

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 11 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
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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|---|
| WELL API NO. 30-005-00820 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Rock Queen Unit |
| 8. Well Number 19 |
| 9. OGRID Number 247128 |
| 10. Pool name or Wildcat Caprock; Queen |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |

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.)

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

2. Name of Operator
Celero Energy II, LP

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

4. Well Location
Unit Letter J ; 1980 feet from the S line and 1980 feet from the E line
Section 23 Township 13S Range 31E NMPM County Chaves

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

| | | | |
|---|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL. <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |
| OTHER: Step Rate Test <input checked="" 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.

- Shut well in a min of 48 hours prior to test. If the well is injecting CO2, switch to water a min of 2 weeks prior to the test.
- RIH with pressure tool to top of perforations or end of casing in an open hole completion.
- Record static surface pressure and bottom hole pressure.
- Begin injection at 50-150 BWPD. Continue for 15-30 minutes until surface injection pressure gain stabilizes.
- 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.
- 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.
- 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 10/14/2013
 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: ELG 10-17-2013 TITLE _____ DATE _____
 Conditions of Approval (if any):

OCT 17 2013