

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.	30-025-00299 ✓
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No.	303735
7. Lease Name or Unit Agreement Name	ROCK QUEEN UNIT ✓
8. Well Number	14 ✓
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 Gas Well Other INJECTOR

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 N : 660' feet from the S line and 1770' feet from the W line
 Section 30 Township 13S Range 32E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4272' GL

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

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: Reactivate Injector 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.

MIRU Well Service Rig
 TOOH w/ injection tbg
 Verify casing integrity
 Clean out well to TD & deepen approx. 20' to fully evaluate Queen Sand interval
 Run GR/CCL/CN Log
 TIH w/ injection equipment
 Return well to injection

RECEIVED

JUL 09 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 07/07/2008

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 JUL 15 2008

Conditions of Approval (if any):