

Submit 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. | 30-005-00924 |
| 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 | DRICKEY QUEEN SAND UNIT |
| 8. Well Number | 4 |
| 9. OGRID Number | 247128 |
| 10. Pool name or Wildcat | CAPROCK QUEEN |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4412' GR | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ | |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ hbbls; Construction Material _____ | |

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 RETURN WELL TO PRODUCTION

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 G : 1980' feet from the NORTH line and 1980' feet from the EAST line
 Section 35 Township 13S Range 31E NMPM County CHAVES

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

| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: RETURN WELL TO PRODUCTION <input checked="" 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RETURN THIS ABANDOND PRODUCER BACK TO PRODUCING

4/23/2008 to 5/15/2008

MIRU well service. Repair WH and portion of surface and production csg. Located several csg leaks in the 5 1/2" production csg from 15' to 1334'. Set RBP @ 2828' w/ 2 sx sand cap. Squeezed csg leaks in two attempts with a total of 286 sx Class C cmt w/ additives. DO and recover RBP. CO well to 2973' and landed on fish in the well bore. Attempted to drill over and recover fish. Recovered several pieces of tbg. CO well to TD @ 3057' and DO well to new TD @ 3082'. Ran GR/CCL/CN/CBL logs, TOC @ 2745'. Perforated Queen interval 3043'-3037' (4' net, 4 SPF, 16 shots). Acidize Queen interval (3043'-3063') w/ 2500 gal 7 1/2% NEFE acid & 500# rock salt in two stages @ 4 BPM and 1300 psi avg. STP. Swabbed load back. Ran 2 7/8" 6.5# J-55 production tbg w/ TAC & set @ 2996'. EOT @ 3002'. Installed progressive cavity pumping system. Return well to production.

Note: This well last produced 4/1996.

RECEIVED

JUN 19 2008

HOBBS OCD

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 05/20/2008

Type or print name Haylie Urias E-mail address: hurias@celeroenergy.com Telephone No. (432)686-1883

For State Use Only

APPROVED BY: Chris Williams TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUN 27 2008

Conditions of Approval (if any):

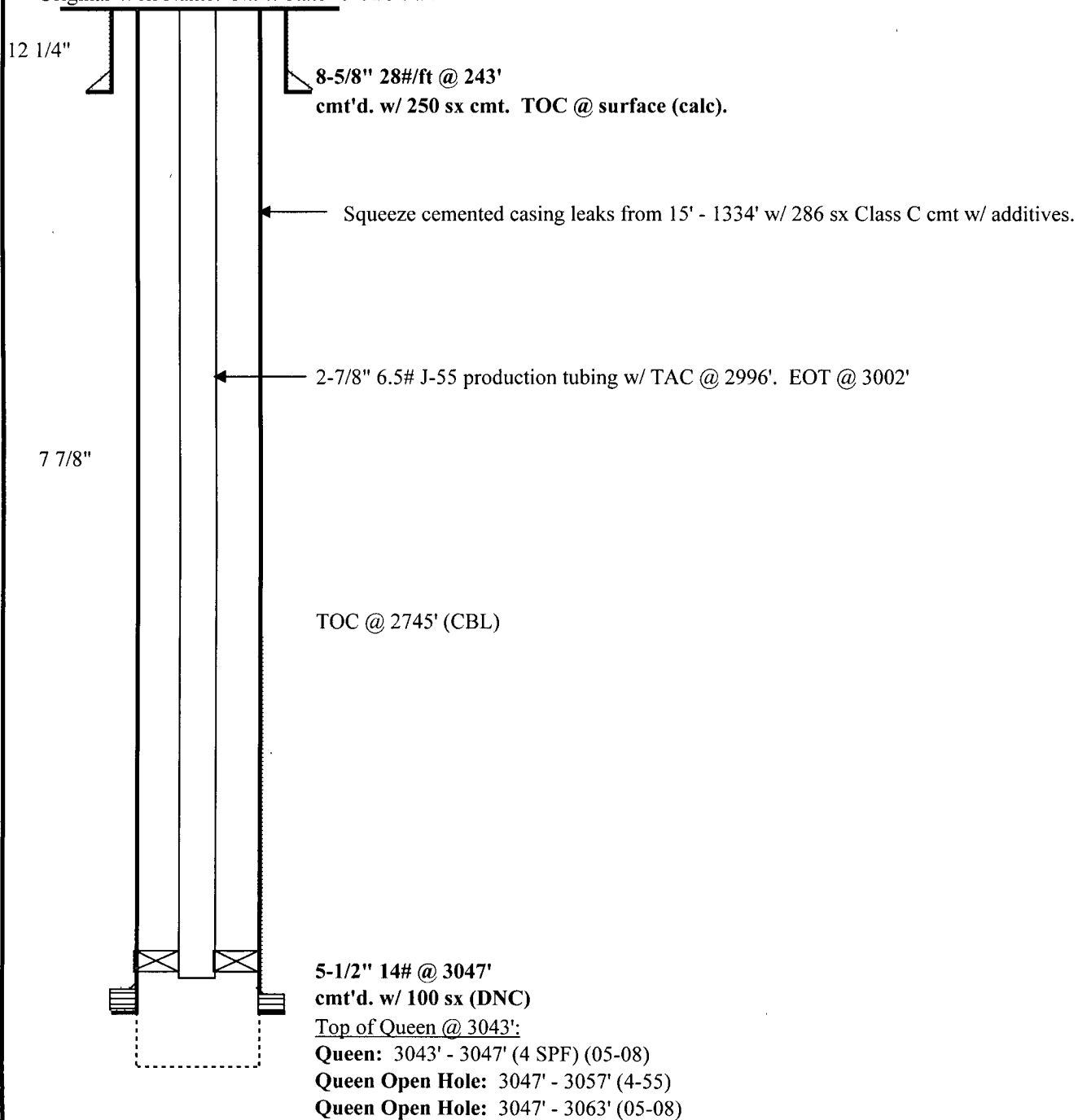
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Drickey Queen Sand Unit
COUNTY: Chaves

DATE: May. 19, 2008
BY: JEA
WELL: 4
STATE: New Mexico

Location: 1980' FNL & 1980' FEL, Sec 35G, T13S, R31ECM
SPUD: 4/55 COMP: 4/55
CURRENT STATUS: Producer
Original Well Name: N.M. State "I" A/c 1 #4

KB = 4412'
GL = 4403'
API = 30-005-00924



PBTD - 3082'
TD - 3082'