

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

Form C-103
October 13, 2009

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

WELL API NO. 30-005-29148 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rock Queen Unit ✓
8. Well Number 304 ✓
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 J : 1995 feet from the S line and 2230 feet from the E line
Section 25 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 ☐

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.

10/23/10 - Spud & drill to 350'. Run 8 5/8" csg set @ 350'. Cmt 8 5/8" csg as follows: .Lead: (64.75 bbls) Class "C" + 2% CaC12 = .125# Celloflake + .25% R-38. Cmt to surface 83 sx. WOC & clean pits. Weld on surface head & NUBOP.

10/24-10/27/10 - Drl 7 7/8" hole to 2,846'.

10/28/10 - Drl 7 7/8" hole to 3,116'. Lost returns @ 3,041'. Condition mud, pump 60 bbls LCM pill & build vol. Drill F/ 3,041' T/ 3, 056', no returns. Condition mud, build volume, pump 60 bbls 32# LCM pill & build volume in pits. Drill F/ 3,056' T/ 3,116' w/ no returns, condition mud. TOH, LD DP.

10/29/10 - Run 5 1/2" csg to 3,116'. DV tool @ 2,564'. Cmt as follows: Stage 1: lead 60 sx 50/50/10 C + 10% gel + 5% salt + R-38. Tail 70 sx 50/50/10 C + 10% gel + 5% salt + .25% R-38. Cmt Stage 2: lead 290 sx 50/50/10 C + 10% gel + 5% salt + .25% R-38. Tail 165 sx 50/50 C + 2% gel + 5% salt + .25% R-38. Brine wtr 1,690 bbls & fresh wtr 130 bbls. Released rig.

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 11/04/2010

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

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 08 2010

Conditions of Approval (if any):

COH