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

HOBBS OCD
AUG 19 2013
RECEIVED

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

WELL API NO. 30-005-29154

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: Rock Queen Unit

1. Type of Well: Oil Well [ ] Gas Well [ ] Other Injection

8. Well Number 309

2. Name of Operator: Celero Energy II, LP

9. OGRID Number 247128

3. Address of Operator: 400 W. Illinois, Ste. 1601, Midland, TX 79701

10. Pool name or Wildcat: Caprock; Queen

4. Well Location
Unit Letter P : 660 feet from the South line and 510 feet from the East line
Section 23 Township 13S Range 31E NMPM County Chaves

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 4404'

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[ ]						
OTHER: Step Rate Test	[X]			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.

1. Shut well in a min of 48 hrs prior to test. If the well is injecting CO2, switch to water a min of 2 wks prior to the test.
2. RIH with pressure tool to top of perforations or end of casing in an open hole completion.
3. Record static surface pressure and bottom hole pressure.
4. Begin injection at 50-150 BWPD. Continue for 15-30 mins until surface injection pressure gain stabilizes.
5. Increase injection rate by a 50-150 BWPD and maintain rate until pressure gain is 1 psi per minute or less. This increase in rate will be used for each step throughout the test. The amount of time is the step length that will be used for the remainder of the test.
6. Continue making steps at the same rate increase as number 5. above recording the surface pressure and bottom hole pressure at the end of the step.
7. Plot/graph the bottom hole pressure recorded as a function of the rate for each step. Ideally, a plot of two straight lines will be developed where the second straight line has a lower slope than the first. The test is complete when 3 points connect on the second, higher-rate straight line. The intersection of these two lines represents the bottom hole fracture pressure of the well.

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 08/15/2013

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

For State Use Only

Accepted for Record Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any): ELG 8-20-2013

AUG 21 2013