

Submit 1 Copy To Appropriate District Office

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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

OIL CONSERVATION DIVISION

RECEIVED  
DEC 15 2011  
HOBBS  
220 South St. Francis Dr.  
Santa Fe, NM 87505

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.)		WELL API NO. 30-005-00813
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Celero Energy II, LP		6. State Oil & Gas Lease No.
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name Rock Queen Unit
4. Well Location Unit Letter A : 660 feet from the N line and 660 feet from the E line Section 22 Township 13S Range 31E NMPM County Chaves		8. Well Number 23
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 247128
		10. Pool name or Wildcat Caprock; Queen

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: Extend 1 yr. ☐

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

Request 3 year temporary abandon status. Subject well is in a part of the Caprock Queen field with little injection support and as a consequence would have little utility as a producing well at this time. However, the well has potential as a producing well in the event a CO2 pilot project on the Rock Queen Unit to the South is successful & the project is expanded.

1. POOH. LD production equipment.
2. RIH w/ bit & scraper to 2948'.
3. RIH w/ CIBP & set @ 2921'. Dump bail 35' of cmt on CIBP.
4. RIH w/tbg & circ hole with FW pkr fluid. POOH w/ tbg & perform MIT.

The Oil Conservation Division

MUST BE NOTIFIED 24 Hours

Prior to the beginning of operations

Condition of Approval: notify

OCD Hobbs office 24 hours

prior of running MIT Test & Chart

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 12/15/2011

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE STATE DEPT

DATE 12-15-2011

Conditions of Approval (if any):

# CELERO ENERGY

FIELD: Caprock  
LEASE/UNIT: Rock Queen  
COUNTY: Chaves

DATE: Dec. 13, 2011  
BY: MWM  
WELL: 23  
STATE: New Mexico

Location: 660' FNL & 660' FEL, Sec 22A, T13S, R31ECM

KB = 4425'

SPUD: 12/55 COMP: 12/55

GL =

CURRENT STATUS: T.A. Producer

API = 30-005-00813

Original Well Name: Gale State #1

8-5/8" 28# @ 246' w/200 sx; calc'd TOC at surface

2-3/8" 8R 4.7# J-55 tbg (95 jts) @ 2950'

Calc'd TOC at 2578'; enlargement = 15%, yld = 1.26 ft<sup>3</sup>/sk

5-1/2" 14# @ 3024' w/100 sx

Top of Queen @ 3020':

Queen: 3021' - 3039' Open Hole (12-55) and 3032' - 3038' (4 SPF) (7-61)

4-1/2" 9.5# 2948' - 3039' w/??? Sx

PBTD -  
TD - 3039'

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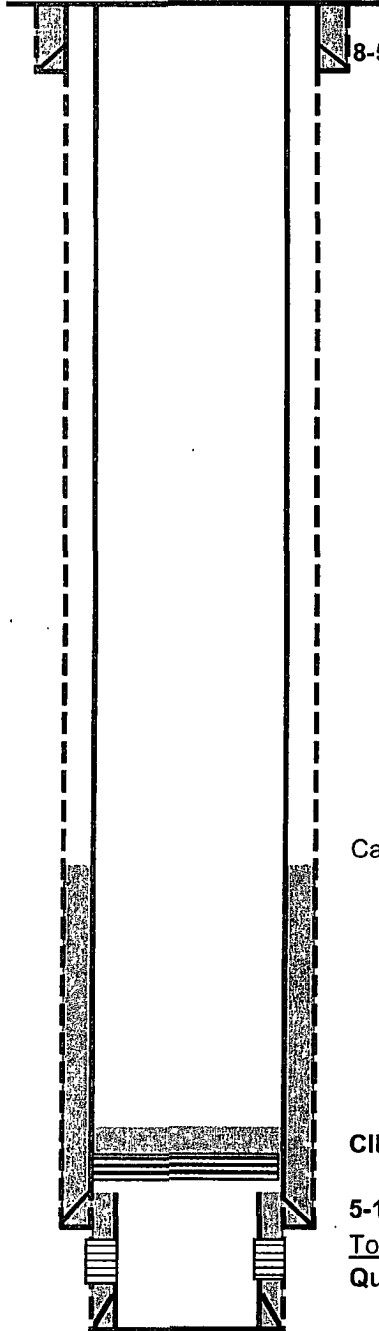
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TD - 3039'