

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

Form C-103

Revised August 1, 2011

RECEIVED

OIL CONSERVATION DIVISION

APR 10 2013

HOBBS

Santa Fe, NM 87505

WELL API NO. 30-005-00828
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 12
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 Injection ☐

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 B : 660 feet from the N line and 1980 feet from the E line
Section 23 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 ☐ 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: Unsuccessful attempt to return to injection ☒

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.

4/8/13 - MIRU. RU to pull tbg. Found 1 jt of 2 3/8" tbg in well. Repair leak in 4 1/2" csg, 6" below tbg head & above top of surface csg head. Replace tbg head w/ 2000# 4 1/2" 2 3/8" Larkin WH. MI 105 jts of 2 3/8" OD 4.7# 8rd EUE tbg WS & tally same. TIH w/ tbg, 4 1/2" csg scraper & 3 3/4" cone bit. Tag bridge at 40'. Wash out bridge with tong rotation and water. Ran bit to 2822' and tag. Rotate tongs; indicates drilling on metal. Raise bit to 2794'.

4/9/13 - TOH w/ tbg, csg scraper and bit. Ran CIL from 30' to 2811'. TIH w/ tbg WS and A&M's 4 1/2" pkr and RBP. Ran & set RBP at 2793' w/ pkr at 2777'. Test tbg, pkr and RBP to 500# and held okay. Release pkr and start up hole to locate hole(s) in 4 1/2" csg. Found the following leaks: 1. Surface to 403'. Casing held 500#. 2. Between 403' to 522' & 649'; Test to 500#. Leaked off 100# to 150# in 1 min/setting. 3. From 403' to 784', able to pump into csg with 400# at 1 BPM. 4. From 403' to 1287', able to pump into casing with 200# at 1 BPM. 5. From 1287' to 2357', tested to 550# and leaked off 150# in 1 min. 6. From 2357' to RBP at 2793', casing held 550# for 15 min. Left pkr at 2357' and CWI.

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 04/10/2013

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

For State Use Only

APPROVED BY: [Signature] TITLE Dist Mgr DATE 4-10-2013

Conditions of Approval (if any):

APR 17 2013