devonian, which is continuous across the project area. The low porosity highly fractured Devonian aged rock contains hydrocarbons and is a good candidate for water injection.

Fractured

(b) The cross-section from West to East across the project area shows the consistency of the reservoir. When the Type Log and the Structure Map are compared, it is clear that the portion of the reservoir that is the proposed waterflood is reasonably defined by development.

(c) The project area shows good continuity, the entire proposed unit area should contribute enhanced recovery reserves, and it is well suited for secondary recovery operations.

(d) The entire project area reservoir is capped by the Woodford Shale and there is no Woodford Shale production in the area.

10. Celero presented the testimony of petroleum engineer John Anderson as follows:

(a) The secondary recovery operation will be initiated with two injection wells and six production wells.

(b) Each of the two proposed injection wells is expected to take an average of 10,000 barrels of produced Devonian water per day, with a maximum of about 20,000 barrels per well per day.

(c) Injection pressures are expected to initially be low and will likely start on a vacuum. The proposed maximum surface injection pressure for each injection well is based on 0.2 psig per foot of depth to the top of the injection interval. If a higher pressure is needed, Celero will justify the pressure increase with a step rate test.

(d) There are four plugged and abandoned wells in the two areas of review that penetrated into the Devonian formation.

(e) There is no evidence of inadequately cemented wellbores between the proposed waterflood interval and protectable waters. The proposed injection operation will not pose a threat to any freshwater supplies.

(f) The fresh ground water in this area consists of the Ogallala formation that produces from intervals approximately 193 feet in depth.

11. Celero estimates that it will cost approximately $4.3 million dollars to implement waterflood operations within the proposed project area. Estimated value of incremental production on a cash value basis is approximately $13 million.

12. Celero estimates that implementation of the proposed secondary recovery project will result in the recovery of an additional 200,000-250,000 barrels of oil that would otherwise not be recovered, thereby preventing waste.

13. The proposed waterflood project should be approved, and Celero should be authorized to utilize its W.T. Mann A Well No. 2 and T.D. Pope 36 Well No. 10 as injection wells within the project area.

14. The applicant further seeks to qualify the waterflood project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (NMSA 1978 Sections 7-29A-1 through 7-29A-5).

15. The evidence presented demonstrates that:

(a) the application for approval of the proposed secondary recovery project has not been prematurely filed either for economic or technical reasons;

(b) the area affected by the proposed project has been so depleted by primary operations that it is prudent to apply secondary recovery techniques to maximize the ultimate recovery of crude oil from the pool; and

(c) the proposed secondary recovery project meets all the criteria for certification by the Division as a qualified "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (NMSA 1978 Sections 7-29A-1 through 7-29A-5).

16. At such time as a positive production response occurs, and within five years from the date of this order, the applicant must apply to the Division for certification of a positive production response. This application shall identify the area benefiting from enhanced oil recovery operations and the specific wells eligible for the EOR tax rate. The Division may review the application administratively or set it for hearing. Based upon the evidence presented, the Division will certify to the New Mexico Taxation and Revenue Department those wells that are eligible for the EOR tax rate.

IT IS THEREFORE ORDERED THAT:

1. Celero Energy II, LP is hereby authorized to institute a cooperative waterflood project that shall comprise the following described 320 acres, more or less, of fee lands located in Lea County, New Mexico:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM

Section 25: S/2 SW/4	(Buckley Lease)
Section 36: W/2 NE/4	(W.T. Mann Lease)
Section 36: NW/4	(T.D. Pope 36 Lease)

2. Celero is further authorized to inject produced Devonian water into the Devonian formation, through the following two wells, in Lea County, New Mexico:

Well Name & Number	API No.	Well Location	Inject. Zone
W.T. Mann A Well No. 2	30-025-05204	Section 36, T-14S, R-37E	12376-12900
T.D. Pope 36 Well No. 10	30-025-39999	Section 36, T-14S, R-37E	12175-12720

3. The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

4. Injection into the W.T. Mann A Well No. 2 and T.D. Pope 36 Well No. 10 shall be accomplished through 2 3/8 inch internally plastic-lined tubing installed in a packer located within 100 feet of the uppermost injection perforations. The casing-tubing annulus in each well shall be filled with an inert fluid and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

5. The injection wells or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 0.2 psi per foot of depth to the uppermost injection perforation.

6. The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

7. The Division Director may administratively authorize additional injection wells within the Unit Area as provided in Division Rule 19.15.26.8.A NMAC.

8. Prior to commencement of injection operations, and every five years, the casing in each well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

9. The operator shall give advance notice to the supervisor of the Division's Hobbs District Office of the date and time (i) injection equipment will be installed, and (ii) the mechanical integrity pressure tests will be conducted on the injection wells, so that these operations may be witnessed.

10. The operator shall immediately notify the supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer in any of the injection wells or the leakage of water, oil or gas from or around any producing or plugged and abandoned well within the project area, and shall promptly take all steps necessary to correct such failure or leakage.

11. The waterflood project is hereby designated the **Denton Devonian Waterflood Project**, and the applicant shall conduct injection operations in accordance with Division Rules No. 19.15.26.1 through 19.15.26.15 NMAC, and shall submit monthly progress reports in accordance with Division Rules No. 19.15.26.11.B and 19.15.7.8.D.

