



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ  
Governor  
John H. Bemis  
Cabinet Secretary

Jami Bailey  
Director  
Oil Conservation Division

**\*Response Required – Deadline Enclosed\***

*Field Inspection Program  
"Preserving the Integrity of Our Environment"*

03-Apr-13

**HOBBS OCD**

**APR 03 2013**

CELERO ENERGY II, LP  
400 WEST ILLINOIS SUITE 1601  
MIDLAND TX 79701

**RECEIVED**

**LETTER OF VIOLATION - Inspection**

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

**INSPECTION DETAIL SECTION**

DRICKEY QUEEN SAND UNIT No.018				D-3-14S-31E	30-005-00977-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
03/29/2013	Bradenhead	Sylvia Dickey	Yes	No	7/2/2013	iSAD1308828598	
Comments on Inspection: ***OPERATION AND MAINTENANCE VIOLATION BHT SURVEY 3/18/2013 *** OPERATOR PERFORMED WELL WORK TO PLACE WELL BACK ON ACTIVE STATUS; WORK COMPLETED 9/1/2011; WAITING ON BATTERY***WELL INACTIVE FOR 20 YEARS***??							
DRICKEY QUEEN SAND UNIT No.816				B-4-14S-31E	30-005-00985-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
03/29/2013	Bradenhead	Sylvia Dickey	Yes	No	7/2/2013	iSAD1308827578	
Comments on Inspection: ***OPERATION AND MAINTENANCE VIOLATION BHT SURVEY 3/20/2013***PER 3160-5 RETURN TO INJECTION 07/07/2011; WORK PERFORMED APPROVED SUBJECT TO PLACING WELL ON CONTINUOUS INJECTION ON OR BEFORE 12/30/2012: NO REPORTED INJECTION AS OF 3/29/2013***WELL INACTIVE FOR 14 YEARS***							

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,



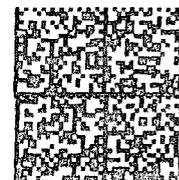
Hobbs OCD District Office

**COMPLIANCE OFFICER**

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER 015H14150977  
**\$0.46**  
04/03/13  
Mailed From 88240  
US POSTAGE

Celero Energy LP  
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Midland, TX 79701