-885- PTEW

DATE IN 4.7.11	SUSPENSE	ENGINEER TW.	LOGGED IN 4.7.11	TYPE WFX	APP NO. 1109739103

ABOVE THIS LINE FOR DIVISION USE ONLY

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

Celero 247128
Rock Queen Unit #909

ADMINISTRATIVE APPLICATION CHECKLIST

30-005-00935

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

30-005-933

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]

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

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

State

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

R-1541

[D] Other: Specify _____

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

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

[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
	4/7/11	drcatanach@netscape.com
	Date	E-Mail Address

April 7, 2011

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

Attention: Ms. Jami Bailey, Division Director

HAND DELIVERED

Re: Form C-108
Celero Energy II, LP
Rock Queen Unit Wells No. 90 & 92
Caprock-Queen Pool (8551)
Chaves County, New Mexico

Dear Ms. Bailey,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the Rock Queen Unit Waterflood/CO2 Pilot Project. Division Order No. R-1541 dated November 30, 1959 established the Rock Queen Unit Area ("Unit Area") and approved secondary recovery operations within the Unit Area. By Order No. R-1541-A dated November 9, 2010 the Division authorized Celero Energy II, LP to institute a CO2 pilot project within a portion of the Unit Area. Celero Energy II, LP proposes to convert the Rock Queen Unit Wells No. 90 & 92 to water injection wells in order to complete an efficient production/injection pattern within the Unit Area. These wells are located in Section 36, Township 13 South, Range 31 East, NMPM, Chaves County, New Mexico.

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-1541 as amended, dated 11/30/1959. Also, R-1541-A dated 11/9/2010 approved CO2 injection within a pilot area contained within the Rock Queen Unit Area.

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: 4/7/11

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
Rock Queen Unit Wells No. 90 & 92
Section 36, T-13S, R-31E, NMPM
Chaves County, New Mexico

I. The purpose of the application is to request approval to convert two (2) wells to water injection within the Rock Queen Unit Waterflood/ CO2 Pilot Project, Caprock-Queen Pool, Chaves County, New Mexico, in order to complete an efficient injection/production pattern. **(Note: Both wells are located in the waterflood portion of the unit area and will be injecting water only at this time).**

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

III. Injection well data sheets and wellbore diagrams for each injection well are attached showing the current and proposed wellbore configurations.

IV. This is an expansion of the Rock Queen Unit Waterflood/CO2 Pilot Project. The initial waterflood project within the Rock Queen Unit was approved by Division Order No. R-1541 dated 11/30/1959. Order No. R-1541-A dated 11/9/2010 approved CO2/Water (WAG) injection into the Rock Queen Unit CO2 Pilot Project. Order No. R-1541-A also approved the statutory unitization of the Rock Queen Unit Area.

V. Enclosed are maps that identify all wells/leases within a 2-mile radius of the proposed injection wells and a map that identifies the ½ mile "Area of Review" ("AOR"). **(Note: The ½ mile AOR map shows a purple AOR outline, a red AOR outline and a green AOR outline. The purple AOR outline represents the AOR area that was presented by Celero in its C-108 application that resulted in Order No. R-1541-A (Case No. 14505). The red AOR outline represents the AOR area that was presented by Celero in its C-108 application that resulted in Order No. WFX-883. The green AOR outline represents the AOR area for the wells that are the subject of this application. Consequently, with the exception of ten wells, all AOR well data has previously been submitted to the Division and is therefore not re-submitted with this application).**

VI. Attached is the AOR well construction/plugging data for ten wells that has not previously been submitted to the Division in prior applications (see above). Please note that Orders No. R-1541-A and WFX-883 did not require remedial work on any AOR well. An examination of AOR well data indicates that all wells are constructed and/or plugged in such a manner so as to confine the injected fluid to the proposed injection interval.

VII. 1. The proposed water injection rate is 600 BWPD per well, and the proposed

maximum injection rate is 1,500 BWPD per well. If the average or maximum rates increase in the future, the Division will be notified.

2. This will be a closed system.

3. The proposed average and maximum water injection pressure is 800 psi. **(Note: In Case No. 14505, Celero presented extensive step rate test data for wells within the Rock Queen Unit to support a unit-wide injection pressure of 800 psi for water and 1,200 psi for CO2. Consequently, Order No. R-1541-A, as amended, approved these CO2 and water injection pressures on a unit-wide basis).**

4. Produced water from the Caprock-Queen Pool originating from wells within the Unit Area will be re-injected into the subject injection wells. In addition, Celero uses fresh make-up water as necessary. A representative formation water analysis obtained from the Celero Rock Queen Unit Well No. 84 is included. This formation water analysis shows total dissolved solids to be approximately 298,000 mg/L. Also attached is a fresh water analysis obtained from a fresh water well located in Section 35, T-13S, R-31E.

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

VIII.

Geologic Age:	Permian
Geologic Name:	Queen (A member of the Artesian Group)
Average Thickness:	15 Feet (calculated from available core data)
Lithology:	Shaly sandstone
Measured Depth:	3,000'-3,100'
USDW's:	Ogallala is present at depths from 100'-200'

IX. No stimulation is planned, however, should a stimulation treatment become necessary, then a mild 7 ½% NEFE HCL treatment with the appropriate additives will be used.

X. Logs were filed at the time of drilling or will be filed subsequent to completion of drilling operations.

XI. Attached is a water analysis from a fresh water well located in Unit F of Section 35, Township 13 South, Range 31 East, NMPM.

XII. Affirmative statement is enclosed.

XIII. Proof of Notice is enclosed.

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 90

WELL LOCATION:	1980' FSL & 1980' FWL	K	36	13 South	31 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 ¼" Casing Size: 8 5/8" @ 307'

Cemented with: 200 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Calculated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 3,062'

Cemented with: 100 Sx. or _____ ft^3

Top of Cement: 2,615' Method Determined: Calculated

Total Depth: 3,069' PBTD: _____

Injection Interval

Queen Formation: 3,062'-3,069' Open Hole

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 2,962' or within 100' of the open-hole injection interval

Other Type of Tubing/Casing Seal (if applicable): None

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 originally drilled in 1955 as a producing well in the Caprock-Queen Pool

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

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.

   None

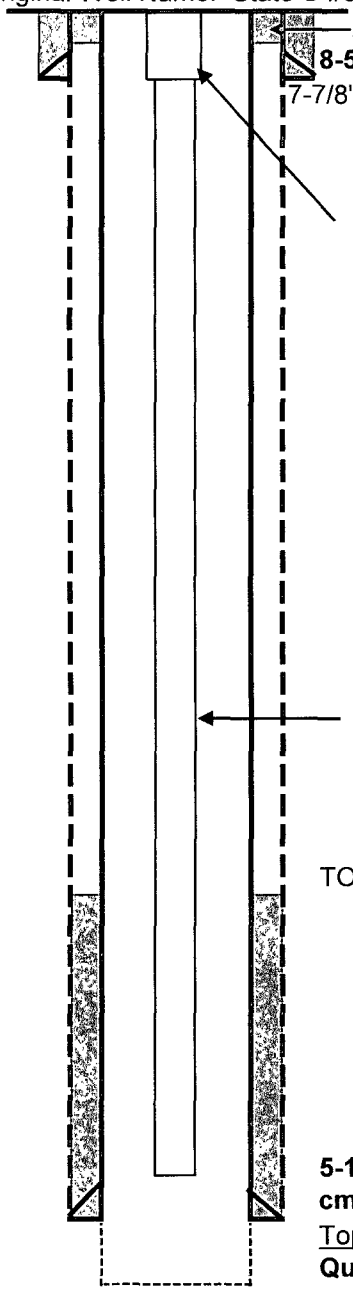
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   None

CELERO ENERGY

		DATE:	**Mar. 24, 2011**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen**	**WELL:**	**90**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 1980' FSL & 1980' FWL, Sec 36K, T13S, R31ECM — **KB = 4391'**
SPUD: 1/55 COMP: 1/55 — **GL = 4382'**
CURRENT STATUS: Producer — **API = 30-005-00935**
Original Well Name: State U #6



Annulus cemented w/100 sx from 233'-surface

8-5/8" 24# @ 307' w/200 sx-calc'd TOC @ surface

7-7/8" hole

2-7/8" x-over (10 jts) 6.4# @ 300' +/-

2-3/8" (89 jts) 4.7# J-55 (2747') @ 3059'

TOC @ 2615'-calc'd w/enlargement = 15%; yld = 1.26 ft3/sk

5-1/2" 14# @ 3062'
cmt'd. w/ 100 sx (DNC)
Top of Queen @ 3061:
Queen Open Hole: 3062' - 3069' (1-55)

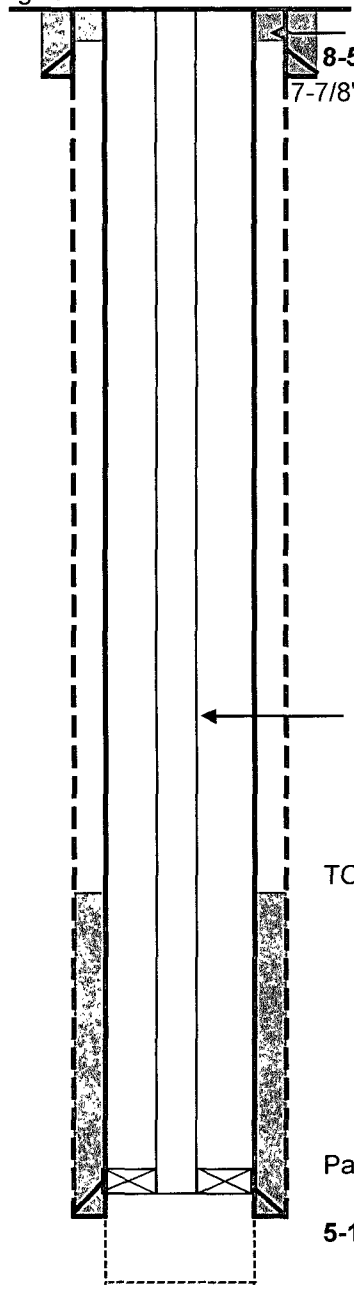
PBTD - 3069'
TD - 3069'

CELERO ENERGY

		DATE:	**Mar. 24, 2011**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen**	**WELL:**	**90**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 1980' FSL & 1980' FWL, Sec 36K, T13S, R31ECM
SPUD: 1/55 COMP: 1/55
PROPOSED STATUS: INJECTOR
Original Well Name: State U #6

KB = 4391'
GL = 4382'
API = 30-005-00935



Annulus cemented w/100 sx from 233'-surface

8-5/8" 24# @ 307' w/200 sx-calc'd TOC at surface

7-7/8" hole

2-3/8", 4.7#, J-55, 8rd EUE IPC @ 2962'

TOC @ 2615'-calc'd w/enlargement = 15%; yld = 1.26 ft3/sk

Packer at or below 2962'

5-1/2" 14# @ 3062' w/100 sx

Queen Injection Interval: 3,062'-3,069' O.H.

