



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

October 5, 2016

Celero Energy II, LP
400 West Illinois, Suite 1601
Midland, TX 79701

Case 14898

Attn: Mr. Rodney Woodard

Re: Termination Notice
North Caprock Celero Queen Unit Agreement
Lea County, New Mexico

Dear Mr. Woodard:

Our records reflect that Celero Energy II, LP is operating the North Caprock Celero Queen Unit area, Lea County, New Mexico.

Our records reflect the following:

- The North Caprock Celero Queen Unit Agreement was approved effective October 31, 2012.
- The date of last production from this unit was May 20, 2015.
- Article 18.1 Term states the following: "the term of this agreement shall be for the time that unitized substances are produced in paying quantities and so long thereafter as Operations are conducted without a cessation of more than one hundred eighty (180) consecutive days, unless sooner terminated by Working Interest Owners in the manner herein provided."

In view of the above, pursuant to Article 18.1 of the North Caprock Celero Queen Unit Agreement, please be advised that the Commissioner of Public Lands has this date terminated the North Caprock Celero Queen Unit agreement effective October 5, 2016.

Please notify all interested parties of this action.

If you have any questions, or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or Units Analyst Sue Keelin at 505.827.5783.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/sk

cc: Reader File,
NMOCD Attention: Mr. Daniel Sanchez
TRD-Attention: Ms. Billie Luther
RMD-Attn: Mr. Danny Martinez