

Submit 3 Copies 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  
 May 27, 2004

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

WELL API NO. <b>30-005-01075</b> ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>303733</b>
7. Lease Name or Unit Agreement Name <b>Drickey Queen Sand Unit</b> ✓
8. Well Number <b>39</b> ✓
9. OGRID Number <b>247128</b> ✓
10. Pool name or Wildcat <b>Caprock Queen</b> ✓
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 **A** : **660'** feet from the **North** line and **660'** feet from the **East** line ✓  
 Section **16** Township **14S** Range **31E** NMPM **Chaves** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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

OTHER: Convert injector to producer

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Well was drilled 3/5/1955 as producer  
Convert to injector 9/4/1992  
This Intent is to convert injector back to producer

RECEIVED  
 MAR 21 2008  
 HOBBS OCD

- MIRU Well Service Rig
- TOOH w/ existing injection equipment
- Verify casing integrity
- Clean out well to TD 2881' and drill out to 2911' (30') to fully evaluate Queen sand interval
- Run GR/CCL/CN/CBL logs
- TIH w/ production equipment
- Place well on production

**Conditions of Approval:**  
 OCD requires the Operator to complete a 24 hours production test and submit on form C-104 Request for Allowable before producing this well. Accompanied by Subsequent report on C-103 with dates and what was done, along with tubing size and depth

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Haylie Urias TITLE Operations Tech DATE 3/3/2008

Type or print name Haylie Urias E-mail address: hurias@celeroenergy.com Telephone No. 432-686-1883 Ext. 120  
 For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE MAR 28 2008  
 Conditions of Approval (if any): \_\_\_\_\_