PBTD - 3069'
TD - 3069'

Well History: **Rock Queen Unit #90**

(1-55) - Initial Completion:	Orig comp in open hole. Well was drld in w/ cable tool and comp natural. IP 79 BOPD
(3-97) - Shut-in Well:	
(3-08) - BHP:	BHP = 1747 psi at 3060', 3/26/08.
(9-08) - RWTP:	Change out wellheads. Located hole in casing and circulated cement on 5-1/2"-by-8-5/8" annulus from 233' to surface. Stimulated with 1000 gals toulene and 2000 gals 7-1/2% HCL. Ran pump and RWTP.

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: Rock Queen Unit No. 92

WELL LOCATION:	660' FSL & 660' FWL	M	36	13 South	31 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 ¼" Casing Size: 8 5/8" @ 298'

Cemented with: 200 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Calculated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 3,065'

Cemented with: 100 Sx. or _____ ft^3

Top of Cement: 2,619' Method Determined: Calculated

Total Depth: 3,085' PBTD: _____

Injection Interval

Queen Formation: 3,065'-3,085' Open Hole

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 2,965' or within 100' of the open-hole injection interval

Other Type of Tubing/Casing Seal (if applicable): None

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 originally drilled in 1955 as a producing well in the Caprock-Queen Pool

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

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.

   None

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

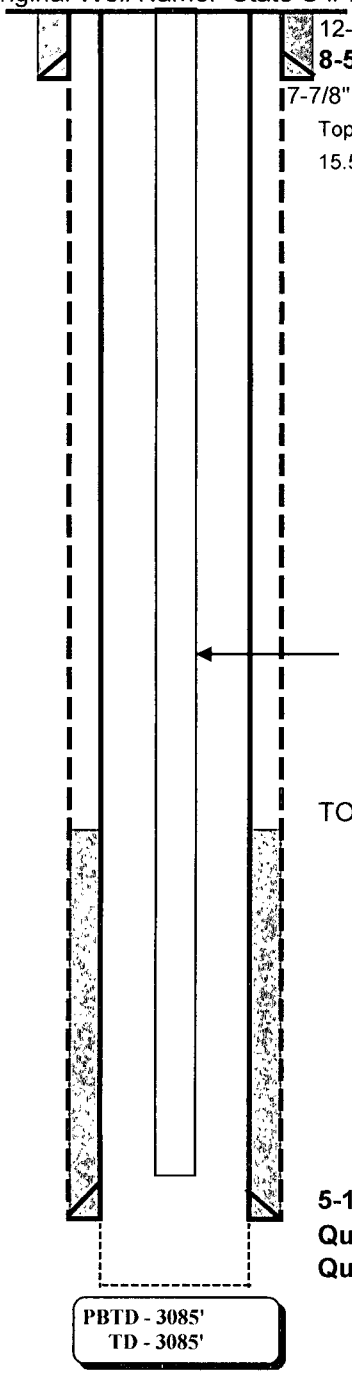
   None

CELERO ENERGY

		DATE:	**11/07/09**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen**	**WELL:**	**92**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 660' FSL & 660' FWL, Sec 36M, T13S, R31ECM
SPUD: 5/55 COMP: 5/55
CURRENT STATUS: Producer
Original Well Name: State U #4

KB = 4397'
GL = 4,389'
API = 30-005-00933



12-/14" hole
8-5/8" 24# @ 298' w/200 sx-calc'd TOC @ surface
7-7/8" hole
Top 2 jts of 5-1/2" casing replaced w/
15.5 ppf, J-55, LT&C (11/09)

2-7/8" 6.5# J-55 production tubing (93 jts) and TAC @ 3018', EOT @ 3027'.
Installed progressive cavity pumping system-11/05/09

TOC @ 2619'-calc'd w/enlargement = 15%; yld = 1.26 ft3/sk

5-1/2" 14# @ 3065' w/100 sx (DNC)
Queen Open Hole: 3069' - 3077' (5-55)
Queen Open Hole: 3069' - 3085' (09-08)

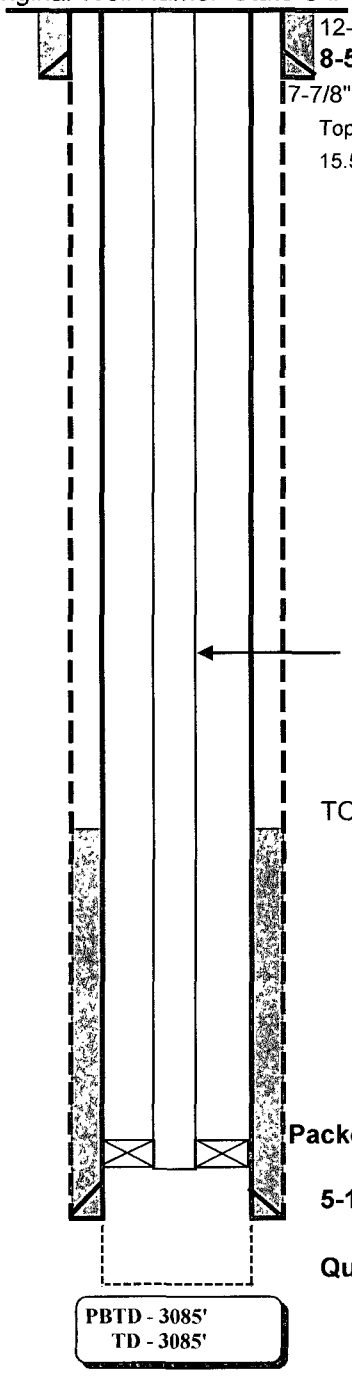
PBTD - 3085'
TD - 3085'

CELERO ENERGY

		DATE:	**03/24/11**
FIELD:	**Caprock**	**BY:**	**MWM**
LEASE/UNIT:	**Rock Queen**	**WELL:**	**92**
COUNTY:	**Chaves**	**STATE:**	**New Mexico**

Location: 660' FSL & 660' FWL, Sec 36M, T13S, R31ECM
SPUD: 5/55 COMP: 5/55
PROPOSED STATUS: INJECTOR
Original Well Name: State U #4

