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

Form C-103
 Revised August 1, 2011

HOBBS OGD
 JUL 18 2013
 RECEIVED

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. 30-005-00825
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. 303735
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 <u>M</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>23</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>Chaves</u>		8. Well Number <u>21</u>
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 <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"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" 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"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

6/28/13 - Pull & LD 69 - 7/8" x 25, 42 - 3/4" x 25' rods, 6 - 1 1/2" x 25' sinker bars and 2" x 1 1/2" x 12' insert pump. NDWH & NU 3k BOP. TOH, tallying 96 jts of 2 3/8" OD tbg to be used as WS w/ seating nipple and 2 3/8" x 4' BPPN. TIH w/ 3 3/4" bit, 1 - 3 1/8" DC, 3 7/8" string mill, 2 - 3 1/8" DC's, 3 3/4" string mill, 3 - 3 1/8" DC's. Ran on 2 3/8" OD tbg. Ran to TD of 3067'.

7/1/13 - Lower bit to check for fill. No fill. TOH w/ tbg and BHA. String mills in good shape. TIH w/ tbg and Globe Energy's pkr and RBP. Set RBP at 1360'. Set pkr at 1355', test tbg, pkr and RBP to 600 psi. Held okay. Raise & move pkr. Found the following csg leaks: 1) Surface to 576'; test 500 psi for 15 minutes and lost 15 psi. 2) 576 to 608'; pumped into leak at 1/2 BPM & 600 psi. 3) 795' to 827'; pumped into leak at 1/2 BPM from 500 to 700 psi 4) 1040-1070: tested to 600 psi and lost 100 psi in 10 seconds.

7/2/13 - TOH w/ pkr. TIH with tbg and T-2 0/0 tool. Latched onto RBP, after washing 4' of fill off of same, recovering cmt, redbed & formation. Lower RBP to 3000'. Release from RBP & circ hole clean.

* Continued on attached sheet

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 07/16/2013

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

For State Use Only

APPROVED BY: Accepted for Record Only TITLE _____ DATE _____

Conditions of Approval (if any): ELG 7-22-2013

JUL 24 2013

Rock Queen Unit #21 – C103 continued

7/3/13 - Release from RBP. Circ hole with PW with no recovery of fill. Release RBP & TOH, LD 2 3/8" OD tbg WS & RBP. TIH w/ Globe Energy's 4 1/2" nickel plated AS1-X pkr with 1.125 "R" profile nipple. Ran on 91 jts of 2 3/8" OD 4.7# 8rd EUE J-55 seal lube IPC tbg. Ran and set pkr from 2984' to 2997'. NDBOP & NUWH 4 1/2" screw bottom X 7 1/16", 3K flanged top. Cap off tbg,

7/8/13 - Release tbg from pkr. Circ hole with pkr fluid & rec double hand full of cmt cuttings & red bed. TOH. PU Globe Energy's Top Assembly & ran on 91 jts of 2 3/8" OD 4.7# 8rd EUE J-55 seal J-55 seal lube IPC tbg plus 2 - 3/8" SS cap strings banded to the tbg. Latch onto pkr at 2986'. Flanged up with 7 1/16, 3 K, slip type flange with 2 - 1" outlets. Pkr set from 2986' to 2998' (EOT) w/ 10 pts compression. Pumped through both CO2 cap string & water/chemical cap string with 10 gal of FW / line. Install stuffing boxes for cap strings & install 2 1/16", 5K, full opening tbg valve. Equalized 1.125 "R" blanking plug that was ran in pkr. Attempt to fish out blanking plug. Unable to pull plug due to debris on plug.

7/9/13 - Ran 1" bailer to top of blanking plug in pkr from 2986' to 2997'. Recovered small amount of fine cuttings. Ran retrieving tool for 1.125 "R" blanking plug and recovered same. Return well to production.

