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

APPLICATION OF CELERO ENERGY II, LP TO INSTITUTE A WATERLOOD PROJECT AND TERTIARY RECOVERY PROJECT FOR THE NORTH CAPROCK CELERO QUEEN UNIT AREA, CHAVES AND LEA COUNTIES, NEW MEXICO.

Case No. 14915

AFFIDAVIT OF NOTICE
COUNTY OF SANTA FE)
STATE OF NEW MEXICO)
James Bruce, being duly sworn upon his oath, deposes and states:
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Celero Energy II, LP.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the surface owners and offset interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C. James Bruce
SUBSCRIBED AND SWORN TO before me this $_{28\pm h-}$ day of November, 2012 by James Bruce.
My Commission Expires: 3/14/13 Notary Public
Oil Conservation Division Case No

Exhibit No.

JAMES BRUCE ATTORNEY AT LAW

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October 11, 2012

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

Ladies and gentlemen:

Enclosed is a copy of an application to institute waterflood and tertiary recovery project for the North Caprock Celero Queen Unit, filed with the New Mexico Oil Conservation Division by Celero Energy II, LP.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, November 1, 2012, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as a surface owner or an offset operator or working interest owner who may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required to file a Pre-Hearing Statement no later than Thursday, October 25, 2012. This statement must be filed with the Division's Santa Fe office at the above address, and with the undersigned, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing.

Very truly yours.

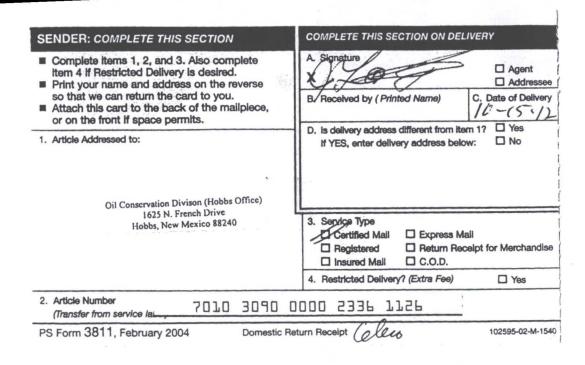
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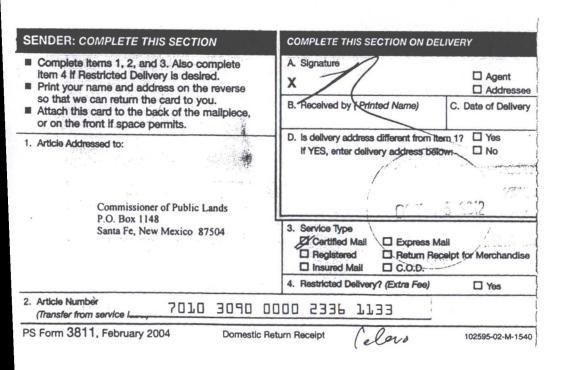
Attorney for Celero Energy II, LP

EXHIBIT A

Oil Conservation Division (Hobbs Office) w/encl.







U.S. Postal Service TO CERTIFIED MAIL TO RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)
Postage \$ \$2.70 Postage \$ \$2.70 Postage \$ \$2.70 Certified Fee \$2.95 Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$40.00 Siried, Apr. No or PO Box No. City, State, ZiP-4
PS Form 3800. August 2006 See Reverse for Instructions