KB = 4397'
GL = 4,389'
API = 30-005-00933



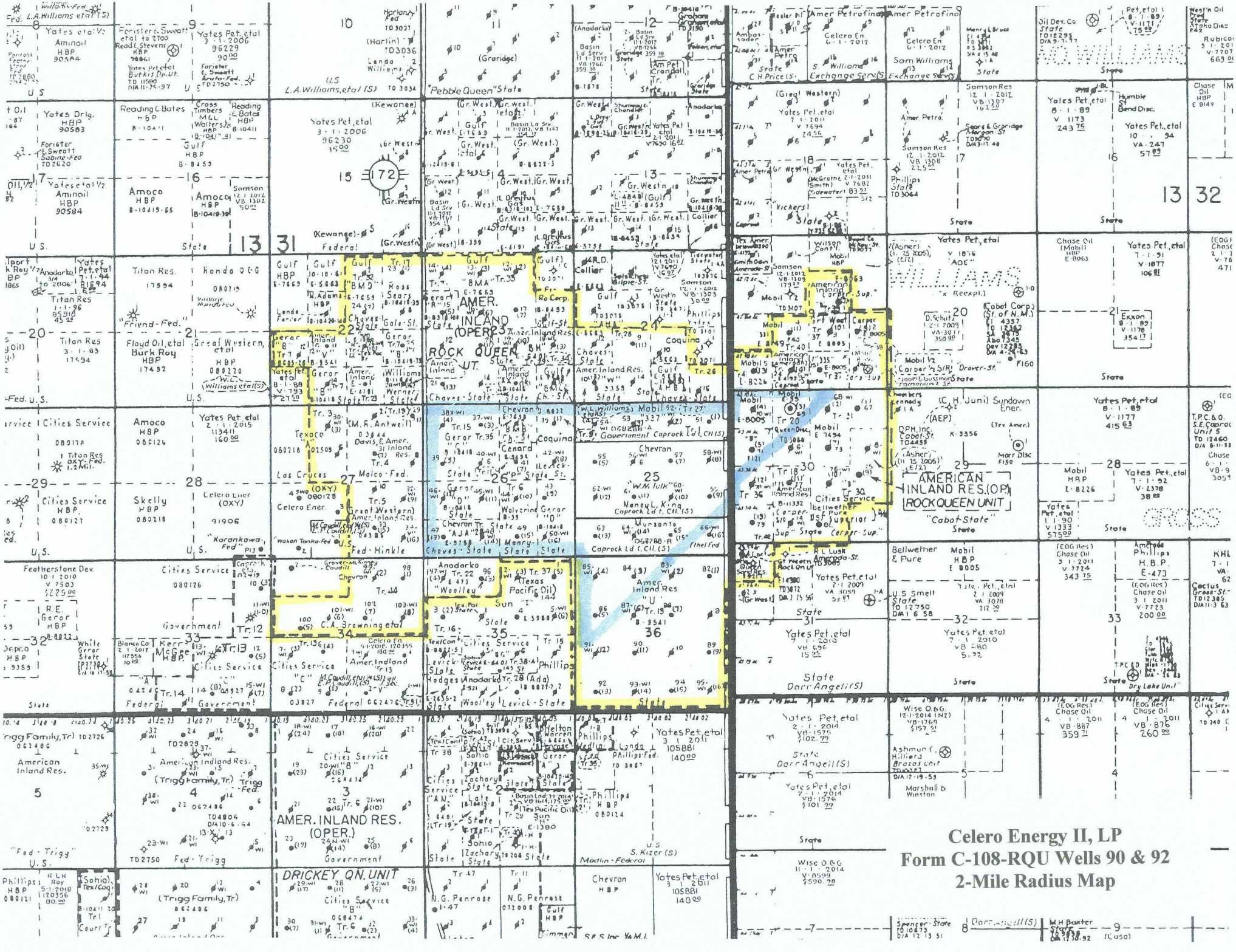
Well History: **Rock Queen Unit #92**

5/55 - Initial Completion: Orig comp in open hole 3065'-3077'. Drld out 5-1/2" csg to top queen SN @ 3069'. Drld well in w/ cable tools 3069'-3077'. 1-1/2 B/HR natural, frace'd 3069'-3077' w/ 7500 gals oil and 15,000 # sd. IP 96 BOPD, no water.

03/01 - Shut-in Well:

09/08 - Workover: TOOH w/ rods, pump, and 2-7/8" production tubing. Pressure tested 5 1/2" casing to 2900' with 500 psi, held OK. CO/DO well to new TD @ 3085' (8' deepening). Acidized Queen interval (3069' - 3085') w/ 500 gal toluene, 2500 gal 80/20 mixture of 7-1/2% NEFE acid and toluene, and 1,500# rock salt in four stages @ 5.2 BPM and 1500 psi avg STP. Swabbed load back. Ran 2 7/8" 6.5# J-55 production tubing and TAC. Set TAC @ 3015', EOT @ 3022'. Installed progressive cavity pumping system. Returned well to production (PC pump).

11/09-Repair. RU and pull production equipment. Located holes in 5-1/2" at 9' and 11'. Back off 5-1/2" at 87' and replace with 2 jts, 5-1/2", 15.5 ppf, J-55, LT&C. Replace 5-1/2"-by-8-5/8" casing-head. Test casing. Reran production equipment. FRW 11/06/09


AMERICAN INLAND RES.(OP.)
ROCK QUEEN UNIT
"Cabot-State"
AMER. INLAND (OPER.)
ROCK QUEEN UT.
DRICKEY QN. UNIT
AMER. INLAND RES. (OPER.)
WILLIAMS
Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
2-Mile Radius Map

Ratio Scale = 1 : 18,000

0 1,500

FEET

POSTED WELL DATA

API Series

WELL SYMBOLS

- Abandoned Well
- Dry Hole, With Show of Oil
- Dry Hole
- Gas Well
- Injection Well
- Location Only
- Oil Well
- Service Well
- Drilling Well
- New Symbol

March 22, 2011

PETRA 3/22/2011 4:20:54 PM

Legend

- 1/2 mile RQU AOR CO2 Pilot Area
- 1/2 mile RQU AOR Wells 701, 702, 703, & 704
- 1/2 mile RQU AOR Wells 90, 92

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
½ Mile AOR Map

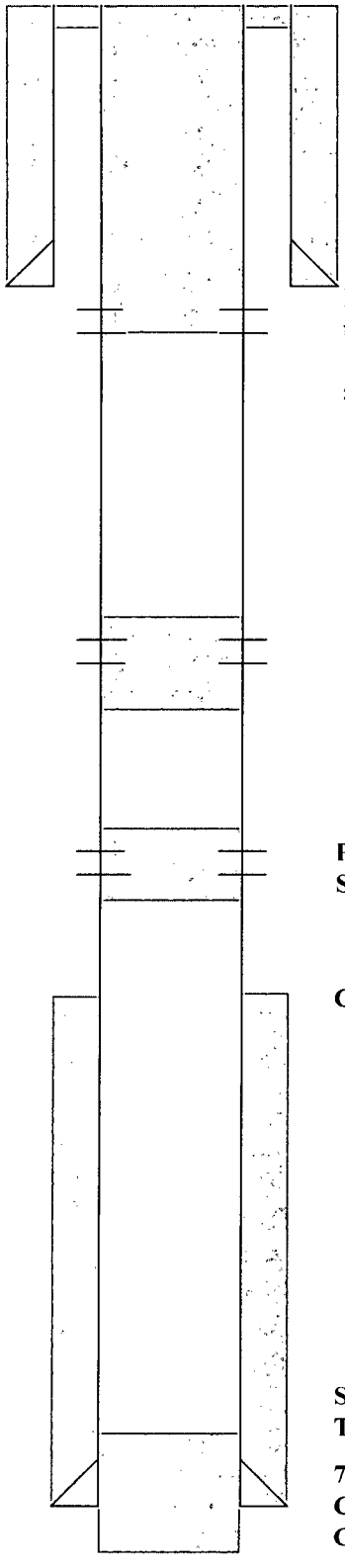
CELERO ENERGY II, LP
AREA OF REVIEW WELL DATA
ROCK QUEEN UNIT WELLS NO. 90 & 92

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
30-005-00934	Celero Energy II, LP	Rock Queen Unit	93	I	Active	660'	S	1980'	W	N	36	13S	31E	Jan-56	3,069'	12.25"	8.625"	306'	200	Surface	Calc.	7.875"	5.5"	3,064'	100	2,531'	Calc.	3,064'-3,069' O.H.	
30-005-00941	Celero Energy II, LP	Rock Queen Unit	94	P	Active	660'	S	1980'	E	O	36	13S	31E	Mar-56	3,072'	12.25"	8.625"	307'	200	Surface	Circ.	7.875"	5.5"	3,067'	100	2,534'	Calc.	3,067'-3,072' O.H.	
30-005-00942	Celero Energy II, LP	Rock Queen Unit	95	I	Active	990'	S	990'	E	P	36	13S	31E	Apr-56	3,076'	12.25"	8.625"	305'	200	Surface	Calc.	7.875"	5.5"	3,073'	100	2,540'	Calc.	3,073'-3,076' O.H.	
30-005-00943	Celero Energy II, LP	Rock Queen Unit	89	P	PA	1980'	S	660'	E	I	36	13S	31E	Mar-56	3,077'	12.25"	8.625"	305'	200	Surface	Circ.	7.875"	5.5"	3,075'	100	2,542'	Calc.	3,075'-3,077' O.H.	PA'd 12/10 Schematic Attached
30-005-29166	Celero Energy II, LP	Rock Queen Unit	705	P	Drilling	1160'	S	1305'	W	M	36	13S	31E	Dec-10	3,128'	11"	8.625"	380'	270	Surface	Circ.	7.875"	5.5"	3,128'	500	461'	Calc.		Not Yet Completed
30-005-00914	Guest & Wolfson	DQSU Tract 15	1	P	PA	660'	S	1980'	E	O	35	13S	31E	May-55	3,092'	12.25"	8.625"	305'	185	Surface	Circ.	7.875"	5.5"	3,071'	125	2,404'	Calc.	3,071'-3,092' O.H.	PA'd 10/73 Schematic Attached
30-005-00915	Guest & Wolfson	DQSU Tract 15	2	I	PA	660'	S	660'	E	P	35	13S	31E	Jun-55	3,085'	12.25"	8.625"	274'	125	Surface	Circ.	7.875"	5.5"	3,065'	115	2,452'	Calc.	3,065'-3,085' O.H.	PA'd 10/73 Schematic Attached
30-005-00958	Guest & Wolfson	DQSU Tract 35	1	P	PA	330'	N	990'	E	A	2	14S	31E	Jun-57	3,125'	11"	8.625"	295'	125	Surface	Circ.	7.875"	5.5"	3,126'	250	1,793'	Calc.	3,080'-3,086' Perf.	PA'd 10/73 Schematic Attached
30-005-00946	Landa Oil Company	Medlin "C"	1	P	PA	660'	N	1980'	W	C	1	14S	31E	Dec-56	3,082'	12 1/4"	8.625"	275'	125	Surface	Circ.	7.875"	5.5"	3,077'	100	2,544'	Calc.	3,077'-3,082' O.H.	PA'd 1957 Schematic Attached
30-005-00947	Guest & Wolfson	DQSU Tract 7	1	I	PA	330'	N	330'	W	D	1	14S	31E	Aug-55	3,091'	12 1/4"	8.625"	359'	350	Surface	Calc.	7.875"	5.5"	3,090'	150	2,290'	Calc.	3,074'-3,082' Perf.	PA'd 6/70 Schematic Attached

30-005-00931 Submitted as AOR in Case No. 14505
30-005-00932 Submitted as AOR in Case No. 14505
30-005-00936 Submitted as AOR in Case No. 14505
30-005-00937 Submitted as AOR in Case No. 14505
30-005-00939 Submitted as AOR in Order No. WFX-883
30-005-00940 Submitted as AOR in Order No. WFX-883
30-005-29161 Submitted as AOR in Order No. WFX-883
30-005-29162 Submitted as AOR in Order No. WFX-883
30-005-00916 Submitted as AOR in Order No. WFX-883

Celero Energy II, LP
Rock Queen Unit No. 89
API No. 30-005-00943
1980' FSL & 660' FEL, Unit I
Section 36, T-13S, R-31E
Type Well: Producer

Drilled: 3/56
Plugged: 12/10



Tied onto 8 5/8" csg. & pumped
10 Sx. cement down annulus

12 1/4" Hole; 8 5/8" csg. set @
305'. Cemented w/200 sx.
Cement circulated to surface.

