

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 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
**RECEIVED**  
 OIL CONSERVATION DIVISION  
 DEC 15 2011  
 HOBBSDOCD  
 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 Revised August 1, 2011

WELL API NO. 30-005-00808
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 26
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

**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 K : 1980 feet from the S line and 1980 feet from the W line  
Section 22 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 checked="" 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: <u>EXTEND IUR</u> <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.

Request 3 year temporary abandon status. Subject well is in a part of the Caprock Queen field with little injection support and as a consequence would have little utility as a producing well at this time. However, the well has potential as a producing well in the event a CO2 pilot project on the Rock Queen Unit to the Southeast is successful & the project is expanded.

1. POOH. LD production equipment.
2. RIH w/ bit & scraper to 3010'.
3. RIH w/ CIBP & set @ 2933'. Dump bail 35' of cmt on CIBP.
4. RIH w/tbg & circ hole with FW pkr fluid. POOH w/ tbg & perform MIT.

**Condition of Approval: notify  
 OCD Hobbs office 24 hours  
 prior of running MIT Test & Chart**

**The Oil Conservation Division  
 MUST BE NOTIFIED 24 Hours**

**Prior to the beginning of operations**

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 12/15/2011

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

**For State Use Only**

APPROVED BY: [Signature] TITLE STATE MGR DATE 12-15-2011  
 Conditions of Approval (if any):

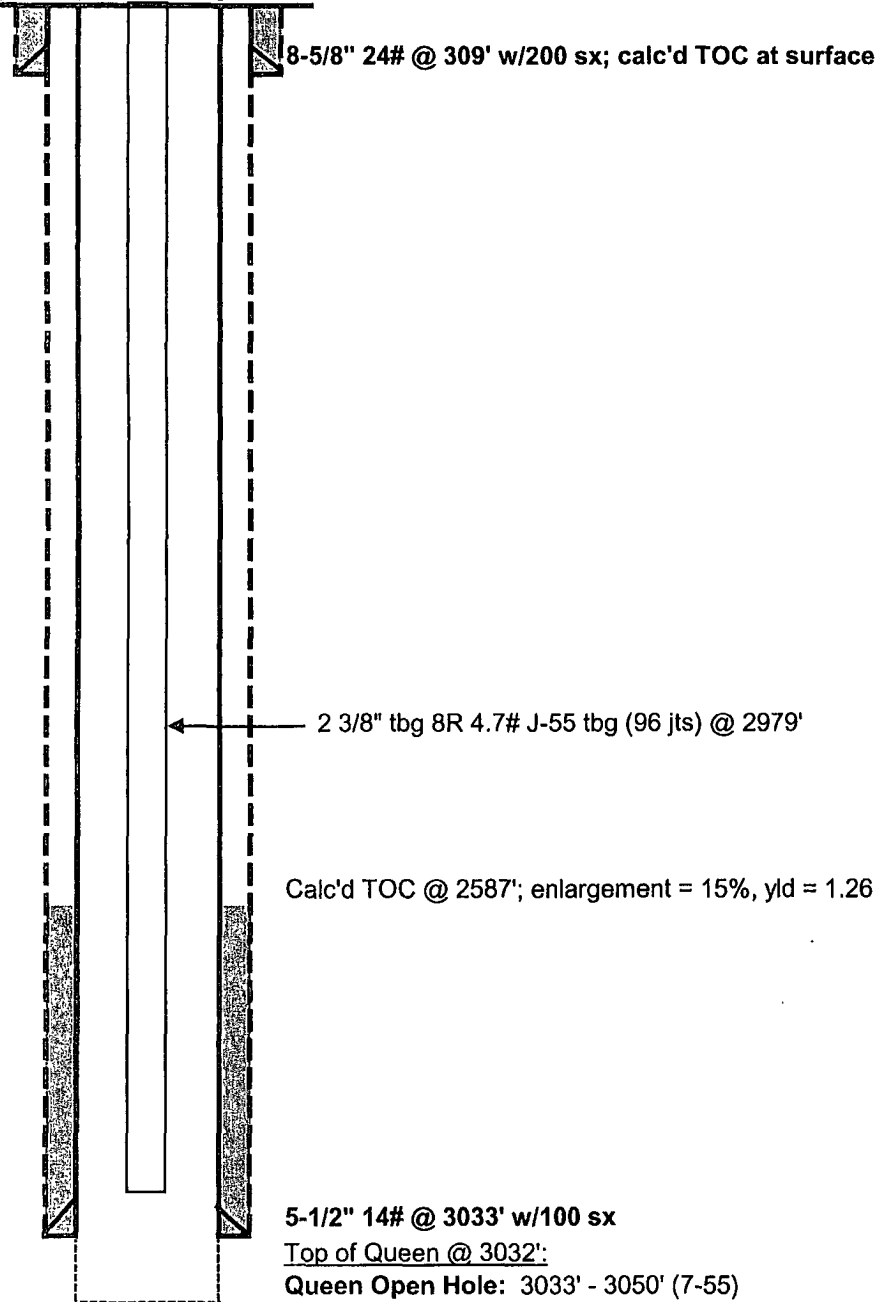
# CELERO ENERGY

FIELD: Caprock  
LEASE/UNIT: Rock Queen  
COUNTY: Chaves

DATE: Dec. 13, 2011  
BY: MWM  
WELL: 26  
STATE: New Mexico

Location: 1980' FSL & 1980' FWL, Sec 22K, T13S, R31ECM  
SPUD: 7/55 COMP: 7/55  
CURRENT STATUS: T.A. Producer  
Original Well Name: State V #1

KB = 4436'  
GL =  
API = 30-005-00808



PBTD - 3050'  
TD - 3050'

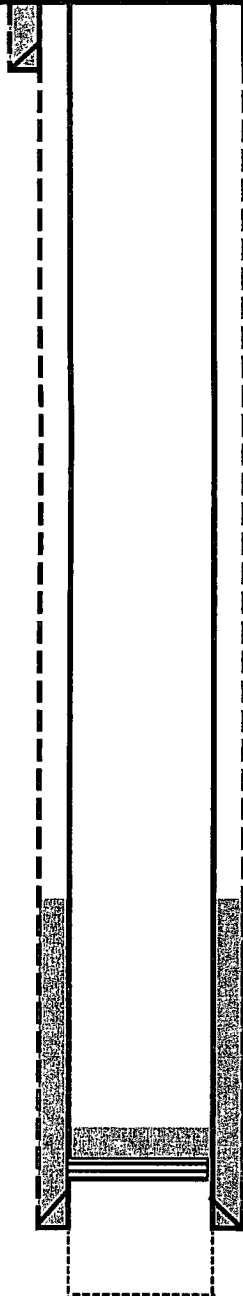
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8-5/8" 24# @ 309' w/200 sx; calc'd TOC at surface

Calc'd TOC @ 2587'; enlargement = 15%, yld = 1.26 ft<sup>3</sup>/sk

CIBP at 2983' w/35' of cement

5-1/2" 14# @ 3033' w/100 sx

Top of Queen @ 3032':

Queen Open Hole: 3033' - 3050' (7-55)

PBTD - 3050'  
TD - 3050'