

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-005-01099
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 303737
7. Lease Name or Unit Agreement Name West Cap Queen Sand Unit
8. Well Number 6
9. OGRID Number 247128
10. Pool name or Wildcat Caprock Queen

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
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 <u>J</u> : 1980 feet from the <u>South</u> line and 1980 feet from the <u>East</u> line Section <u>17</u> Township <u>14S</u> Range <u>31E</u> NMPM Chaves County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

RECEIVED

JAN - 4 2008

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

HOBBS OCD

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Reactivate Injector ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CO/mill out well to 2754'. Identified casing leak below 2460'. CO/mill out well to 2762'. Ran 2793' of 4" 9.5# J-55 liner from 2762' to surface and cemented liner in place w/ 50 sx 50/50 poz w/ additives and 60 sx Class C cmt w/ additives. DO cmt to 2760'. Logged well w/ GR/CCL/CN log and CBL log. TOC @ 2730'. Re-cemented 4" liner w/ 50 sx 50/50 poz w/ additives and 50 sx Class C cmt w/ additives. DO cmt to 2716'. Pressure tested squeezed perms, failed. Ran CBL, TOC @ 2710'. Set cmt retainer @ 2612'. Re-cemented 4" liner w/ 50 sx 50/50 poz w/ additives and 100 sx Class C expanding cmt w/ additives. Cmt valve on retainer did not hold so well flowed back water. Re-cemented 4" liner w/ 25 sx Class C cmt w/ additives. Cemented 4" x 5 1/2" annulus w/ 80 sx Class H cmt w/ additives. Ran CBL and showed no cement between 1970' and 2612'. Perforated 4" casing @ 2134' w/ 4 shots. Set cmt retainer @ 2045'. Re-cemented 4" liner w/ 50 sx Class C cmt w/ additives. DO cmt and cmt retainers to 2758'. Ran CBL, no cmt between 2490' and 2730'. Squeeze perms @ 2134' did not pressure test. Set CIBP @ 2415'. Re-cemented 4" liner w/ 25 sx Class C cmt w/ additives. DO cmt and CIBP and CO well to PBTD @ 2758'. Received verbal permission from Chris Williams to set pkr @ 2475'. Received verbal permission from Chris Williams to set pkr @ 2475'. Perforated Queen interval 2734' - 2747' w/ 4 SPF. Ran 2 3/8" 4.7# J-55 IPC injection tubing and Baker Model AD-1 packer. Set packer @ 2475'. Acidized Queen sand interval (2734' - 2747') w/ 1500 gal 7 1/2% NEFE acid and 1000# rock salt in three stages @ 3.5 BPM and 550 psi STP. Returned well to injection. Order No. R-2336