Perf. 5 ½" csg. @ 355'. Unable to pump into perforations to circulate cement in the 5 ½" x 8 5/8" annulus.
Pump 53 Sx. cement & circulate to surface in the 2 3/8" x 5 ½" annulus.

Perf. 5 ½" csg. @ 1,500'. Unable to pump into perforations.
Set 25 Sx. cement plug 1,314'-1,560'. Tagged TOC @ 1,314'

Perf. 5 ½" csg. @ 2,180'. Unable to pump into perforations.
Set 40 Sx. cement plug 1,905'-2,247'. Tagged TOC @ 1,905'

Calculated TOC @ 2,542'

Set 20 sx. cement plug 2,894'-3,073'
Tagged TOC @ 2,894'

7 7/8" Hole; 5 ½" csg. set @ 3,075'
Cemented w/100 Sx.
Calculated TOC @ 2,542'

Queen open-hole producing interval: 3,075'-3,077'

T.D. 3,077'

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
PA Schematic: RQU No. 89

Submit 1 Copy 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

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

Form C-103
October 13, 2009

WELL API NO.	30-005-00943
5. Indicate Type of Lease	STATE [X] FEE [ ]
6. State Oil & Gas Lease No.	303735
7. Lease Name or Unit Agreement Name	Rock Queen Unit
8. Well Number	89
9. OGRID Number	247128
10. Pool name or Wildcat	Caprock; Queen

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.)

1. Type of Well: Oil Well [X] Gas Well [ ] Other

2. Name of Operator: Celero Energy II, LP

3. Address of Operator: 400 W. Illinois, Ste. 1601, Midland, TX 79701

4. Well Location
Unit Letter I : 1980 feet from the South line and 660 feet from the East line
Section 36 Township 13S Range 31E NMPM County Chaves

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
4391' KB

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 [ ]	
DOWNHOLE COMMINGLE [ ]			
OTHER: [ ]		OTHER [ ]	

Approved for plugging of well bore only. Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web page under Forms, www.emnrd.state.nm.us/ocd.

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/8/10 - Ran csg inspection log from surf to 3,063'. Ran GR/CCL from 1,020' to 3,063'. TIH w/tbg & 5 ½" tension pkr to test csg. Ran to 555'& leaked from 540# to 480# in 5 min. Above 500' the csg would hold 500#. TOH w/tbg & pkr. CWI. Prepare to P&A well.

12/10/10 - Lwr tbg to 3,073'. Circ hole w/prod wtr. Pump 20 sx of Class "C" cmt w/2% CaC12 & spot in 5 ½" csg through 2 3/8" OD tbg from 3,073' back to 2,894'. Raise tbg to 2,451' & WOC 3 hours. Lwr tbg & tag TOC @ 2,894'. TIH w/tbg & 5 ½" tension pkr & set @ 1,965'. Perf 5 ½" csg w/4 shots @ 2,180'. Attempt to pump into perfs @ 2,180' w/1300# pressure. Unable to pump through perfs into formation. TOH w/tbg & pkr. TIH w/open ended tbg to 2,247'. Pump 40 sx of Class "C" cmt w/2% CaC12 & spot cmt in 5 ½" csg from 2,247' back to 1,862'. Pull & raise tbg to 1,000' & WOC.

12/13/10 -WOC 63 hours, lwr tbg & tag TOC @ 1,905'. Perf 5 ½" csg w/3 ½" cased gun w/4- 23 gram charges @ 1,500'. TIH w/tbg & pkr. Set pkr @ 1,184'. Attempt to pump through 5 ½" perfs @ 1,500'. Unable to pump into same w/1000# pressure. TOH w/tbg & pkr. TIH w/tbg & bull plugged perf nipple. Ran to 1,560'. Spot 25 sx of Class "C" cmt w/2% CaC12 in 5 ½" csg @ 1,560'. Raise tbg to 898'. WOC 2 ½ hours. Lwr tbg & tag @ 1,314'. TOH w/tbg. Perf 5 ½" csg w/3 ½" cased gun w/4- 23 gram charges @ 355'. Ran tbg open ended to 442' to circ cmt to surface. Pump 53 sx of Class "C" cmt w/2% CaC12 & circ cmt to surface out 2 3/8" x x5 ½" annulus. ~~Attempt to pump cmt through perfs @ 355' & circ out the 8 5/8" OD csg. Pressured to 350# @ ¼ BPM~~ & pressure continued to climb. Unable to pump through the perfs. TOH w/tbg. Tied onto 8 5/8" valve @ surface & pumped 10 sx of Class "C" cmt w/2% CaC12 down 5 ½" x 8 5/8" annulus. Displaced cmt @ ¼ BPM @ 300#. NDBOP & 5 ½" x 2 3/8" tbg head. RDMO. Cut off WH's & weld on dry hole marker. Well now P&A'd..

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

SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 12/15/2010

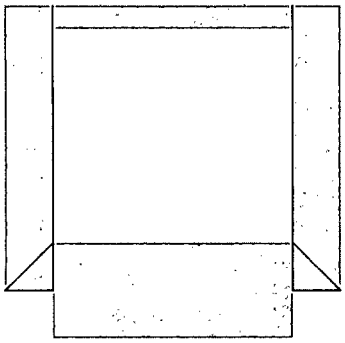
Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883

For State Use Only

APPROVED BY [signature] TITLE STAFF MGR DATE 12-20-10

Conditions of Approval (if any):

Weldon S. Guest & I. J. Wolfson
Drickey Queen Sand Unit Tract 15 No. 1
API No. 30-005-00914
660' FSL & 1980' FEL, Unit O
Section 35, T-13S, R-31E
Type Well: Producer

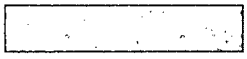


10 Sx. surface plug

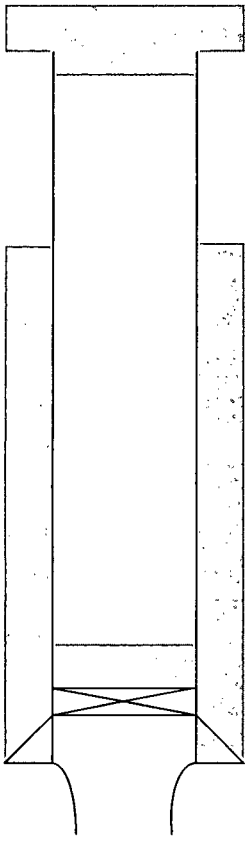
12 1/4" Hole; 8 5/8" csg. set @ 305'.
Cemented w/185 sx.
Cement circulated to surface.

Set 25 Sx. cement plug 250'-350'

Drilled: 5/55
Plugged: 10/73



Set 25 Sx. cement plug 1,450'-1,550'



Cut & pulled 2,022' of 5 ½" casing
Set 25 sx. cement stub plug 1,940'-2,040'

Calculated TOC @ 2,404'

10.1 PPG mud placed between cement plugs

Set CIBP @ 3,000' w/3 Sx. cement on top.

7 7/8" Hole; 5 ½" csg. set @ 3,071'
Cemented w/125 Sx.
Calculated TOC @ 2,404'

Queen open-hole producing interval: 3,071'-3,092'

T.D. 3,092'

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
PA Schematic: DQSU Tr 15 No. 1

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

30-005-00914 ~~00934~~

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No. B-8622

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: **Weldon S. Guest & I. J. Wolfson**

8. Farm or Lease Name: **Tr. 15 Drickey Queen Sd Unit**

3. Address of Operator: **c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, New Mexico**

9. Well No. **1**

4. Location of Well: UNIT LETTER **O**, **660** FEET FROM THE **South** LINE AND **1980** FEET FROM THE **East** LINE, SECTION **35** TOWNSHIP **13 S** RANGE **31 E** NMPM.

10. Field and Pool, or Wildcat: **Caprock Queen**

15. Elevation (Show whether DF, RT, GR, etc.): **4413**

12. County: **Chaves**

16. 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 [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

Subject well plugged and abondoned 10/12/73 as follows:

Set cast iron bridge plug @ 3000 & capped with 3 sacks cement
Shot & pulled 5 1/2" casing from 2022
Spotted plug from 2040 to 1940 with 25 sacks
Spotted plug from 1550 to 1450 with 25 sacks
Spotted plug from 350 to 250 with 25 sacks
Set 10 sack plug at surface with regulation marker.
10.1# mud (visc. 32) between all plugs.

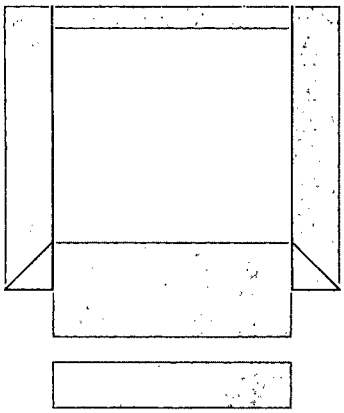
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Wanda Keller TITLE **Agent** DATE **10/16/73**

APPROVED BY John W. Runyan TITLE [illegible] DATE [illegible]

CONDITIONS OF APPROVAL, IF ANY:

Weldon S. Guest & I. J. Wolfson
Drickey Queen Sand Unit Tract 15 No. 2
API No. 30-005-00915
660' FSL & 660' FEL, Unit P
Section 35, T-13S, R-31E
Type Well: Injector



5 Sx. surface plug

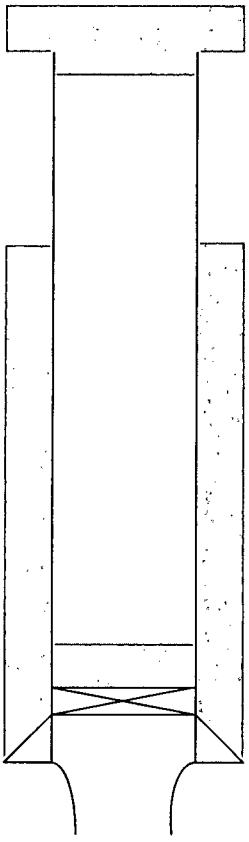
12 1/4" Hole; 8 5/8" csg. set @ 274'
Cemented w/125 sx.
Cement circulated to surface.

