

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

HOBBS OCD

OIL CONSERVATION DIVISION

DEC 14 2011

1220 South St. Francis Dr.  
Santa Fe, NM 87505

<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. 30-025-05147 ✓</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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 TD Pope 26 ✓</p>
<p>4. Well Location Unit Letter <u>O</u> : 660 feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>26</u> Township <u>14S</u> Range <u>37E</u> NMPM County <u>Lea</u></p>		<p>8. Well Number <u>14</u> ✓</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3796'</p>		<p>9. OGRID Number 247128 ✓</p>
		<p>10. Pool name or Wildcat Denton; Devonian ✓</p>

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: Perf & acidize ☒

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.

11/11/11 - RIH w/ GR/CCL/CNL, FL @ 9960', correlate to Schlumberger Microlog (8-26-1953), log from 12531' - 11900', pull GR/CCL from 9800' - 8800'. RIH w/ 3 1/8" slickguns 180 phasing, 2 SPF, perf 12090-12095', 12102-12112', 12126-12136', 50 holes.

11/15/11 - Pkr @ 11984, acdz new perfs 12090-12136' & laterals 12184-12536' using 20,000 gal 95/5 blend 15% NEFE HCL/ Xylene in 10 stages with 1500# graded rock salt, 1500# 100 mesh rock salt, 1500# Benzoic acid flakes, flush with 224 BFW, ISIP vacuum, avg rate 9.6, max rate 9.6, min rate 5.0. avg psi 950, max psi 2150, min psi 16, release pkr.

11/16-11/17/11 - Run GE sub pump as follows: 1) Smartguard VI, welded, non stainless, 1) TR4 120 Hp motor, 1295-V, 59-A, re-rated to 170 Hp, 1470-V, 75-A, 2) TR4 98L Seals, 1) TR4 Mag3 gas separator, 3) TD460 pumps - 535 stages, 2 3/8" S.N., x-over, 304 jts 2 7/8" 6.5# L-80 8rd tbg (9807.18'), x-over, 82 jts 2 7/8" 7.90# L-80 PH-6 tbg (2544.83'). Static 863. Splice new lower pigtail onto new #2 flat lead cable, WIR 120000. Land donut into Seaboard WH, intake @ 12,403.27', Smartguard @ 12448.26', NDBOP, Nu MV & FL. Change surface cable to new #2 flat lead, check rotation, start pumps at 10:48 Cst. RU ACD pump 31 BFW, pumped up in 27 min. Leave well pumping to battery.

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 12/12/2011

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

DEC 15 2011

Conditions of Approval (if any):

DEC 15 2011