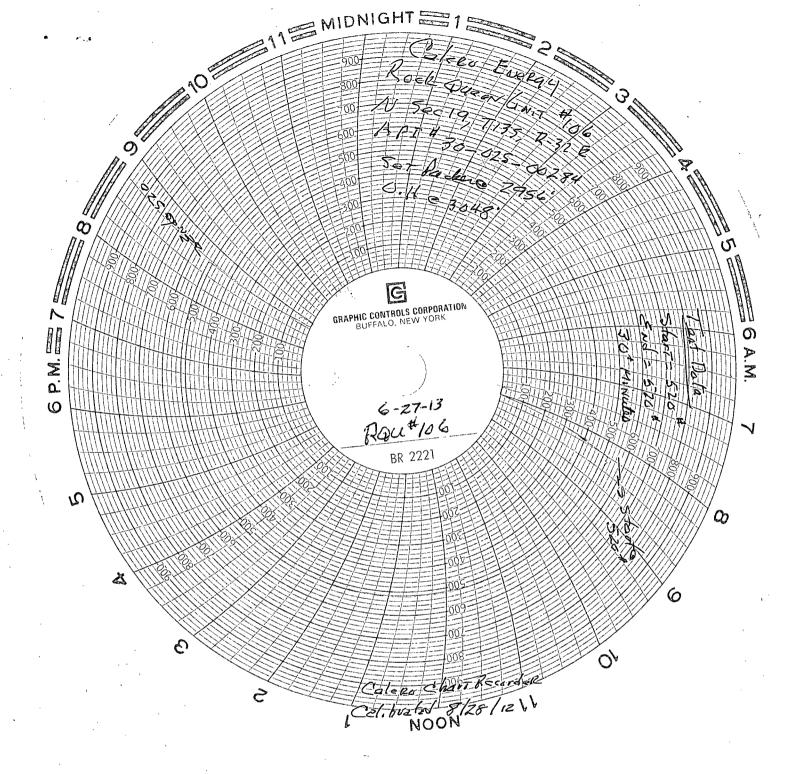
| Office Revised August 2011   |
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| Office District I – (575) 393-6161 HOBBS Energy, Minerals and Natural Resources WELL API NO. WELL API NO.  |
| 20.025.00284   |
| District III – (575) 748-1283 811 S. First St., Artesia, NM 88210 District III – (505) 334-6178 District III – (505) 334-6178 1220 South St. Francis Dr.  5. Indicate Type of Lease STATE X FEE  |
| 1000 Rio Brazos Rd., Aztec, NM 87410 District IV – (505) 476-3460  Santa Fe, NM 87505  6. State Oil & Gas Lease No.  |
| 1220 S. St. Francis Dr., Santa Fe, NM RECEIVED   |
| 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name   |
| (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  Rock Queen Unit   |
| PROPOSALS.)  |
| 1. Type of Well: Oil Well Gas Well Other Injection 8. Well Number 106  2. Name of Operator 9. OGRID Number   |
| 2. Name of Operator Celero Energy II, LP   |
| 3. Address of Operator 400 W. Illinois, Ste. 1601  |
| Midland, TX 79701 Caprock; Queen   |
| 4. Well Location Unit Letter N : 660 feet from the S line and 1980 feet from the W line  |
| Unit Letter N : 660 feet from the S line and 1980 feet from the W line Section 19 Township 13S Range 32E NMPM County Lea   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)   |
|  |
|  |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data   |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:  |
| PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK ☒ ALTERING CASING ☐   |
| TEMPORARILY ABANDON  |
| PULL OR ALTER CASING   |
|  |
| OTHER: OTHER: MIT X  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.  |
| 6/26/13 - NDWH & NUBOP. Release T-2 on-off tool from pkr. Pumped 30 more bbls of mud. Latch back onto pkr, release pkr &   |
| TOH w/ IPC tbg. Used an additional 20 bbls of mud to keep well killed. Found the pin end of several joints to be corroded. Pulled  |
| tbg out of hole and reran as kill string. Pulled and LD existing IPC tbg. Change out tbg strings. TIH w/ 91 jts of 2 3/8" OD reg IPC tbg with Globe Energy's 5 1/2" nickel plated AS1-X pkr with T-2 on-off tool and 1.50 "F" profile nipple. With pkr swinging at 2956',  |
| pumped 75 BPW down annulus to clean mud off of csg wall to provide clean area for pkr setting. Well did not circ. Set pkr at 2956'   |
| (EOT) w/ 7 pts compression. Set blanking plug in pkr profile nipple at 2947', circ hole with pkr fluid, recovering very little mud. NDBOP & NUWH. Pulled blanking plug in profile nipple.  |
|  |
| 6/27/13 - Ran 30 min MIT. Pressure at 520 psi. No pressure loss. Copy of chart is attached. Change out tbg valve with same 2" full opening Al-Br valve.  |
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|  |
| Spud Date: Rig Release Date:   |
|  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief.   |
| / Increase certary that the information above is true and complete to the best of my knowledge and belief.   |
| La de la descripción de la des |
| SIGNATURE DATE 07/08/2013  TITLE Regulatory Analyst DATE 07/08/2013  |
| Type or print name Lisa Hunt E-mail address: <a href="mailto:lhunt@celeroenergy.com">lhunt@celeroenergy.com</a> . PHONE: (432)686-1883   |
| For State Use Only   |
| APPROVED BY: 1 aley & Nown title Compliance While Date 7/12/2013   |
| Conditions of Approval (if any):   |
| JUL 1 5 2013   |



520-520-31 -myls/