

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87400
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

HOBBS OCD
SEP 06 2012

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|---|
| WELL API NO. 30-025-09865 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Priest |
| 8. Well Number 4 |
| 9. OGRID Number 247128 |
| 10. Pool name or Wildcat Denton (Wolfcamp) |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |

SUNDRY RECEIVED 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 D : 660 feet from the N line and 990 feet from the W line
 Section 1 Township 15S Range 37E NMPM County Lea

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

| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| 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 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: Unsuccessful TA attempt <input checked="" 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.

9/4/12 - MIRU, NDWH & NUBOP. STRAP & BEGIN PICKING UP 2 7/8" TBG. RIH TO 1800'.

9/5/12 - TIH & TAG @ 9032'. L/D 1 JT, HOOKUP & CIRC MUD TO 4800'. RAISE TBG TO 6100'. MIX & PUMP 30 SX CL "C" CMT W/ 2% CACL, DISP W/ 33 BBLs MUD. LD 39 JTS TBG (1269').

Also spotted 210 SX @ 4820' TAG @ 3908' (as per Mike Menza) → 09-06-12
 SUNDRY w/info to follow

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 09/06/2012

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

APPROVED BY: Mark White TITLE Compliance Officer DATE 09-06-2012
 Conditions of Approval (if any):

SEP 06 2012