Set 35 Sx. cement plug 213'-313'

Set 40 Sx. cement plug 360'-498'

Drilled: 6/55
Plugged: 10/73

Set 35 Sx. cement plug 1,329'-1,450'



Cut & pulled 2,013' of 5 ½" casing
Set 25 sx. cement stub plug 1,940'-2,040'

Calculated TOC @ 2,452'

10.1 PPG mud placed between cement plugs

Set CIBP @ 3,000' w/3 Sx. cement on top.

7 7/8" Hole; 5 ½" csg. set @ 3,065'
Cemented w/115 Sx.
Calculated TOC @ 2,452'

Queen open-hole producing interval: 3,065'-3,085'

T.D. 3,085'

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
PA Schematic: DQSU Tr 15 No. 2

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Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

30-005-00915

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: B-8822

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.)

1. OIL WELL [ ] GAS WELL [ ] OTHER- **Injection Well**

7. Unit Agreement Name:

2. Name of Operator: **Weldon S. Guest & I. J. Wolfson**

8. Farm or Lease Name: **Drickey Queen Sand Unit Tr 15**

3. Address of Operator: **c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, New Mexico**

9. Well No.: **2**

4. Location of Well: UNIT LETTER **P** , **660** FEET FROM THE **South** LINE AND **660** FEET FROM THE **East** LINE, SECTION **35** TOWNSHIP **13 S** RANGE **31 E** NMPM.

10. Field and Pool, or Wildcat: **Caprock Queen**

15. Elevation (Show whether DF, RT, GR, etc.): **4408**

12. County: **Chaves**

16. 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 [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

Subject well plugged and abandoned 10/15/73 as follows:

Set cast iron bridge plug @ 3000 & cap with 3 sacks cement.
Shot & pulled 5 1/2" casing from 2013.
Spotted cement plug 2040 to 1940 with 25 sacks.
Hole collapsed back to 1450, unable to circulate bridge out.
Spotted plug 1329 to 1450 with 35 sacks.
Due to error in tubing count spotted 40 sack plug 360 to 498.
Spotted plug 213 to 313 with 35 sacks.
5 sack plug at surface with regulation marker.
10.1# mud (visc. 32) between plugs.

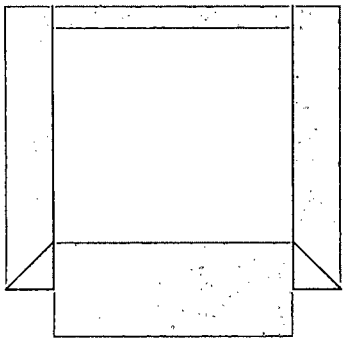
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [signature] TITLE **Agent** DATE **10/16/73**

APPROVED BY Nathan E. Clegg TITLE OIL & [illegible] DATE [illegible]

CONDITIONS OF APPROVAL, IF ANY:

Weldon S. Guest & I. J. Wolfson
Drickey Queen Sand Unit Tract 35 No. 1
API No. 30-005-00958
330' FNL & 990' FEL, Unit A
Section 2, T-14S, R-31E
Type Well: Producer



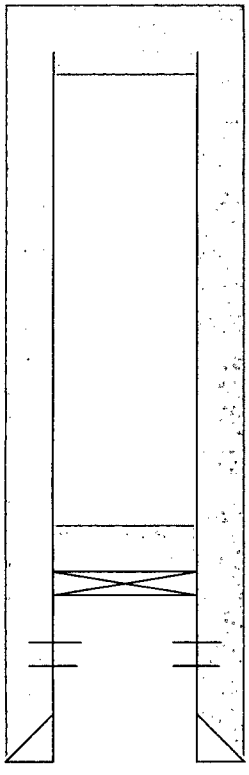
10 Sx. surface plug

11" Hole; 8 5/8" csg. set @ 295'
Cemented w/125 sx.
Cement circulated to surface.

Set 30 Sx. cement plug 250'-350'

Drilled: 6/57
Plugged: 6/70
Re-Entered & PA 10/73

Set 30 Sx. cement plug 1,500'-1,600'



Cut & pulled 2,020' of 5 ½" casing
Set 30 sx. cement stub plug 2,000'-2,100'

10.1 PPG mud placed between cement plugs

Set CIBP @ 2,939' w/25 Sx. cement on top
(Cement 2,739'-2,939')

Queen Perforations: 3,080'-3,086'

7 7/8" Hole; 5 ½" csg. set @ 3,126'
Cemented w/250 Sx.
TOC @ 2,020' (Casing cut off depth)

T.D. 3,125'

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
PA Schematic: DQSU Tr 35 No. 1

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Supersedes Old C-102 and C-103
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5a. Indicate Type of Lease
State [X] Fee [ ]

5. State Oil & Gas Lease No.
E-5665

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.)

1. OIL WELL [ ] GAS WELL [ ] OTHER- **P & A** 30-005-00958

7. Unit Agreement Name

2. Name of Operator
Weldon S. Guest & I. J. Wolfson

8. Farm or Lease Name **Drickey Queen Sand Unit Tr 35**

3. Address of Operator
c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, New Mexico

9. Well No.
1

4. Location of Well
UNIT LETTER **A**, **330** FEET FROM THE **North** LINE AND **990** FEET FROM THE **East** LINE, SECTION **2** TOWNSHIP **14 S** RANGE **31 E** NMPM.

10. Field and Pool, or Wildcat
Caprock Queen

15. Elevation *(Show whether DF, RT, GR, etc.)*
4408 GR

12. County
Chaves

16. 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 [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER **Re-enter & salvage casing** [X]	

17. 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.

Re-entered and shot off 5 1/2" casing at 2020.
Spotted 100' plug 2000 to 2100 with 30 sacks.
Spotted 100' plug 1500 to 1600 with 30 sacks.
Spotted 100' plug 250 to 350 with 30 sacks.
Set 10 sack plug at surface with regulation marker.
10.1# mud (visc. 32) between all plugs.
Work complete 10/27/73.

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

SIGNED Weldon Guest TITLE **Agent** DATE **10/30/73**

APPROVED BY John W. Runyan TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: E-5665

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name: D.Q.S.U.

2. Name of Operator: Cities Service Oil Company

8. Farm or Lease Name: Tract 35

3. Address of Operator: Box 69 - Hobbs, New Mexico 88240

9. Well No.: 1

4. Location of Well: UNIT LETTER A, 330 FEET FROM THE North LINE AND 990 FEET FROM THE East LINE, SECTION 2 TOWNSHIP 14S RANGE 31E NMPM.

10. Field and Pool, or Wildcat: Caprock Queen

15. Elevation *(Show whether DF, RT, GR, etc.)*: 4418 DF

12. County: Chaves

16. 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 [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

The above well was plugged and abandoned on 6/25/70 in the following manner:

1. Set a CI bridge plug @ 2939 (5½" set @ 3126 w/250 sxs)
2. Set a 25 sack cement plug on top of bridge plug @ 2939-2739.
3. Loaded hole with mud laden fluid.
4. Set a 10 sack cement surface plug @ 30-0 with a 4" marker extending 4' above the surface to designate a P & A location.
5. Location has been cleared of all debris and equipment and is ready for final inspection.

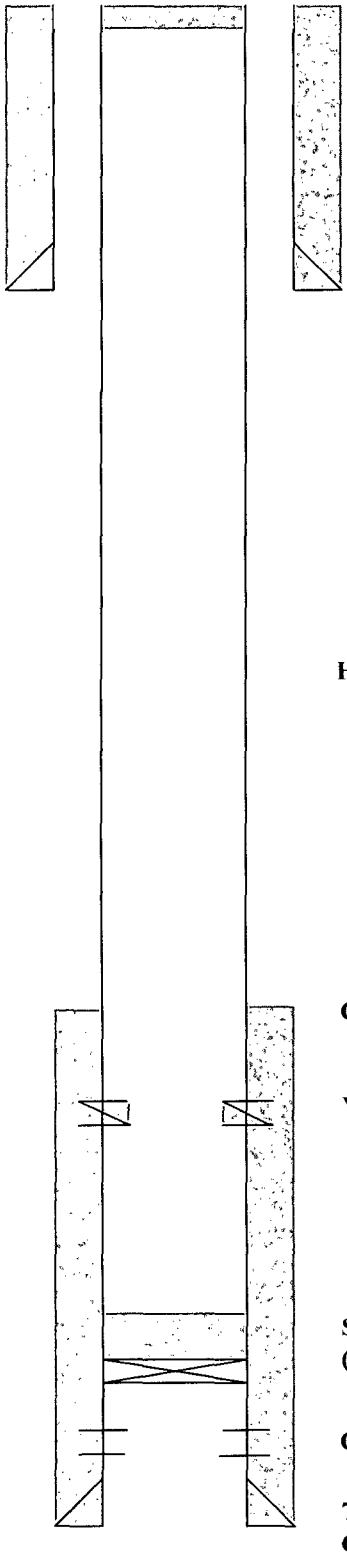
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED _____ TITLE District Admin. Supervisor DATE 1/20/71

APPROVED BY John W. Runyan TITLE Geologist DATE FEB 24 1971

CONDITIONS OF APPROVAL, IF ANY:

Weldon S. Guest & I. J. Wolfson
Drickey Queen Sand Unit Tract 7 No. 1
API No. 30-005-00947
330' FNL & 330' FWL, Unit D
Section 1, T-14S, R-31E
Type Well: Injector



10 Sx. surface plug

12 1/4" Hole; 8 5/8" csg. set @ 359'
Cemented w/350 sx.
TOC @ surface by calculation.