12. The injection authority granted herein for each of the two wells shall terminate two years after the date of this order if the operator has not commenced

injection operations into the well; provided, however, the Division, upon written request by the operator, may grant an extension for good cause.

13. The Denton Devonian Waterflood Project is hereby certified as an "Enhanced Oil Recovery Project." The project area shall initially comprise the area described in Ordering Paragraph No. (1), provided however, the project area and/or the producing wells eligible for the enhanced oil recovery (EOR) tax rate may be contracted and reduced based upon the evidence presented by the applicant in its demonstration of a positive production response.

14. At such time as a positive production response occurs, and within five years from the date of this order, the applicant must apply to the Division for certification of a positive production response. This application shall identify the area benefiting from enhanced oil recovery operations and the specific wells eligible for the EOR tax rate. The Division may review the application administratively or set it for hearing. Based upon the evidence presented, the Division will certify to the New Mexico Taxation and Revenue Department those wells that are eligible for the EOR tax rate.

15. The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

16. The Division may revoke the injection authority for any well after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

17. Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

18. Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (i) to protect fresh or protectable waters or (ii) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, or without notice and hearing in case of emergency, terminate the injection authority granted herein.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JAMI BAILEY
Director

7010 1670 0000 7167 9606

U.S. Postal Service™
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Certified Fee	$2.95
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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

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01/27/2012

Sent To: J. T. Hanners
Street, Apt. No., or PO Box No.: P.O. Box 1224
City, State, ZIP+4: Lovington, New Mexico 88260

PS Form 3800, August 2006 — See Reverse for Instructions

7010 1670 0000 7167 9583

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Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

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01/27/2012

Sent To: Herd Oil & Gas Company
Street, Apt. No., or PO Box No.: P.O. Box 130
City, State, ZIP+4: Midland, Texas 79702

PS Form 3800, August 2006 — See Reverse for Instructions

7010 1670 0000 7167 9613

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Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

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01/27/2012

Sent To: Donald Spears
Street, Apt. No., or PO Box No.: Rt. 1, Box 504
66 Donald Lane
City, State, ZIP+4: Lovington, New Mexico 88260

PS Form 3800, August 2006 — See Reverse for Instructions

7010 1670 0000 7167 9590

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Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

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01/27/2012

Sent To: Harvard Petroleum Corporation
Street, Apt. No., or PO Box No.: Box 936
City, State, ZIP+4: Roswell, New Mexico 88202

PS Form 3800, August 2006 — See Reverse for Instructions

7010 1670 0000 7167 9637

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Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

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01/27/2012

Sent To: Roy G Barton Sr. & Opal Barton Revocable Trust
Street, Apt. No., or PO Box No.: Roy G. Barton Jr. Trustee
1919 N. Turner Street
City, State, ZIP+4: Hobbs, New Mexico 88240

PS Form 3800, August 2006 — See Reverse for Instructions

7010 1670 0000 7167 9620

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Postage	$ $2.30
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

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01/27/2012

Sent To: Trabajo Del Spear, LP
Street, Apt. No., or PO Box No.: P.O. Box 1684
City, State, ZIP+4: Midland, Texas 79702

PS Form 3800, August 2006 — See Reverse for Instructions

7011 0110 0001 2606 3294

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WICHITA FALLS TX 76307

OFFICIAL USE

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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.60

USPS SANTA FE, NM 87501 0501 10 Postmark JAN 27 2012 CORONADO STATION 01/27/2012

Sent To: **Stephens & Johnson Operating**
Street, Apt. No. or PO Box No.: **P.O. Box 2249**
City, State, ZIP+4: **Wichita Falls, Texas 76307**

PS Form 3800, August 2006 — See Reverse for Instructions

Affidavit of Publication

State of New Mexico,
County of Lea.

I, CINDY BENTLE
ADMINISTRATIVE ASSISTANT
of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
January 26, 2012
and ending with the issue dated
January 26, 2012

Cindy Bentle

ADMINISTRATIVE ASSISTANT
Sworn and subscribed to before me
this 27th day of
January, 2012

Notary Public

My commission expires
February 09, 2013
(Seal)

DORA A. YANEZ
NOTARY
PUBLIC
STATE OF NEW MEXICO

This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
JANUARY 26, 2012

Celero Energy II, LP, 400 W. Illinois Avenue, Suite 1601, Midland Texas 79701 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described well to water injection within the Denton Devonian Waterflood Project, Denton-Devonian Pool, Lea County, New Mexico:

T D Pope 36 Well No. 5
API No. 30-025-05213 1980' FNL & 330' FWL (Unit E)
Section 36, Township 14 South, Range 37 East,
Injection Interval: 12,116-12,619' (Perforated)

Produced water will be injected into this well at average and maximum rates of 20,000 BWPD. The average maximum initial surface injection pressure will be 2,423 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication. Additional information can be obtained by contacting Mr. David Catanach, Agent for Celero Energy II, LP at (505) 690-9453.

#27107

02108664 00086574

DAVID CATANACH
REGULATORY CONSULTANT
1142 VUELTA DE LAS ACEQUIAS
SANTA FE, NM 87507