

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

**NMOCD ACOI 181-C**

**IN THE MATTER OF CELERO ENERGY II, LP,**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 181, the Director of the Oil Conservation Division ("OCD") hereby amends that Order as follows:

**FINDINGS**

1. Agreed Compliance Order 181 ("ACOI 181" or "Order") required Celero Energy II, LP ("Operator") to return to compliance with OCD Rule 201 at least 10 of the wells identified in the Order by June 25, 2008 and file a compliance report by that date.

2. ACOI 181 provided that if Operator returned to compliance with OCD Rule 201 at least 10 of the wells identified in the Order by June 25, 2008 and filed a timely compliance report, the OCD would issue an amendment extending the terms of ACOI 181 for a second six-month period, requiring Operator to return an additional 10 wells to compliance by that deadline. If, in any six-month period, Operator returns more wells to compliance than the number required under ACOI 181 for that six-month period, the wells in excess of the number required will count towards the Operator's requirements for the next six-month period.

3. Operator filed a timely compliance report, and the OCD verified that OCD records indicate that Operator returned the following 19 wells identified in the Order to compliance:

30-005-01023	DRICKEY QUEEN SAND UNIT #032
30-005-01035	DRICKEY QUEEN SAND UNIT #035
30-005-01036	DRICKEY QUEEN SAND UNIT #036
30-005-01037	DRICKEY QUEEN SAND UNIT #038
30-005-00873	ROCK QUEEN UNIT #044
30-005-00878	ROCK QUEEN UNIT #046
30-005-00868	ROCK QUEEN UNIT #048
30-005-00882	ROCK QUEEN UNIT #050

30-005-00855	ROCK QUEEN UNIT #055
30-005-00861	ROCK QUEEN UNIT #065
30-005-00304	ROCK QUEEN UNIT #068
30-005-00938	ROCK QUEEN UNIT #083
30-005-00930	ROCK QUEEN UNIT #085
30-005-00284	ROCK QUEEN UNIT #106
30-005-00979	TRIGG FEDERAL #006
30-005-00982	TRIGG FEDERAL #013
30-005-00989	TRIGG FEDERAL #024
30-005-01099	WEST CAP QUEEN SAND UNIT #006
30-005-01100	WEST CAP QUEEN SAND UNIT #010

4. Because Operator returned 19 wells to compliance for the first six month period, OCD amended the Order to extend its terms by six months, requiring Operator to bring 1 additional well into compliance by December 25, 2008.

5. Operator has filed a timely compliance report for the second period, and OCD records indicate that Operator has returned the following 29 wells identified in the Order to compliance.

30-005-00925	DRICKEY QUEEN SAND UNIT #001
30-005-00923	DRICKEY QUEEN SAND UNIT #002
30-005-00924	DRICKEY QUEEN SAND UNIT #004
30-005-00926	DRICKEY QUEEN SAND UNIT #005
30-005-00972	DRICKEY QUEEN SAND UNIT #023
30-005-01028	DRICKEY QUEEN SAND UNIT #028
30-005-01027	DRICKEY QUEEN SAND UNIT #030
30-005-01022	DRICKEY QUEEN SAND UNIT #031
30-005-01030	DRICKEY QUEEN SAND UNIT #034
30-005-01034	DRICKEY QUEEN SAND UNIT #037
30-005-01075	DRICKEY QUEEN SAND UNIT #039
30-005-21132	DRICKEY QUEEN SAND UNIT #144
30-005-00819	ROCK QUEEN UNIT #028
30-005-00887	ROCK QUEEN UNIT #034
30-005-00872	ROCK QUEEN UNIT #035
30-005-00876	ROCK QUEEN UNIT #039
30-005-00881	ROCK QUEEN UNIT #043

30-005-00879	ROCK QUEEN UNIT #045
30-005-00864	ROCK QUEEN UNIT #053
30-005-00852	ROCK QUEEN UNIT #061
30-005-00945	ROCK QUEEN UNIT #082
30-005-00935	ROCK QUEEN UNIT #090
30-005-00933	ROCK QUEEN UNIT #092
30-005-00928	ROCK QUEEN UNIT #096
30-025-00285	ROCK QUEEN UNIT #108
30-005-01090	WEST CAP QUEEN SAND UNIT #007
30-005-01079	WEST CAP QUEEN SAND UNIT #012
30-005-01103	WEST CAP QUEEN SAND UNIT #013
30-005-01107	WEST CAP QUEEN SAND UNIT #016

6. ACOI 181 provides that if Operator returns to compliance with OCD Rule 201 at least 1 of the wells identified in the Order by December 25, 2008 and files a timely compliance report, the OCD shall issue an amendment extending the terms of ACOI 181 for a third six-month period, requiring Operator to return an additional 10 wells to compliance by that deadline. ACOI 181 provides the OCD will continue to issue six-month amendments if the Operator continues to return at least 10 additional wells to compliance in each period, so long as the total length of the Order and any amendments does not exceed two years.

### CONCLUSIONS

1. Operator returned 29 wells to compliance by December 25, 2008, meeting its 1 well goal for the second period, 10 wells goal for the third period, and 10 wells goal for the fourth period.
2. The OCD should amend ACOI 181 to extend its terms through December 25, 2009.

### ORDER

1. ACOI 181 is extended through December 25, 2009.
2. The terms of ACOI 181 otherwise remain in effect.

Done at Santa Fe, New Mexico this 6<sup>th</sup> day of January, 2009

By: 

Mark Fesmire, P.E.  
Director, Oil Conservation Division