Drilled: 8/55
Plugged: 6/70

Heavy mud placed between cement plugs

Calculated TOC @ 2,290'

Yates Perforations 2,470'-2,490' squeezed w/750 Sx. cement

Set CIBP @ 3,053' w/25 Sx. cement on top.
(Cement 2,833'-3,053')

Queen Perforations: 3,074'-3,082'

7 7/8" Hole; 5 ½" csg. set @ 3,090'
Cemented w/150 Sx.
Calculated TOC @ 2,290'

T.D. 3,091'

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
PA Schematic: DQSU Tr 7 No. 1

N. M. O. C. C. COPY

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

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—" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.: LC 070336

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1. OIL WELL ☐ GAS WELL ☐ OTHER: Water Injection

7. UNIT AGREEMENT NAME: D.R.S.U.

2. NAME OF OPERATOR: Cities Service Oil Company

8. FARM OR LEASE NAME: Tract 7

3. ADDRESS OF OPERATOR: Box 69 - Hobbs, New Mexico 88240

9. WELL NO.: 1

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface: 330' FNL and 330' FWL of Sec. 1-T14S-R31E, Chaves County, New Mexico

10. FIELD AND POOL, OR WILDCAT: Caprock Queen

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 1-T14S-R31E

14. PERMIT NO.:

15. ELEVATIONS (Show whether DF, RT, GR, etc.): Est. 4402 DF

12. COUNTY OR PARISH: Chaves

13. STATE: New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	☐	PULL OR ALTER CASING	☐	WATER SHUT-OFF	☐	REPAIRING WELL	☐
FRACTURE TREAT	☐	MULTIPLE COMPLETE	☐	FRACTURE TREATMENT	☐	ALTERING CASING	☐
SHOOT OR ACIDIZE	☐	ABANDON*	☐	SHOOTING OR ACIDIZING	☐	ABANDONMENT*	X
REPAIR WELL	☐	CHANGE PLANS	☐	(Other)			
(Other)				(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

The above well was plugged and abandoned on 6/4/70 in the following manner:

1. Set a CI bridge plug @ 3053. (5½" set @ 3090 w/150 sxs)
2. Set a 25 sack cement plug on top of bridge plug @ 3053-2833.
3. Loaded hole with mud laden fluid.
4. Set a 10 sack cement surface plug @ 30-0 with a 4' marker extending 4' above the surface to designate a P & A location.
5. Location has been cleared of all debris and equipment and is ready for final inspection.

RECEIVED
JAN 29 1971
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED ORIGINAL SIGNED C. D. ROBERTSON TITLE District Admin. Supervisor DATE 1/20/71

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
FEB 5 1971
A. L. BENNAM
DISTRICT ENGINEER

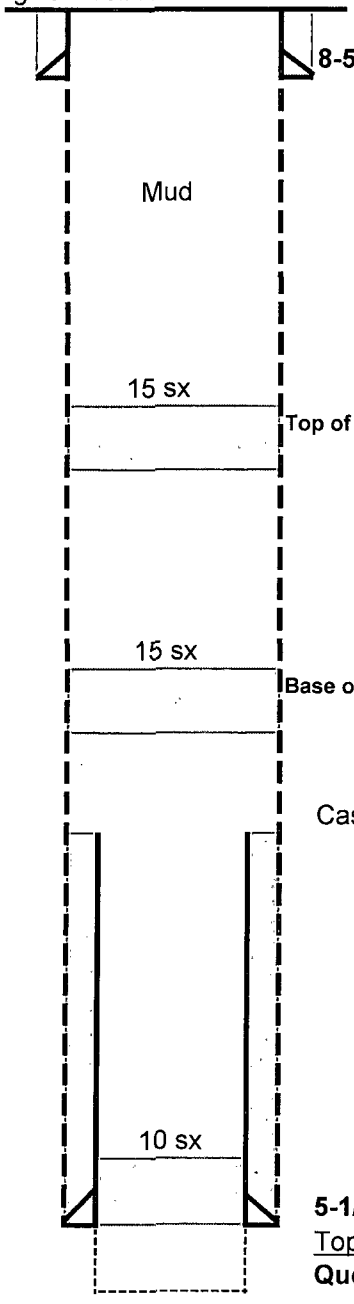
*See Instructions on Reverse Side

CELERO ENERGY

		DATE:	Mar. 31, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Drickey Queen Sand Unit	WELL:	1C
COUNTY:	Chaves	STATE:	New Mexico

Location: 660' FNL & 1980' FWL, Sec 1C, T14S, R31ECM
SPUD: 12/56 COMP: 12/56
CURRENT STATUS: D&A (02-57)
Original Well Name: Medlin "C" #1

KB =
GL =
API = 30-005-00946



PBTD - 3082'
TD - 3082'

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
PA Schematic: Medlin "C" No. 1

Well History: **Drickey Queen Sand Unit #1C**

(12-56) - Initial Completion: Orig Comp drilled out 5-1/2" csg shoe w/ cable tools to 3082'. Frac'd w/ 10,000 gal oil and 10,000# sand. IP 30 BOPD and 20 BWPD.

(02-57) - P&A Well:

Form 9-331a
(Feb. 1951)

	X		

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R358.4.
Approval expires 12-31-60.

Land Office 070336

Lease No. _____

Unit _____

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL		SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	X
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

February 18, 19 57

Well No. 1 Medlin is located 660 ft. from {N / S} line and 1980 ft. from {E / W} line of sec. 1

NW of Section 1	14S	31E	N. M. P. M.
(¼ Sec. and Sec. No.)	(Twp.)	(Range)	(Meridian)

Caprock-Queen	Chaves	New Mexico
(Field)	(County or Subdivision)	(State or Territory)

The elevation of the derrick floor above sea level is 4402 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Left approximately 600'of 5 1/2" casing in hole (3077-2477') put a 10 sack plug at shoe (3077'), a 15 sack plug at base of salt, a 15 sack plug at top of salt, filled hole with mud and left 275 feet of 8 5/8" surface pipe in place.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Landa Oil Company

Address 5738 North Central Expy.

Dallas, Texas

By John W. McCarthy

Title Geologist

U. S. GOVERNMENT PRINTING OFFICE 16—8437-6

Pro-Kem, Inc.
WATER ANALYSIS REPORT

SAMPLE

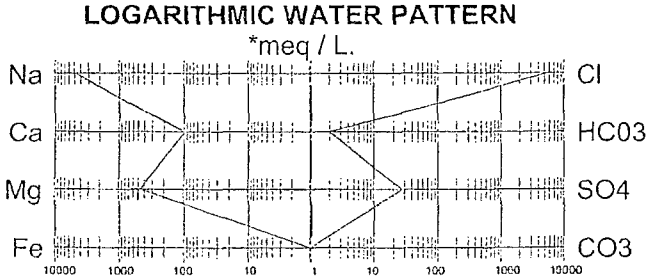
Oil Co. : **Celero**
Lease : **Rock Queen**
Well No.: **84**
Location:
Attention:

Date Sampled : **17-July-2007**
Date Analyzed: **20-July-2007**
Lab ID Number: **Jul2307.004- 1**
Salesperson :
File Name : **jul2307.004**

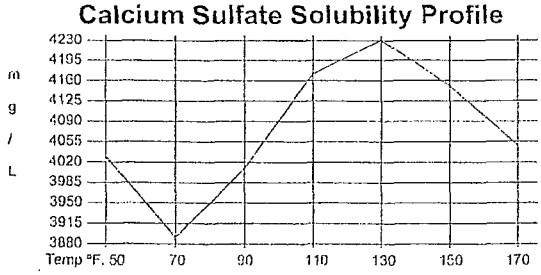
ANALYSIS

1.	Ph			6.500		
2.	Specific Gravity 60/60 F.			1.204		
3.	CACO3 Saturation Index		@ 80F	1.125	Moderate	
			@140F	2.505	Severe	
	Dissolved Gasses			**MG/L.**	**EQ. WT.**	***MEQ/L**
4.	Hydrogen Sulfide			Not Present		
5.	Carbon Dioxide			300		
6.	Dissolved Oxygen			Not Determined		
	Cations					
7.	Calcium	(Ca++)		1,876	/ 20.1 =	93.33
8.	Magnesium	(Mg++)		5,310	/ 12.2 =	435.25
9.	Sodium	(Na+)	(Calculated)	107,113	/ 23.0 =	4,657.09
10.	Barium	(Ba++)		Not Determined		
	Anions					
11.	Hydroxyl	(OH-)		0	/ 17.0 =	0.00
12.	Carbonate	(CO3=)		0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO3-)		117	/ 61.1 =	1.91
14.	Sulfate	(SO4=)		1,300	/ 48.8 =	26.64
15.	Chloride	(Cl-)		182,959	/ 35.5 =	5,153.77
16.	Total Dissolved Solids			298,675		
17.	Total Iron	(Fe)		11.50	/ 18.2 =	0.63
18.	Manganese	(Mn++)		Not Determined		
19.	Total Hardness as CaCO3			26,544		
20.	Resistivity @ 75 F. (Calculated)			0.001 Ohm · meters		

