

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

HOBBBS OCE
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
NOV 13 2013

WELL API NO. 30-025-00200
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name North Caprock Celero Queen Unit
8. Well Number 28
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 [X] 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 M : 660 feet from the S line and 660 feet from the W line
Section 32 Township 12S Range 32E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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. [X] P AND A []
CASING/CEMENT JOB []

OTHER: []

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.

10/17-10/29/13

MIRU. NDWH & NUBOP. INSTALL CIRC HEAD. PU 4 3/4" LS BIT, (1) DC & M/U SAME. RIH & TAG @ 27'. Drlg cmt from 27'-402'. LOAD 5.5"X8 5/8" W/ 1/2BBL. PRESSURE UP ON PERFS @ 350' TO 300#. PSI LEAKED OFF IN 3 MIN. PUMPED 5 BBLs INTO PERFS @ .5BPM @ 300# W/ NO COMMUNICATION ON BACKSIDE. TIH TO 1373' & TAG PLUG. DRLG F/1373'-1534' 35.7 FPH. CIRC HOLE CLEAN. DRLG CMT F/1534-1620'. TAG PLUG @ 2751'. DRLG CMT F/2751'-2840'. CIRC WELL CLEAN. DRILL CMT F/2840'-2941'. LOST RTNS @ 2930' DRY DRILL TO 2941'. P/U 4 3/4" SHOE W/ WIRES AND DIAMONDS, (4) DC'S. TIH & TAG @ 2941'. DRLG ON JUNK F/2941'-2955'. BROKE THROUGH AFTER 1.5 HRS & SHOE FELL 14' THEN TAGGED UP AGAIN. CONTINUED DRLG BUT MADE NOTHING. TIH W/ 6 3/8" DC'S & 89 JTS TBG, TAG @ 2955'. MILL ON JUNK F/2955'-3023'. COULD NOT GET PAST 2989'. WORK BACK THRU 2989' NUMEROUS TIMES. CONTINUE DOWN TO 3023', COULD NOT MAKE ANY HOLE. P/U 4 3/4" TAPER MILL. TIH TO 2854'. OPEN BOP & TIH TO 2989' TAG UP. WORK THRU SPOT @ 2989' CONTINUED DOWN TO 3027' MILL WOULD NOT DRILL. WORK THRU SPOT @ 2989'. TIH W/ 4 3/4" BIT TAG @ 2955'.

*Continued on attached sheet

Spud Date:

[Empty box for Spud Date]

Rig Release Date:

[Empty box for 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 11/11/2013

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

Mary Brown

TITLE Compliance Officer

DATE 11/14/2013

Conditions of Approval (if any):

NOV 14 2013

North Caprock Celero Queen Unit #28 – C103 continued

10/30/13 - DRILL TO 3052'. RIH W/ CIL TO 3010' COULD NOT GET TOOL PAST 2989' CLOSE TOOL & PULL UP TO 2950' OPEN TOOL & COMPLETE LOG. P/U 2 3/4" CBL TOOL & RIH TO 3025' & LOG UP TO 2000' WELD ON WATSON DUPLEX SHOE & RUN 131.27' 4" 10# UFJ CSG. WELD ON TOP COLLAR. RUN 6 JTS 2 3/8" TBG 188.37' & 89 JTS 2 7/8" TBG. RIH TO 2987' TAGGED UP. ATTEMPT TO PUMP LINER DOWN W/ NO RESULTS. COULD NOT WORK LINER THRU. TOH W/ LINER. PULLED 26 STDS.

10/31/13 - TOH W/ 2 7/8" TBG. UNSET TOOL IN 4" LINER. L/D 2 3/8" TBG. CUT OFF SLIPXSLIP COLLAR & WELD ON SLIPXTHREAD COLLAR. LD (3) JTS 4" UFJ CSG. TIH W/ (10) 3 1/8" DC'S & LD SAME. PU 10' 2 3/8" MUD ANCHOR W/BP, WORKING BARREL & PERF SUB. TIH W/ 92 JTS 2 7/8" 6.5# J55 TBG. S/N @ 2910'. EOT @ 2925'. NDBOP & NUWH. R/U & RUN 4' PLUNGER, 6 1 1/4" K-BARS, 70 3/4" RODS, 39 7/8" RODS. P/U POLISH ROD & STUFFING BOX & SECURE WELL. WILL SPACE OUT & STROKE PUMP IN AM.