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November 8, 2010

Via fax and U.S. Mail

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. R-12912-B
Trigg Federal Lease/Celero Energy II, L.P.
Request for extension of injection commencement deadline

Dear Mr. Fesmire:

The above order, dated November 21, 2008, approved expansion of the Trigg Federal Lease (Queen) Project. The project is in two phases, and the order required injection into the phase I injection wells to commence within one year of the date of the order. **Ordering Paragraph (16).** (Injection must commence into the phase II wells within five years.)

By letter dated November 23, 2009 (copy enclosed), the Division granted a one year extension of the phase I injection deadline. By this letter Celero requests an additional year to commence phase I injection. The reasons for this are as follows:

1. Celero is in the process of expanding the adjoining Drickey Queen Sand Unit to include the Trigg Federal Lease, and injection can then proceed on a unitized basis.
2. In November 2009 Celero had just executed a contract securing a supply of carbon dioxide, which will provide gas for injection into the Drickey Queen Sand Unit, Trigg Federal Lease, and the adjacent Rock Queen Unit. Celero has spent the last year securing rights of way and building a pipeline, and is awaiting approval of tertiary injection authority for the Rock Queen Unit (Case No. 14505), which will be the first project to inject carbon dioxide. Injection is anticipated to commence within a month.

As a result, Celero Energy II, L.P. requests a one year extension of the phase I injection commencement deadline in the Trigg Federal Lease, which will allow orderly development of this (combined) large tertiary project.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Celero Energy II, L.P.



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 23, 2009

James Bruce
Attorney at Law and Agent for Coleman Energy
369 Montezuma, No. 213
Santa Fe, NM 87501

Re: **Request for Extension of Commencement of Injection Operations into Phase I Injection Wells for the Expansion of the Trigg Federal Lease - Queen Water-Flood Project, Pursuant to Order No. R-12912-B.**

Dear Mr. Bruce:

The Oil Conservation Division (OCD) received your letter of November 20, 2009, regarding the above referenced Water-flood project by fax on November 20, and by mail on November 23, 2009. Pursuant to Division Order No. R-12912-B, the authority to commence injection into this well expired on November 21, 2009. However, since your faxed request came on November 20, 2009, Celero Energy II, LP is hereby granted extension for the commencement of injection operations into Phase I of this project on or before November 30, 2010.

If you have any questions, please contact Richard Ezeanyim at (505)-476-3467.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

Mark E. Fesmire, P.E.
Director

Cc: Oil Conservation Division District Office – Hobbs
File – Case No. 14047 (Re-opened), Order No. R-12912-B

