

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 88203
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

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

WELL API NO. 30-025-00201
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 North Caprock Celero 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 32 Township 12S 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 ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8/27-9/11/13

DIG OUT CELLAR, INSTALL RISERS & WH'S ON CSG. NDWH & NUBOP. TEST BOP TO 1000#. TESTED OK P/U SWIVEL, 3 1/2" DC & BIT. RIH & TAG @ 8'. RIH & TAG PLUG. BRK CIRC DRLG CMT F/8'-62' FELL OUT OF CMT. CONTINUE DOWN TO 93' & RIH TO 155' TAGGED UP. WASH TO 186'. CONTINUE TO WASH TO 219'. TEST CSG TO 500# TEST GOOD DRLG BRIDGES F/219'-975'. FELL OUT CIRC WELL CLEAN. RIH TO 1198'. TIH & TAG PLUG @ 2945'. TEST CSG TO 500# TESTED OK. DRLG CMT & CIBP F/2945'-2976'. FELL OUT FOR APPROX 5'. DRLG F/2981'-3035', CIRC HOLE CLEAN. PICKED TBG UP FULL JT BUT COULD NOT WASH BACK DOWN TO TD. KEPT TORQUING UP AT CSG SHOE. L/D SWIVEL & PULL TBG UP INSIDE CSG. CIRC WELL CLEAN. PU 4 3/4" TAPER MILL & TIH TO 2960'. WASH TO 3010' MILL F/3010'-3015'. CLEAN OUT TO 3035'. CIRC BTMS UP X 3 MOVING PIPE FULL JT EVERY 10 MIN. PULL TBG 200' UP INTO CSG. TIH TO 2976', BRK CIRC W/45 BBLs. WASH TO 3004'. WORK TIGHT SPOT F/3004'-3015'. CLEAN OUT TO TD @ 3035'. CIRC BTMS UP WHILE WORKING PIPE THRU PROBLEM AREA. RIH W/CBL. GOT TOC @ 650'.

*CONTINUED ON ATTACHED SHEET

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 11/13/2013

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

For State Use Only

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 11/19/2013

Conditions of Approval (if any)

NOV 19 2013

North Caprock Celero Queen Unit #26 – C103 continued

9/12/13 - RUN CNL. PU AS1-X PKR & TIH TO 2954'. PUMP 1500 GALS 7 1/2% NEFE HCL W/10% XYLENE @ 4.5 BPM & 10 GALS GELLED BRINE @ 4.0 BPM. MAX PSI 2157, ISIP 1950# 15MIN SIP 1200# 30MIN SIP 630#. RU & START TO SWAB LOAD. 1ST RUN FLUID @ SURF, 2ND RUN FLUID @ 600' 3RD RUN FLUID @ 1000'.

9/13/13 - SWABBING. FLUID LEVEL ON 1ST RUN 600' FLUID LEVEL ON FINAL RUN @ 1800'. RECOVERED MOSTLY WATER W/ A TRACE OF OIL IN SAMPLES. INSTALL TIW VALVE.

9/16/13 - UNSEAT PKR & TOH. PU BHA CONSISTING OF BP, COLLAR, SUB, PS, SN, WRK BBL, SUB, XO. TIH W/ 95 JTS 2 7/8" 6.5# J55, TOT PIPE 3036'. NDBOP & NUWH. RUN RODS CONSISTING OF STD VALVE, PLUNGER, SUB, (6) K-BARS W/ NECKS, 70 3/4" RODS, 43 7/8" RODS (2) 8' SUBS (1) 4' SUB (1) 2' SUB & PR. PRESSURE UP TO 500# HELD OK. BLED PSI TO 100# STROKE PUMP, PSI BUILT TO 300# & QUIT. RODS STACKED OUT HIGH BUT THEN WORKED BACK DOWN BUT HAD NO PUMP ACTION. PRESSURE UP TO 500#, HELD OK. BLED OFF TO 1003 STROKE PUMP BUT STILL HAD NO ACTION.

9/17/13 - TOH W/ RODS & PUMP. TRIED TO REV CIRC TBG W/ NO SUCCESS. NDWH & NUBOP. TOH W/ TBG. FLUSH BHA. TIH W/ TBG. NDBOP & NUWH. TIH W/ PUMP & RODS. LOAD HOLE & PRESSURE UP TO 500# OK. BLEED OFF TO 100# & STROKE PUMP. HAD NO PUMP ACTION. L/D (1) ROD & CLAMP RODS OFF.

11/7/13 - LD HORSE HEAD & PULL RODS. PUMP DID NOT GET STANDING VALVE. NDWH & NUBOP CHG OF ORDER. NDBOP & NUWH

11/8/13 - RU & RIH W/ 70 3/4" RODS & 43 7/8" RODS. HANG OFF ON PUMP JACK.