

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

HOBBES OGD

Energy, Minerals and Natural Resources

Revised August 1, 2011

OIL CONSERVATION DIVISION  
MAY 18 2012  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

<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. 30-025-037253</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 N : 180 feet from the S line and 1900 feet from the W line Section 26 Township 14S Range 37E NMPM County Lea</p>		<p>8. Well Number 2</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

4/30 - 5/7/12

RIH with CCL, 3 1/8" HSCCG slick guns, correlate to Schlumberger C-H GR/CNL log dated 12/11/2005, tag at 12608', perf in 3 runs 2 SPF, 120 deg phasing as follows: 12560' - 12575' - 30 holes, 12435' - 12460' - 50 holes, 12350' - 12362' - 24 holes. Kline pkr at 12476'. Acidize perfs 12498' - 12510', 12532' - 12542', 12560' - 12575' - 30 holes as follows: pump 2500 gals 15% HCL acid. Release pkr. Set RBP at 12480' & set pkr at 12386'. Acidize perfs 12435' - 12460' - 50 holes as follows: pump 3500 gallons 15% HCL acid. Release pkr. Set RBP at 12400' & set pkr at 12256'. Acidize perfs 12332' - 12342', 12350' - 12362' - 24 holes w/ 4000 gals NeFe HCL acid. Release pkr. PU GE sub pump as follows: 1) stainless steel Osiris sensor, 1) 540 TR5-92, 120 Hp Motor, 2165V, 33A, re-rated to 135 Hp, 2255V, 35A, 1) 540 double bag seal, 1) 540 std seal, 1) Mag3 gas separator, 3) TD450 pumps - 491 stages, 2 3/8" SN, x-over, 289 jts 2 7/8" 6.5# L-80 8rd tbg (9382.16'), x-over, 82 jts 2 7/8" 7.9# L-80 PH-6 tbg (2557.08'). Splice new lower pigtail onto new #4 flat lead cable, WIR 105,000. Land donut Into Seaboard Wellhead, NDBOP, NU master valve & flowlines. Intake at 11989.83', bottom of sensor at 12024.57' (EOT). 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 05/16/2012

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

*[Signature]*

TITLE

SECTOR FIELD ENGINEER

DATE

MAY 21 2012

Conditions of Approval (if any):

MAY 21 2012