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	1.91		81.04		155
CaSO4	26.64		68.07		1,813
CaCl2	64.78		55.50		3,595
Mg(HCO3)2	0.00		73.17		0
MgSO4	0.00		60.19		0
MgCl2	435.25		47.62		20,726
NaHCO3	0.00		84.00		0
NaSO4	0.00		71.03		0
NaCl	4,653.75		58.46		272,058

* milliequivalents per Liter

Kevin Byrne, Analyst

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
Produced Water Analysis

Pro-Kem, Inc.
WATER ANALYSIS REPORT

SAMPLE

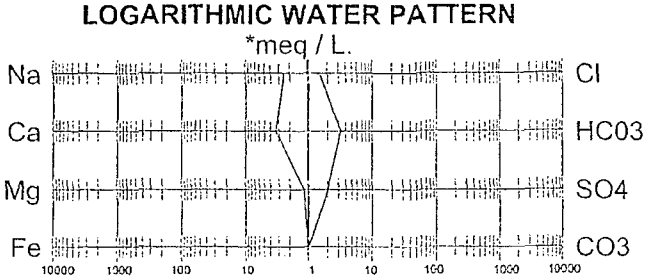
Oil Co. : **Celero Energy**
Lease :
Well No.: **Fresh Water**
Location:
Attention:

Date Sampled : **17-August-2007**
Date Analyzed: **23-August-2007**
Lab ID Number: **Aug2307.003- 2**
Salesperson :
File Name : **aug2307.003**

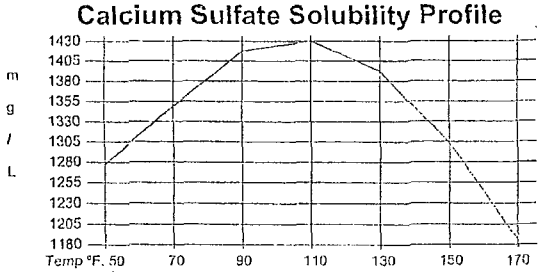
ANALYSIS

1.	Ph			7.100		
2.	Specific Gravity 60/60 F.			1.009		
3.	CACO3 Saturation Index	@ 80F		0.133	Mild	
		@140F		0.733	Moderate	
	Dissolved Gasses			MG/L.	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide			Not Present		
5.	Carbon Dioxide			Not Determined		
6.	Dissolved Oxygen			Not Determined		
	Cations					
7.	Calcium	(Ca++)		63	/ 20.1 =	3.13
8.	Magnesium	(Mg++)		13	/ 12.2 =	1.07
9.	Sodium	(Na+)	(Calculated)	54	/ 23.0 =	2.35
10.	Barium	(Ba++)		Not Determined		
	Anions					
11.	Hydroxyl	(OH-)		0	/ 17.0 =	0.00
12.	Carbonate	(CO3=)		0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO3-)		193	/ 61.1 =	3.16
14.	Sulfate	(SO4=)		95	/ 48.8 =	1.95
15.	Chloride	(Cl-)		50	/ 35.5 =	1.41
16.	Total Dissolved Solids			468		
17.	Total Iron	(Fe)		2.00	/ 18.2 =	0.11
18.	Manganese	(Mn++)		Not Determined		
19.	Total Hardness as CaCO3			208		
20.	Resistivity @ 75 F. (Calculated)			2.462 Ohm · meters		

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	3.13		81.04		254
CaSO4	0.00		68.07		0
CaCl2	0.00		55.50		0
Mg(HCO3)2	0.02		73.17		2
MgSO4	1.04		60.19		63
MgCl2	0.00		47.62		0
NaHCO3	0.00		84.00		0
NaSO4	0.91		71.03		64
NaCl	1.41		58.46		82

* milliequivalents per Liter

Kevin Byrne, Analyst

Celero Energy II, LP
Form C-108-RQU Wells 90 & 92
Fresh Water Analysis

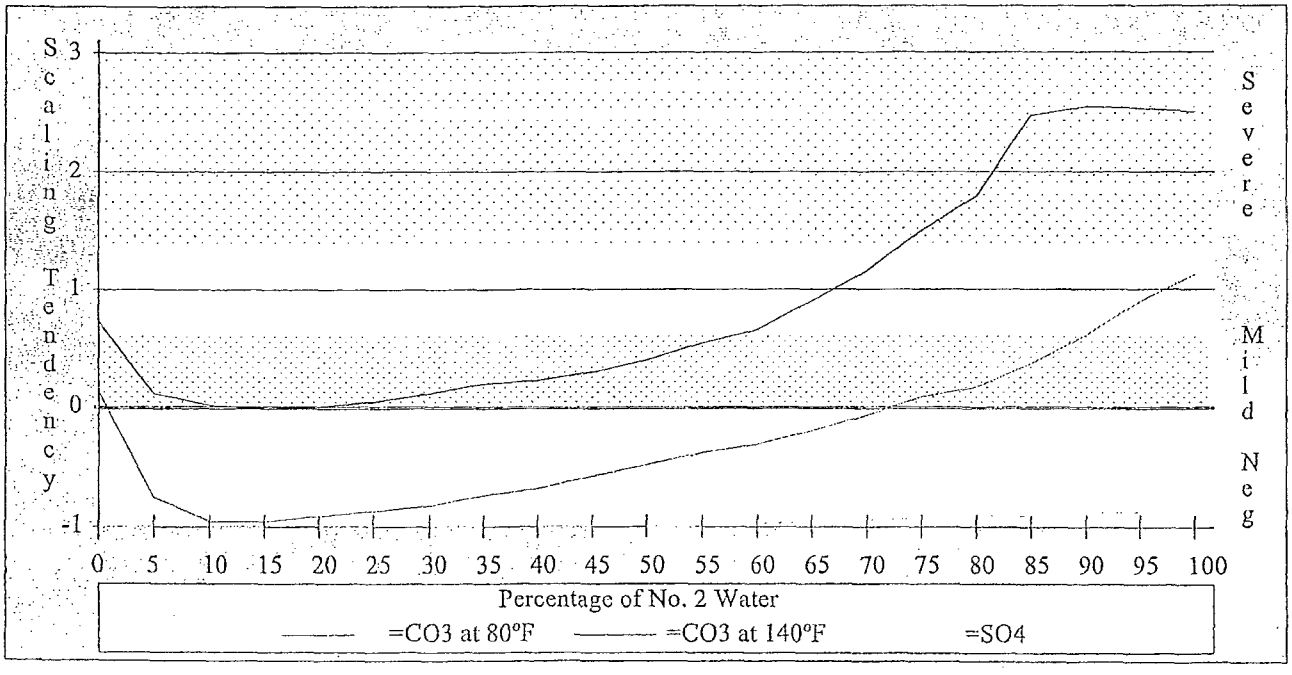
Comparison Between Two Waters

Requested by: Pro-Kem, Inc.

Sample No. 1
Celero Energy
Recovery Water

Sample No. 2
Celero Energy
Produced Water

Percent of #1 & #2	pH	TDS	SpGr	CaCO3 Saturation @80°F.	CaCO3 Saturation @140°F.	Calcium Sulfate Scaling Potential
100 - 00	7.100	468	1.009	0.133	0.733	Nil
95 - 05	7.070	15,378	1.019	-0.751	0.109	Nil
90 - 10	7.040	30,289	1.029	-0.960	0.010	Nil
85 - 15	7.010	45,199	1.038	-0.952	-0.012	Nil
80 - 20	6.980	60,109	1.048	-0.908	0.002	Nil
75 - 25	6.950	75,020	1.058	-0.873	0.047	Nil
70 - 30	6.920	89,930	1.068	-0.823	0.107	Nil
65 - 35	6.890	104,840	1.077	-0.742	0.193	Nil
60 - 40	6.860	119,751	1.087	-0.679	0.226	Nil
55 - 45	6.830	134,661	1.097	-0.592	0.298	Nil
50 - 50	6.800	149,572	1.107	-0.480	0.400	Nil
45 - 55	6.770	164,482	1.116	-0.382	0.538	Nil
40 - 60	6.740	179,392	1.126	-0.307	0.653	Nil
35 - 65	6.710	194,303	1.136	-0.196	0.904	Nil
30 - 70	6.680	209,213	1.146	-0.067	1.153	Nil
25 - 75	6.650	224,123	1.155	0.080	1.500	Nil
20 - 80	6.620	239,034	1.165	0.175	1.785	Nil
15 - 85	6.590	253,944	1.175	0.367	2.467	Nil
10 - 90	6.560	268,854	1.185	0.608	2.548	Nil
05 - 95	6.530	283,765	1.194	0.898	2.528	Nil
00 - 100	6.500	298,675	1.204	1.125	2.505	Nil



