

Submit 3 Copies 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., Artesia, NM 88210
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

RECEIVED

OCT 08 2008

HOBBS (11)

CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-005-00875
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 37
9. OGRID Number 247128
10. Pool name or Wildcat Caprock Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4426' GR

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 C : 660 feet from the North line and 1980 feet from the West line
 Section 26 Township 13S Range 31E NMPM County Chaves

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Convert back to producing <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

9/2/08 - 9/17/08
 TOO H w/ 2 3/8" IPC injection tubing and packer. Isolated 5 1/2" casing leak from 556' - 652'. Squeeze cemented 5 1/2" casing leak w/ 100 sx Class C cement w/ additives. DO cement and pressure tested leak to 500 psi, held OK. CO/DO well to new TD @ 3084' (20' deepening). Ran GR/CCL/CN and CBL logs. Acidized Queen interval (3052' - 3084') w/ 500 gal toluene, 2,500 gal 80/20 mixture of 7.5% NEFE acid and toluene, and 1,000# rock salt in three stages @ 5 BPM and 830 psi avg STP. Swabbed load back, 5% oil cut. Ran 2 7/8" 6.5# J-55 production tubing and TAC. Set TAC @ 2998', EOT @ 3005'. Installed progressive cavity pumping system. Returned well to production.

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 10/06/2008

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

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 28 2008
 Conditions of Approval (if any):