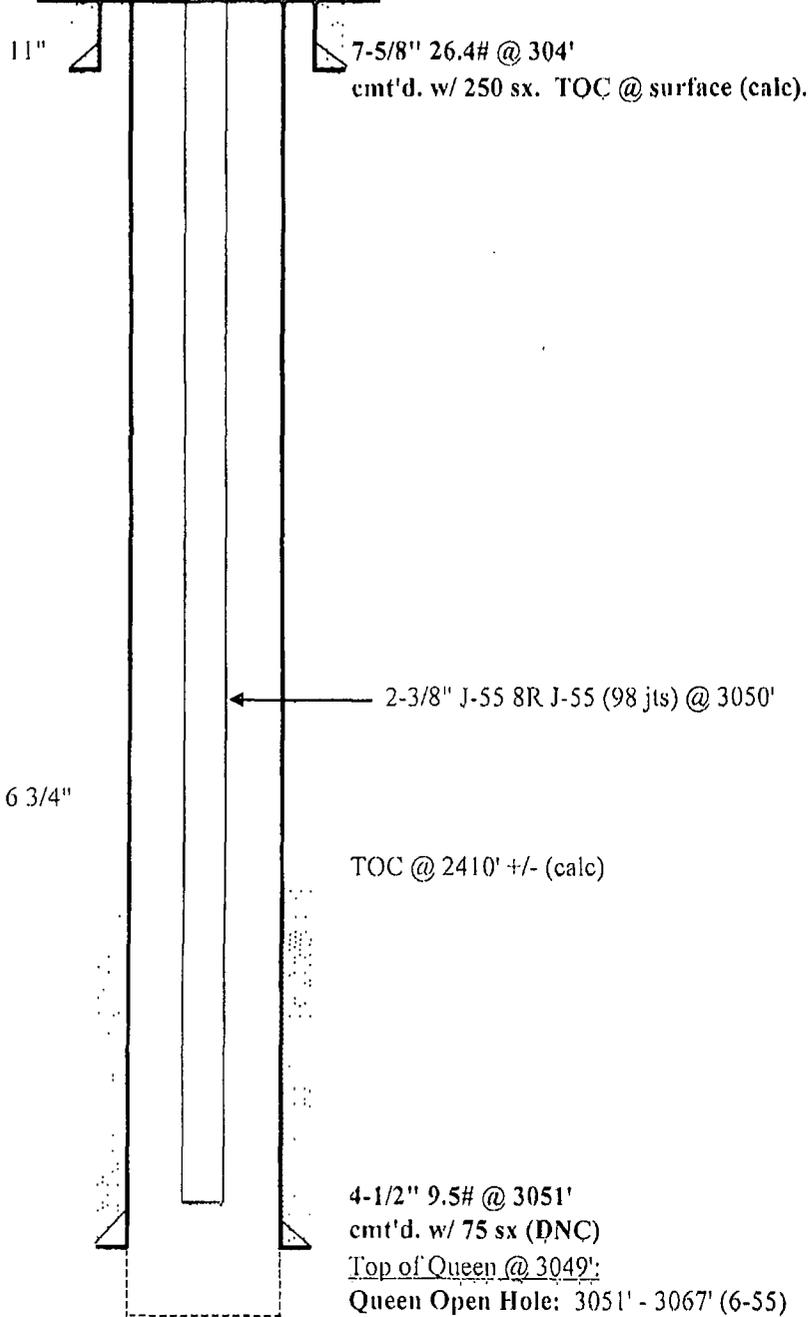
CELERO ENERGY

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

DATE: Nov. 30, 2007
BY: GSA
WELL: 21
STATE: New Mexico

Location: 660' FSL & 660' FWL, Sec 23M, T13S, R31ECM
SPUD: 6/55 COMP: 6/55
CURRENT STATUS: Producer
Original Well Name: Chaves State BM #2

KB = 4429'
GL =
API = 30-005-00825



PBTD - 3067'
TD - 3067'