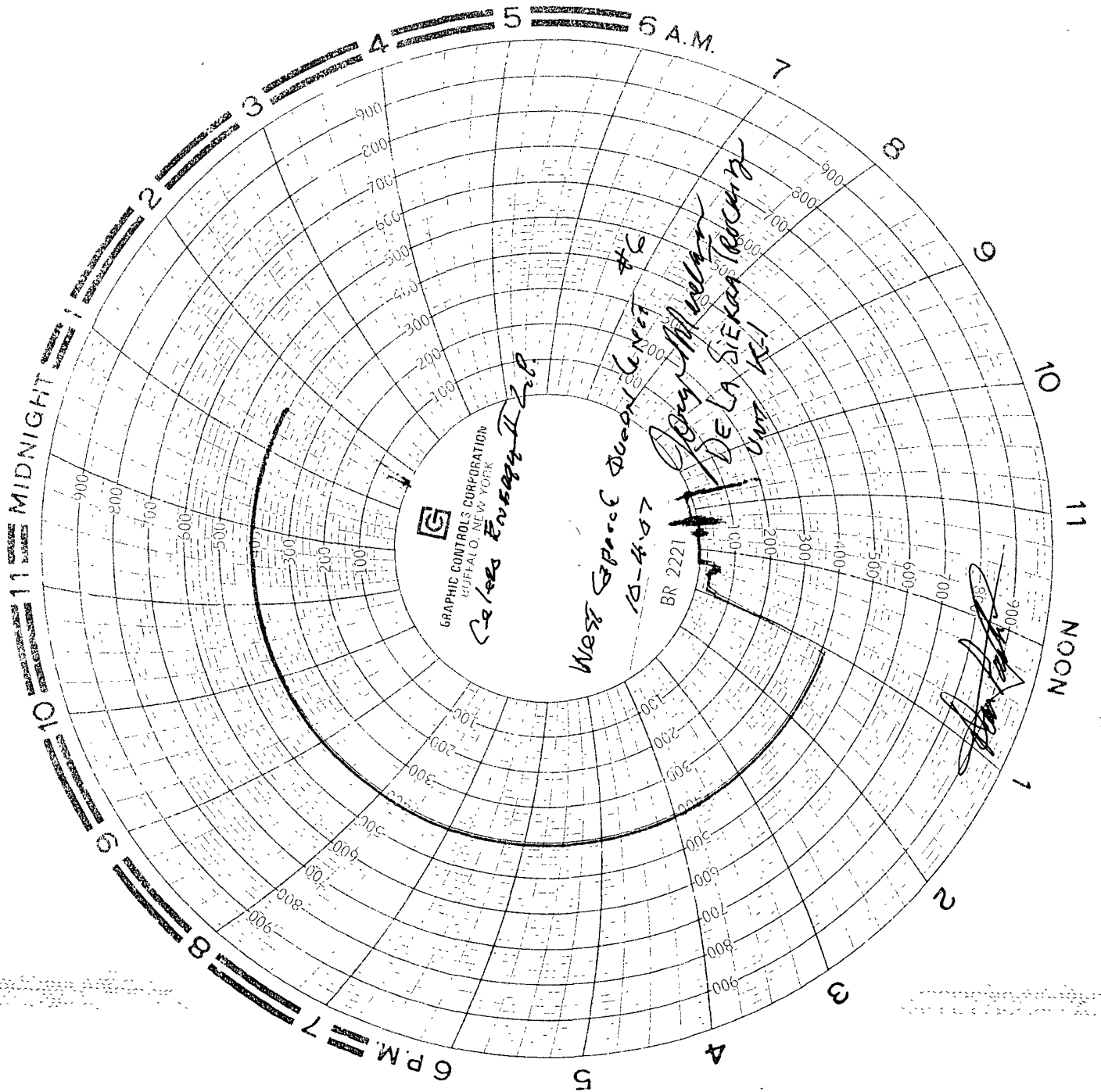
10/4/07

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Haylie Urias TITLE Operations Tech DATE 12/26/07

Type or print name Haylie Urias E-mail address: hurias@celeroenergy.com Telephone No. 432-686-1883 Ext. 120
For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE MAR 28 2008



