

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

RECEIVED CONSERVATION DIVISION  
 NOV 06 2013  
 HOBBSDUC  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025-00182
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 North Caprock Celero Queen Unit
8. Well Number 11
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

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 I : 1980 feet from the S line and 660 feet from the E line  
 Section 31 Township 12S Range 32E NMPM County Lea

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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 checked="" 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: <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.

11/1-11/5/13 MIRU, NDWH & NUBOP. Test BOP to 1000#. RIH & tag @ 14'. POOH w/ DC. M/U 6 1/8" BIT. TIH & START DRLG. GOT METAL BACK IN RTNS PULLED BIT. M/U 5 7/8" BIT. TIH & TAG @ 14' DRLG F/14'- 19' GOOD CMT. BIT STOPPED DRLG, STARTED GETTING FORMATION IN RTNS. BIT STARTED DRLG AND MADE 2' FELL THRU AND LOCKED UP SWIVEL. TRIED TO WORK BIT THRU CSG WITH NO RESULTS. POOH W/ BIT. PRESSURE UP ON WELL TO 300# HELD. NO FLUID COMING OUT AND HAD NO COMMUNICATION W/ 10 3/4" CSG. P/U (1) JT 2 7/8" TBG. RIH, TAG @ 21' COULD NOT WORK DOWN HIT SOLID. CIRC WELL & CIRC FORMATION. P/U 4 3/4" BIT. RIH TRIED TO DRILL W/ NO RESULTS. OPEN BOP & RIH W/ 5 1/2" IMPRESSION BLOCK. POOH W/SAME. P/U 5 7/8" BIT, BS, 5 7/8" STAB, XO, SDC, XO, XO, 3 1/8" DC. TIH & TAG @ 21'. DRILL 2'. BIT ACTING AS IF ON METAL. GETTING FORMATION IN RTNS. TOH & MOVE STAB TO TOP OF SDC. TIH & TAG @ 23'. DRLG W/NO RESULTS. GETTING NOTHING IN RTNS. TOH & P/U 4 3/4" BIT & TIH. STARTED DRLG & MADE 1'. PICKED UP & CK STAB. BTM OF BLADES SHOWING WEAR APPROX 4" UP. GETTING TRACE FORMATION & METAL IN RTNS. TOH & L/D STAB. TIH W/4 3/4" BIT MADE 1' AND IT QUIT DRLG. TOH & P/U PSBP & 1 JT 2 7/8" TBG. RIH & TAG UP. TRIED TO WORK TBG THRU W/NO RESULTS. MARKED TBG @ TOP OF FLOOR & POOH. L/D TBG & STRAP DEPTH TD 23'.

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 11/06/2013

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

**For State Use Only**

APPROVED BY: [Signature] TITLE DIST. MGR DATE 11-6-2013  
 Conditions of Approval (if any):

NOV 06 2013