



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Jon Goldstein  
Cabinet Secretary

Jim Noel  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



June 9, 2010

Celero Energy II, LP  
C/O James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504

Email: [jamesbruc@aol.com](mailto:jamesbruc@aol.com)

**Re: Celero Energy II, LP — OGRID 247128**

Dear Operator:

Paragraph 2 of Subsection F of Oil Conservation Division Rule 19.15.5.9 NMAC provides that the listing of a well on the Division's inactive well list as a well inactive for one year plus 90 days creates a rebuttable presumption that the well is out of compliance with Division Rule 19.15.25.8 NMAC.

An operator may rebut that presumption by providing evidence that the well is in compliance with Division Rule 19.15.25.8 NMAC.

Your letter to Gail MacQuesten of June 8, 2010 indicates that Celero Energy II, LP (Celero) returned the Clovis K Kendrick #001 (30-25-07152) and T D Pope 35 #007 (30-025-05191) to compliance in May 2010. Division records show that Celero filed a form C-103 and a form C-104 for each well that indicates that each well was returned to production in May 2010.

Although the Clovis K Kendrick #001 and T D Pope 35 #007 appear on the inactive well list, the Division should not consider them as out of compliance with Rule 19.15.5.9.A.4 NMAC or include them in calculating Celero's compliance with Rule 19.15.5.9 NMAC.

The presumption that each well is not inactive will remain until the date when Celero is required to file C-115 production reports for each well. Division Rule 19.15.7.24 requires operators to file C-115 reports on or before the 15th day of the second month following the month of production, or if such day falls on a weekend or holiday, the first workday following the 15th. Since each well was returned to production in May 2010, the C-115 reports for each well must be filed by July 15, 2010. If Celero fails to file a C-



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115 report for each well by July 15, the presumption that the well is inactive will return to that well for which Celero failed to file the C-115 report.

Celero must present this letter to the appropriate Division staff when showing that these two wells should not be included in calculating Celero's compliance with 19.15.5.9 NMAC.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Sanchez", with a stylized flourish at the end.

Daniel Sanchez, Compliance and Enforcement Manager

ec: Larry "Buddy" Hill, OCD District I  
Randy Dade, OCD District II  
Charlie Perrin, OCD District III  
Gail MacQuesten, OCD Attorney

## Inactive Well List

**Total Well Count: 295 Inactive Well Count: 7 Since: 3/16/2009**

**Printed On: Wednesday, June 09 2010**

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-07152	CLOVIS K KENDRICK #001	I-6 -12S-38E	I	247128	CELERO ENERGY II, LP	P	O	09/2008	DEVONIAN 05/12/2010 RET TO PROD	X	
1	30-025-05138	LEE WHITMAN A #004	H-26-14S-37E	H	247128	CELERO ENERGY II, LP	P	O	02/1999	DEVONIAN	T	6/2/2010
1	30-025-05195	Pope 35 #021	A-35-14S-37E	A	247128	CELERO ENERGY II, LP	P	O	02/1974	DEVONIAN		
1	30-005-00844	ROCK QUEEN UNIT #011	O-24-13S-31E	O	247128	CELERO ENERGY II, LP	S	I	03/2007			
1	30-025-05228	State T Devonian #003	K-2 -15S-37E	K	247128	CELERO ENERGY II, LP	S	O	09/2007	DEVONIAN INT TO PA 05/03/10		
1	30-025-05229	State T Devonian #004	M-2 -15S-37E	M	247128	CELERO ENERGY II, LP	S	O	01/2009	DEVONIAN		
1	30-025-05191	T D POPE 35 #007	J-35-14S-37E	J	247128	CELERO ENERGY II, LP	P	O	01/2009	LATERAL COMPL RET TO PROD 05/21/10	X	

WHERE Ogrid:247128, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period