

Submit 1 Copy 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  
**RECEIVED**  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**SEP 22 2010**  
**HOBSOCD**

Form C-103  
 October 13, 2009

WELL API NO. 30-005-01076 ✓	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓	
6. State Oil & Gas Lease No. 303733	
7. Lease Name or Unit Agreement Name Drickey Queen Sand Unit ✓	
8. Well Number 42 ✓	
9. OGRID Number 247128 ✓	
10. Pool name or Wildcat Caprock; Queen ✓	
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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injector <input checked="" type="checkbox"/>	
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 <u>H</u> : 1980 feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>16</u> Township <u>14S</u> Range <u>31E</u> NMPM County <u>Chaves</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4238' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: ✓ PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Sidetrack around junked hole <input checked="" 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.

- Sqz existing completion through CICR @ 2630'.
- Set whipstock @ 2630', cut window & pilot hole.
- Run 2 degrees motor & slide drill 100'. Run straight hole motor & drill to TD of 2910'.
- Run & cmt partial 4" liner from 2532-2910'.
- Run & cmt 4" tieback at 2532' to surface.
- Drill out, perforate Queen Sand at 2880-2895' & return well to injection..

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 09/21/2010

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

For State Use Only

APPROVED BY [Signature] TITLE STAFF MGR DATE 9-22-10  
 Conditions of Approval (if any):