

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
 May 27, 2004

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

WELL API NO.
 30-025-26044

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 L 6379

7. Lease Name or Unit Agreement Name

Horseback

8. Well Number 7

9. OGRID Number
 230164

10. Pool name or Wildcat
 Comanche Stateline Tansil Yates

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, L.P.

3. Address of Operator
 400 W Illinois, Suite 1300, Midland, TX 79701

4. Well Location
 Unit Letter: C : 990 feet from the North line and 2310 feet from the West line
 Section 33 Township 26S Range 36E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 2896 GL

Pit or Below-grade Tank Application or Closure

Pit type Steel Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

OTHER:

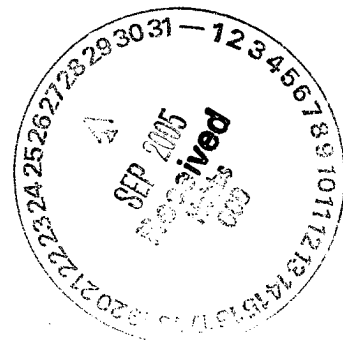
SUBSEQUENT REPORT OF:

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

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.

CIBP w/ 25 sx @ 3081' 2981'
 25 sx @ 2125-2025'
 Perf & squeeze 50 sx @ 1470-1290' Tag
 Perf & squeeze 50 sx @ 880-700 Tag
 Perf & squeeze 55 sx 200' surface.
 Install dry hole marker. Circ 9.5# mud



**THE OIL CONSERVATION DIVISION MUST
 BE NOTIFIED 24 HOURS PRIOR TO THE
 BEGINNING OF PLUGGING OPERATIONS.**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE: *Tami Wilber* TITLE: Regulatory Analyst DATE: September 26, 2005

Type or print name: Tami Wilber E-mail address: twilber@celeroenergy.com Telephone No. (432) 686-1883 ext 133

For State Use Only

APPROVED BY: *Larry W. Wink* TITLE: OIL FIELD REPRESENTATIVE II/STAFF MANAGER DATE: SEP 28 2005

Horse Back #7

Comanche Stateline

API#3002526044

33-T26S-R36E

Spud: 8/2/1978

Comp: 8/25/1978

13 3/8"-700'
828 sxs-circ

8 5/8"-1420'
750 sxs-circ

TOC - NA

5 1/2"-3285'
14#
450 sxs-circ

8/25/1978 Perfd 3181;83;95;97;99
3221;23;32;34;57;59;61;63 (14 holes)
F/ 40 / 50
IP 18 BOPD, pumping

NOTES

= 3181-3263

TD-3285'