

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Ave., Artesia, NM 88201

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**RECEIVED**  
**CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
**APR 29 2010**  
**HOBBSD**

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. 30-025-31846 ✓</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input checked="" type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator CELERO ENERGY II, LP</p>		<p>6. State Oil &amp; Gas Lease No.</p>
<p>3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name Arco SWD ✓</p>
<p>4. Well Location Unit Letter O : 793 feet from the South line and 2271 feet from the East line Section 18 Township 17S Range 39E NMPM County Lea ✓</p>		<p>8. Well Number 1 /</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number 247128 ✓</p>
<p>10. Pool name or Wildcat SWD; San Andres ✓</p>		

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

<p><b>NOTICE OF INTENTION TO:</b></p> <p>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"/></p>		<p><b>SUBSEQUENT REPORT OF:</b></p> <p>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"/></p>	
<p>OTHER: <input type="checkbox"/></p>		<p>OTHER: Temporarily Abandon <input checked="" type="checkbox"/></p>	

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.

4/23/10 - MIRU. Fluid @ surface. Psi csg to 600# psi for 30 mins. No bleed off. SWI.

4/27/10 - NDWH & NU BOP. Release pkr. Tied onto 2 3/8" x 4 1/2" annulus & pumped 40 bbls of pkr fluid reversing the injection fluid out of tbg w/ pkr fluid. TOH laying down 180 jts of 2 3/8" O.D., 4.7#, 8rd, EUE, J-55, internally coated tbg. (5225') w/ 4 1/2" LokSet pkr. Ran collar locator w/ 3.65" O.D. gauge ring from surface to 5704'. Ran & set 4 1/2", 10K, CIBP @ 5625'. Dump 35' cmt on top of CIBP for a PBTD of 5590'.

4/28/10 - ND BOP & NUWH. Load 4 1/2" csg w/ 5 bbl of pkr fluid. Performed OCD required 30 minutes integrity test. Place 565# on 4 1/2" csg. Lost to 545# @ end of 30 minutes. Test was acceptable & witnessed by Maxie Brown of the OCD. SWI. RDMO. Well now temporarily abandoned.

This Approval of Temporary  
Abandonment Expires 4/27/15

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

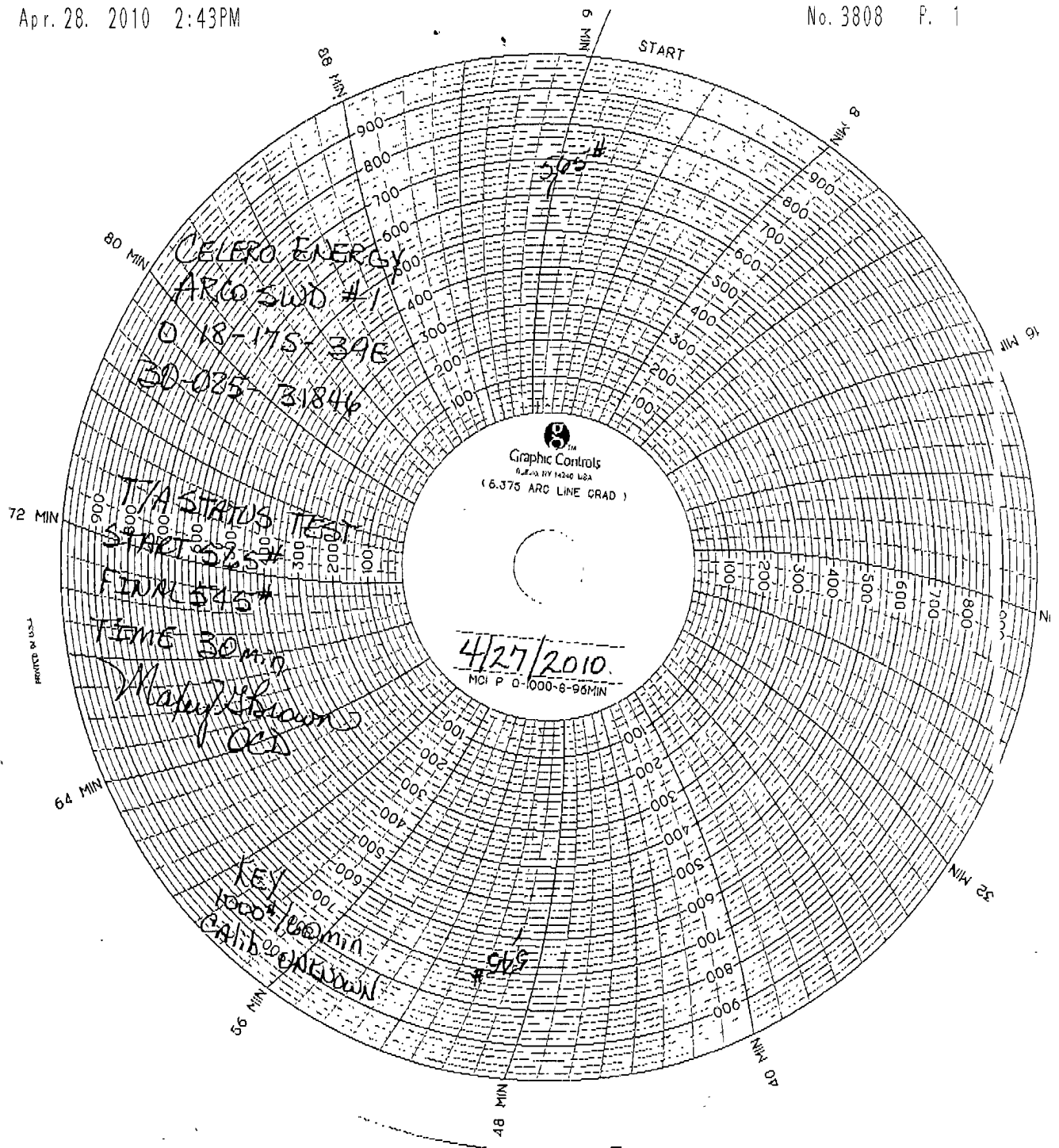
SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 04/28/2010

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

For State Use Only

APPROVED BY: [Signature] TITLE State Seal DATE 5-3-10

Conditions of Approval (if any):



*Stan Partly*  
Witness for Coker Smelter  
4/27/10