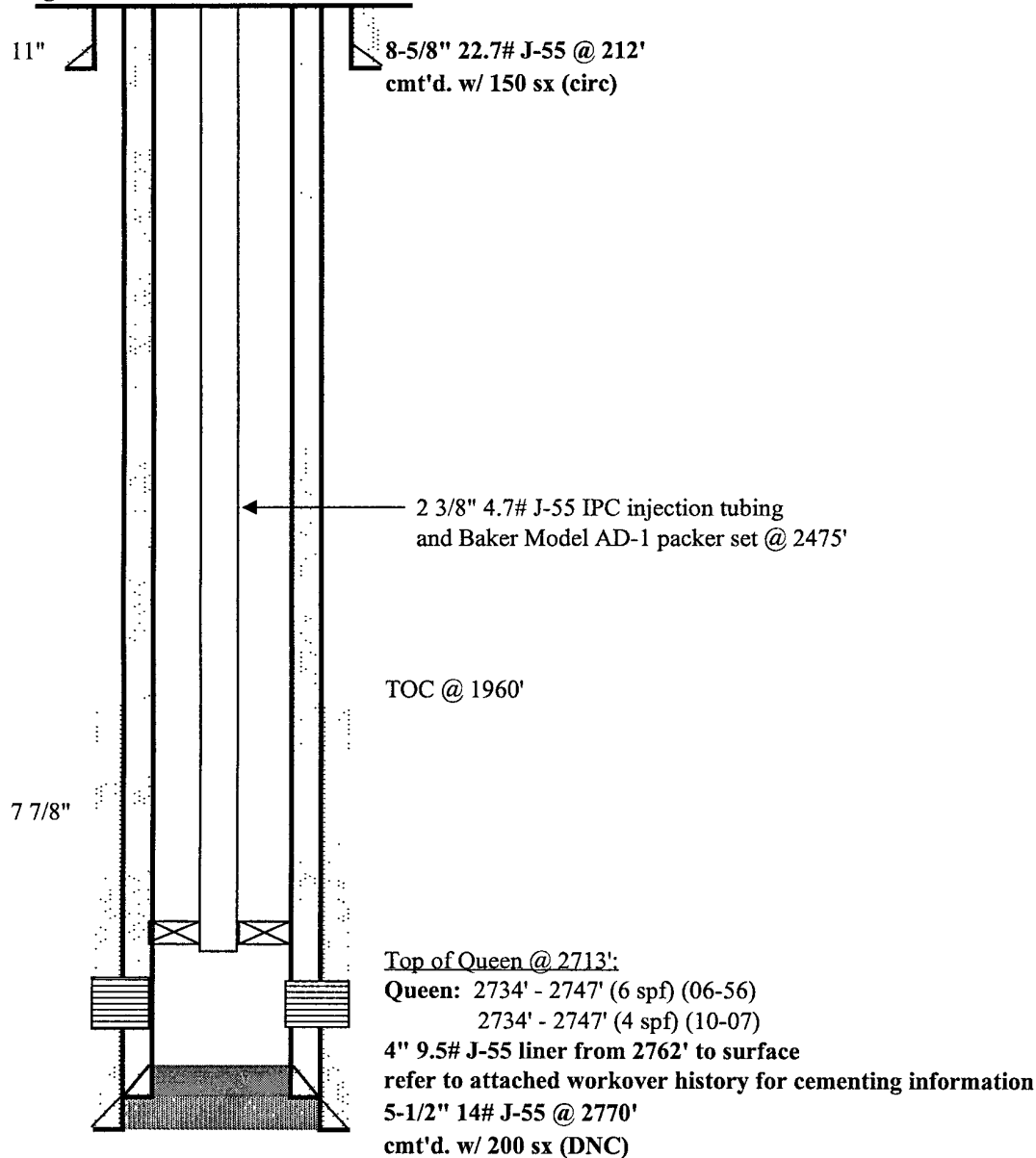
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: West Cap Queen Sand Unit
COUNTY: Chaves

DATE: Oct. 11, 2007
BY: JEA
WELL: 6
STATE: New Mexico

Location: 1980' FSL & 1980' FEL, Sec 17J, T14S, R31ECM
SPUD: 05/56 COMP: 06/56
CURRENT STATUS: Injector
Original Well Name: State "Z" #3

KB =
GL = 4,114'
API = 30-005-01099



INJECTION WELL DATA SHEET

OPERATOR: **Celero Energy II, L P**WELL NAME & NUMBER: **West Cap Queen Sand Unit #6**WELL LOCATION: **1980' FSL & 1980' FEL**
FOOTAGE LOCATION**J**
UNIT LETTER**17**
SECTION**14S**
TOWNSHIP**31E**
RANGEWELLBORE SCHEMATIC (See Attached)WELL CONSTRUCTION DATASurface CasingHole Size: **11"**Casing Size: **8 5/8"**Cemented with: **150 SX**or _____ ft³Top of Cement: **SURFACE**

Method Determined: _____

Intermediate CasingHole Size: **7 7/8"**Casing Size: **4"**Cemented with: **200** sx.or _____ ft³Top of Cement: **(DNC)**

Method Determined: _____

Production Casing

Hole Size: _____

Casing Size: _____

Cemented with: **100** sx.or _____ ft³

Top of Cement: _____

Method Determined: _____

Total Depth: _____

Injection Interval**2734' -2747' (6 SPF)****2734' - 2747' (4 SPF)**

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" / 4.7# / J-55

Lining Material: Cement Lined or Internally Plastic Coated

Type of Packer: Arrowset 1X

Packer Setting Depth: '

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes ___X___ No

If no, for what purpose was the well originally drilled? Primary depletion oil producer _____

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None _____