Oil Conservation Division
Case No. _____
Exhibit No. 34

Summary Report

Ike Tavarez
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: June 14, 2007

Work Order: 7052432

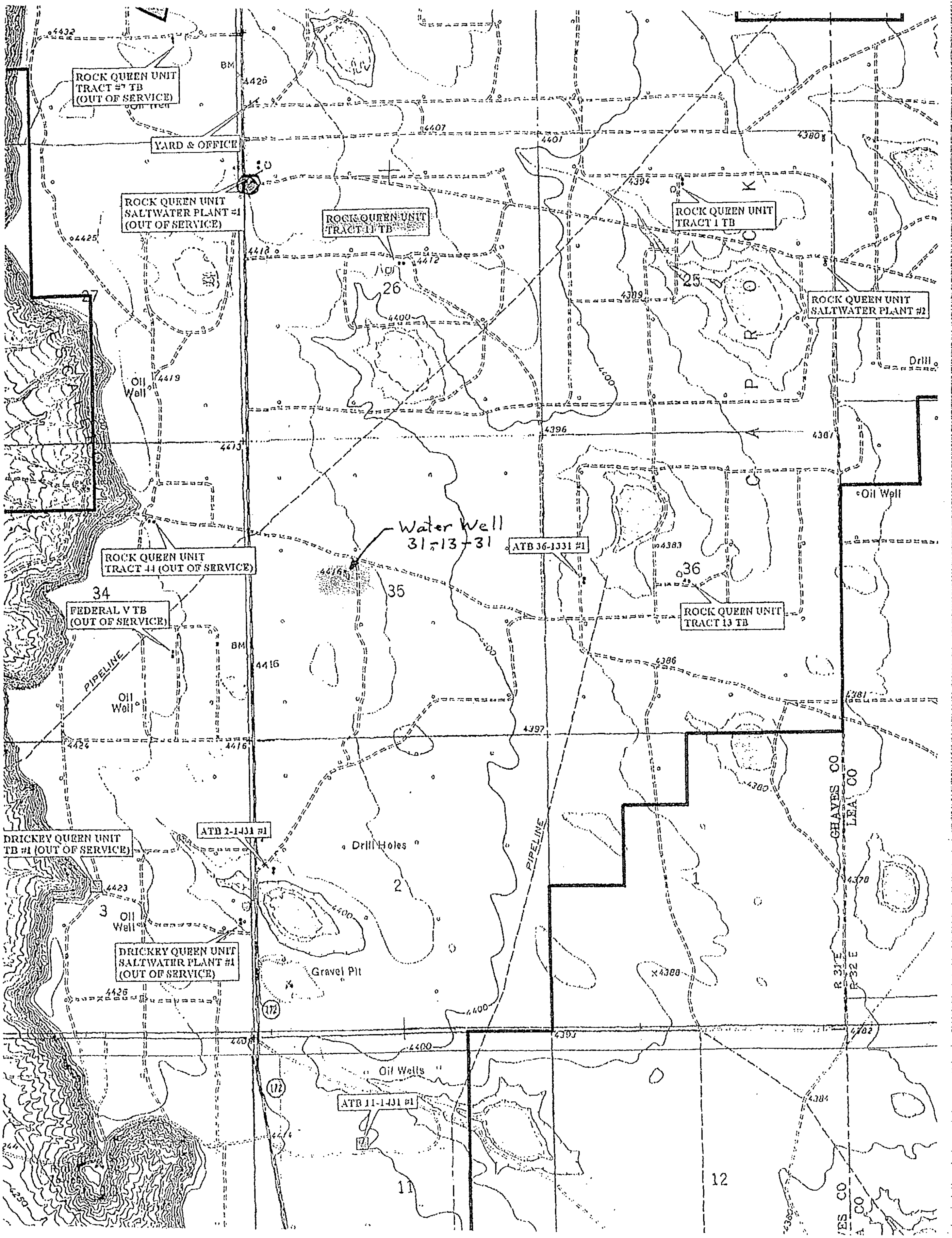
Project Location: Chaves Co. NM
Project Name: Celero Energy-Rock Queen ESA
Project Number: 2972

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
125351	Water Well 31-13-31	water	2007-05-22	00:00	2007-05-23

Location: Sec. 35(F), T13S, R31ECM

Sample: 125351 - Water Well 31-13-31

Param	Flag	Result	Units	RL
Hydroxide Alkalinity		<1.00	mg/L as CaCo3	1.00
Carbonate Alkalinity		<1.00	mg/L as CaCo3	1.00
Bicarbonate Alkalinity		152	mg/L as CaCo3	4.00
Total Alkalinity		152	mg/L as CaCo3	4.00
Dissolved Calcium		63.5	mg/L	0.500
Chloride		32.1	mg/L	0.500
Specific Conductance		546	uMHOS/cm	0.00
Fluoride		<1.00	mg/L	0.200
Dissolved Potassium		1.98	mg/L	0.500
Dissolved Magnesium		8.79	mg/L	0.500
Dissolved Sodium		28.5	mg/L	0.500
Nitrate-N		4.10	mg/L	0.200
pH		7.83	s.u.	0.00
Sulfate		43.6	mg/L	0.500
Total Dissolved Solids		327.0	mg/L	10.00


ROCK QUEEN UNIT
TRACT #7 TB
(OUT OF SERVICE)
YARD & OFFICE
ROCK QUEEN UNIT
SALTWATER PLANT #1
(OUT OF SERVICE)
ROCK QUEEN UNIT
TRACT 11 TB
ROCK QUEEN UNIT
TRACT 1 TB
ROCK QUEEN UNIT
SALTWATER PLANT #2
Oil Well
Water Well
31-13-31
ATB 36-1331 #1
ROCK QUEEN UNIT
TRACT 44 (OUT OF SERVICE)
FEDERAL V TB
(OUT OF SERVICE)
ROCK QUEEN UNIT
TRACT 13 TB
PIPELINE
DRICKEY QUEEN UNIT
TB #1 (OUT OF SERVICE)
ATB 2-1431 #1
Drill Holes
DRICKEY QUEEN UNIT
SALTWATER PLANT #1
(OUT OF SERVICE)
Gravel Pit
Oil Wells
ATB 11-1431 #1
CHAVES CO
LEA CO
R 31 E
R 32 E
25
26
27
34
35
36
1
2
3
11
12

Form C-108
Affirmative Statement
Celero Energy II, LP
Rock Queen Unit Wells No. 90 & 92
Section 36, T-13 South, R-31 East, NMPM,
Chaves 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

4/7/11
Date

April 7, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: **Offset Operators/Lessees & Surface Owners**
(See Attached List)

Re: Celero Energy II, LP
Form C-108 (Application for Authorization to Inject)
Rock Queen Unit Wells No. 90 & 92
Section 36, T-13 South, R-31 East, NMPM,
Chaves 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 Rock Queen Unit Wells No. 90 & 92 located in Section 36, T-13 South, R-31 East, NMPM, Chaves County, New Mexico. You are being provided a copy of the application as either the surface owner of the land on which the proposed injection wells are located, or as an offset lease owner. In accordance with the provisions of Division Order No. R-1541, as amended, Celero Energy II, LP proposes to inject water into the Rock Queen Unit Wells No. 90 & 92 in order to complete an efficient injection/production pattern within the Rock Queen Unit Waterflood/CO2 Pilot Project.

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

Celero Energy II, LP
Form C-108: Rock Queen Unit Wells No. 90 & 92
Section 36, T-13 South, R-31 East, NMPM
Chaves County, New Mexico

Offset Operator/Leasehold Owner Notification List

Section 36, T-13S, R-31E: NW/4, W/2 NE/4, SE/4 NE/4, S/2

Operator: Celero Energy II, LP
Rock Queen Unit Area

Section 35, T-13S, R-31E: SE/4 NE/4, SE/4

Operator: Celero Energy II, LP
Drickey Queen Sand Unit

Section 2, T-14S, R-31E: N/2 NE/4, SE/4 NE/4

Operator: Celero Energy II, LP
Drickey Queen Sand Unit

Section 1, T-14S, R-31E: N/2 NW/4, SW/4 NW/4

Operator: Celero Energy II, LP
Drickey Queen Sand Unit

Section 1, T-14S, R-31E: SE/4 NW/4

Lessee: ConocoPhillips Company
3401 E. 30th Street
Farmington, New Mexico 87402

Section 1, T-14S, R-31E: NW/4 NE/4

Lessee: Abo Petroleum Corp.
P.O. Box 900
Artesia, New Mexico 88211-0900

Myco Industries, Inc.
P.O. Box 840
Artesia, New Mexico 88211

Yates Petroleum Corporation
Yates Drilling Company
105 S. Fourth Street
Artesia, New Mexico 88210

Surface Ownership

NE/4 SW/4 & SW/4 SW/4 of Section 36, T-13S, R-31E
(Surface Locations of Rock Queen Unit Wells No. 90 & 92)

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

Additional Notice

Oil Conservation Divison (Hobbs Office)
1625 N. French Drive
Hobbs, New Mexico 88240

Form C-108
Celero Energy, II, LP
Rock Queen Unit Wells No. 90 & 92
Section 36, T-13 South, R-31 East, NMPM,
Chaves County, New Mexico

The following-described legal notice will be published in the:

Roswell Daily Record
2301 N. Main
Roswell, New Mexico 88201

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 wells to water injection wells within the Rock Queen Unit Waterflood/Tertiary Recovery Project, Caprock-Queen Pool, Chaves County, New Mexico:

Rock Queen Unit Well No. 90	**API No. 30-005-00935 1980' FSL & 1980' FWL (Unit K)** **Section 36, Township 13 South, Range 31 East,** **Injection Interval: 3,062'-3,069' (Open Hole)**
Rock Queen Unit Well No. 92	**API No. 30-005-00933 660' FSL & 660' FWL (Unit M)** **Section 36, Township 13 South, Range 31 East,** **Injection Interval: 3065'-3085' (Open Hole)**

Produced water will be injected in these water injection wells at average and maximum rates of 600 BWPD and 1,500 BWPD, respectively. The average and maximum surface injection pressure for water injection is 800 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.

7010 0780 0002 0835 0285

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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.17

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Sent To: Yates Petroleum Corp / Yates Drilling Co.
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City, State, ZIP+4: Artesia, N.M. 88210

PS Form 3800, August 2006 — See Reverse for Instructions

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Total Postage & Fees	$ $7.17

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Street, Apt. No.; or PO Box No.: P.O. Box 900
City, State, ZIP+4: Artesia, New Mexico 88211-0900

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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.17

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Street, Apt. No.; or PO Box No.: P.O. Box 840
City, State, ZIP+4: Artesia, New Mexico 88211-0840

PS Form 3800, August 2006 — See Reverse for Instructions

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Return Receipt Fee (Endorsement Required)	$2.30
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.17

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Sent To: ConocoPhillips Company
Street, Apt. No.; or PO Box No.: 3401 E. 30th Street
City, State, ZIP+4: Farmington, New Mexico 87402

PS Form 3800, August 2006 — See Reverse for Instructions