

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., 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
 June 19, 2008

RECEIVED

APR 29 2009

HOBBSON

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

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|---|
| WELL API NO. 30-025-00302 |
| 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 75 |
| 9. OGRID Number 247128 |
| 10. Pool name or Wildcat Caprock; Queen |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4374' KB |

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 I : 2310 feet from the South line and 990 feet from the East line
 Section 30 Township 13S Range 32E NMPM County Lea

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER:

OTHER:

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.

4/22/09 - Ran 4 1/2" pkr to 30'. Found 4 1/2" csg to leak at surface. Repaired leak & tested to 250#. Held okay. TIH w/tbg, DC's & 3/4" taper mill. Stop at 70'. TOH. Ran 2 3/8" OD tbg w/notched collar to 70'. TOH. Ran 1 11/16" collar locator. Stop at 70'. Ran tbg w/notched collar. RU swivel & C/O from 70' to 75', recovering "rust". Stop at 75'. TOH. Ran 3/4" taper mill & milled from 75' to 75.5'. Recovered very fine metal cuttings. Lost circulation the last one inch of milling. TOH. Re-ran 1 11/16" collar locator & stopped at 75.5'.

4/23/09 - Dug out cellar & replaced a few feet of 8 5/8" & 4 1/2" csg & the WH's. Ran 3 1/2" lead impression block. Found tbg looking up at 75.5'. TIH w/taper tap. Screw into fish @ 75.5', set off jars twice & fish started coming out of hole. Pulled 95 jts of 2 7/8" tbg, 1 - 2' x 2 7/8" tbg sub, 2 1/4" x 12' tbg pump, 1 - 3' x 2 7/8" perforated nipple & 2' of 2 7/8" mud anchor. Mud anchor appears to be broken off. TIH w/ 2 3/8" tbg work string, DC's, jars, one jt of 3/4" wash pipe & 3 7/8" mill shoe. Tagged @ 3045'. RU swivel. Worked mill up & down from 3015' to 3039'. Unable to get below 3039' w/mill shoe. PU mill to 3015'.

4.24.09 - Lower mill to 3039'. Unable to go deeper. Attempted to lower mill. Stopped at 3030'. No recovery. Mill was not worn. Unable to reach fish. Ran csg inspection log from surface to 3030'. Csg appears corroded at 550' & from an area from 750' to 1350'+. Ran CBL from 2350' to 3030'. TOC=2486'. Ran packer. Tested csg from surface to 987'. Pumped down annulus at 1 1/2 BPM at 200#. Pressure would go to 300# & fall back below 200#, three different times. Raised pkr to 487', tested annulus to 400# & held. Lower packer to 618'. Pumped into hole in csg at 1 1/2" BPM at 200#. Appears to be a hole at 550' based on csg inspection log. Lower pkr to 740'. Unable to set. Start out hole. Packer started dragging. Packer drug all of the way out of hole. Found rubber gone. Attempted to run and set CIBP at 2970'. Unable to go below 550'. Stopped at 550'. Ran 3 3/4" tapered mill. Unable to rotate thru spot at 550'. TOH. Ran tbg open ended to 610', able to get thru the spot. Raised tbg to 500'. SION.

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 04/27/2009

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

For State Use Only

APPROVED BY: [Signature] TITLE DISTRICT 1 SUPERVISOR DATE APR 30 2009
 Conditions of Approval (if any):