

Submit 1 Copy To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 October 13, 2009

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr. SCD  
 Santa Fe, NM 87505  
 SEP 30 2011

WELL API NO.	30-005-29183
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Rock Queen Unit
8. Well Number	314
9. OGRID Number	247128
10. Pool name or Wildcat	Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4411'

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
 Celero Energy II, LP

3. Address of Operator  
 400 W. Illinois, Ste. 1601  
 Midland, TX 79701

4. Well Location  
 Unit Letter F : 2145 feet from the N line and 1980 feet from the W line  
 Section 26 Township 13S Range 31E NMPM County Chaves

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

9/8 - 9/9/11 - Spud well. Drill 11" hole to 377'. Circ. Run 8 5/8" csg & cmt as follows: Run 9 jts 24#, J-55 of 8 5/8" csg. Set at 376'. Circ. Pump lead slurry, 270 sx class C, 14.8#, 1.35 yield. Displace plug with 21.5 BFW, bumped plug, held 500 PSI over, floats held. WOC, circulate 87 sx cmt to surface. Test BOP, test failed.

9/13 - 9/20/11 - BOP stack change. NU rotating head and flow line. Attempt to set mouse hole, caved in. Make up 8" mud motor, slide drill to 34' KB. Set mouse hole, stopped at 22' KB. 2nd attempt slide to bottom and spot 70 vis pill, caved in same. Red silt sand caving in 10' below GL. Finished drilling mouse hole w/ mud motor. Spot 200 vis pill & set mouse hole. Drill out cmt & fl equip. Drl 7 7/8" hole f/ 387'- 2178'. Pumping LCM sweeps to control losses. Drl 2178'- 2382'. Pump & circ 2 - 25 lb/bbl LCM sweeps to stabilize losses. Drl 2382' - 3125' TD.

9/21 - 9/22/11 - Ran 17 jts 15.5#, J-55. Set 5 1/2" csg @ 3115'. Circ. Cemented first stage w/ 300 sx class C cement 14.2 ppg, 1.3 y, 5.91 gal/sx, 50/50 + 2% bent. + 0.25% R-38 + 5% salt bwoc. Cemented 2nd stage w/ 500 sx class C cmt 12.0 ppg, 2.1 y, 13.01 gal/sx, 50/50 + 10% bent. + 0.25% R-38 + 5% salt bwoc. Released rig @ 6 a.m. 9-22-11.

Spud Date:  Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 09/28/2011

Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 03 2011

Conditions of Approval (if any):

OCT 03 2011