

May 27, 2004

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-00307

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
ROCK QUEEN UNIT

8. Well Number 69

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 ☒ 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 C : 660' feet from the NORTH line and 660' feet from the WEST line
Section 30 Township 13S Range 32E NMPM County LEA11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4385' KBPit 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 _____

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐OTHER: ☐OTHER: RETURN WELL TO PRODUCTION ☒

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.

(Page 1 of 2)

7/23/2007 to 11/2/2007

MIRU Service company. POOH w/ production equipt. Drill/mill out well to 2936'. Ran csg inspection log & CBL. Hole in csg @ 2680' & TOC @ 2620'. Ran & set cmt retainer @ 2640'. Squeeze cemented down cmt retainer w/ 150 sx Class H cmt w/ additives followed by 150 sx Class C cmt w/ 3% CaCl. Tagged cmt @ 2635'. Pumped 40 sx Class C cmt w/ 3% CaCl on top of cmt @ 2635'. Tag cmt @ 2540' and dressed off cmt to 2600'. Attempted to side track well out of 7" csg off of the top of cmt plug but was unsuccessful. Set CIBP @ 2568'. Attempt to sidetrack well off of CIBP but was unsuccessful. Ran whipstock & set @ 2568'. Cut window w/ 6 1/4" mill & kicked out of 7" csg. DO sidetracked wellbore w/ 6 1/4" bit to new TD @ 3042'. Ran 16 jts. 5 1/2" flush jt. csg followed by 54 jts. 5 1/2" 15.5# K-55 csg from 3034' to surface. Cmt 5 1/2" csg w/ 35 sx Class C cmt w/ additives. Logged well w/ GR/CCL/CN/CBL. TOC @ 2971'. Pumped 230 sx Class C cmt w/ additives down 5 1/2" x 7" csg annulus. Ran CBL & perforated Queen interval 2934' - 2954' & 2992' - 2998' (28' net, 4 SPF, 112 holes). Swabbed well. Ran & set RBP @ 2979' and swabbed Queen interval 2934'-2954'. Acidized Queen (2934-2954') w/ 2500 gal 7 1/2% NEFE HCL acid & 500# rock salt @ 3.2 BPM & 0 psi STP. Swabbed well. POOH w/ workstring, pkr & RBP. Ran & set cmt retainer @ 2920'. Squeeze cmt Queen (2934'-2998' w/ 150 sx Class C cmt w/ additives. Perf Queen interval 2866'-2883' (18' net, 4 SPF, 72 holes). Acidize (2866'-2883') w/ 2500 gal 7 1/2% NEFE HCL acid w/ 100 ball sealers @ 3.6 BPM & 0 psi STP. Swabbed well. Logged well w/ GR/CCL/CN log. Perf Queen intervals 2780'-2820' & 2832'-2848' (58' net, 2 SPF, 116 holes). Ran & set RBP @ 2858'. POOH w/ workstring and pkr. Ran 2 7/8" 6.5# J-55 production tbg to 2818'. Ran rods & pump & return well to production. 24 hr. well test 1 BO & 400 BW. Continue on page 2.

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

TITLE Operations Tech

DATE 05/13/2008

Type or print name Haylie Urias

E-mail address: hurias@celeroenergy.com

Telephone No. (432)686-1883

For State Use Only

APPROVED BY:

OC DISTRICT SUPERVISOR/GENERAL MANAGER
TITLE

DATE

JUL 15 2008

Conditions of Approval (if any):

District I

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303735

7. Lease Name or Unit Agreement Name
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Page 2

5/16/2008 to 6/4/2008

POOH w/ rods, pump & 2 7/8" production tbg. Retrieve RBP @ 2858' & POOH w/ RBP. Ran & set cmt retainer @ 2720'. Squeeze cmt'd upper Queen 2780-2883' w/ 100 sx Class C cmt w/ 2% CaCl. DO cmt retainer @ 2720', DO cmt to 2920', DO cmt retainer 2920' and DO cmt to 3007'. Ran & set cmt retainer @ 2720' +/- . Pumped 350 gal sodium silicate (70% sodium silicate & 30% FW) and then squeeze cmt'd upper Queen 2780-2998' w/ 250 sx Class C cmt w/ 2% CaCl. DO cmt retainer @ 2720' +/- and DO/CO well to 3007'. Ran & set cmt retainer @ 2714'. Squeeze cmt'd upper Queen w/ 300 sx 35/65 poz mix cmt w/ 6% gel & 2% CaCl followed by 100 sx Class C cmt w/ 2% CaCl. DO cmt retainer @ 2714' and DO/CO well to 3010'. Swab tested upper Queen 2780-2998' 100% water @ 35 BW/hr w/ FL @ 1300' FS. Set pkr @ 2655' and squeeze cmt'd upper Queen 2780-2998' w/ 350 sx Class C cmt w/ 2% CaCl. DO/CO well to 3010'. DO well to 3035' & DO new hole to new TD @ 3080'. Swab tested well, 40 BTF/hr. Ran 2 7/8" 6.5# J-55 production tbg & TAC set @ 2755'. Install progressive cavity pumping system. Return well to production. (PC pump). 24 hr. well test 4 BO & 650 BW.

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 *Hayle Urias*

TITLE Operations Tech

DATE 06/14/2008

Type or print name Hayle Urias

E-mail address: hurias@celeroenergy.com

Telephone No. (432)686-1883

For State Use Only

APPROVED BY: *Chris Williams*

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

DATE

Conditions of Approval (if any):

JUL 15 2008

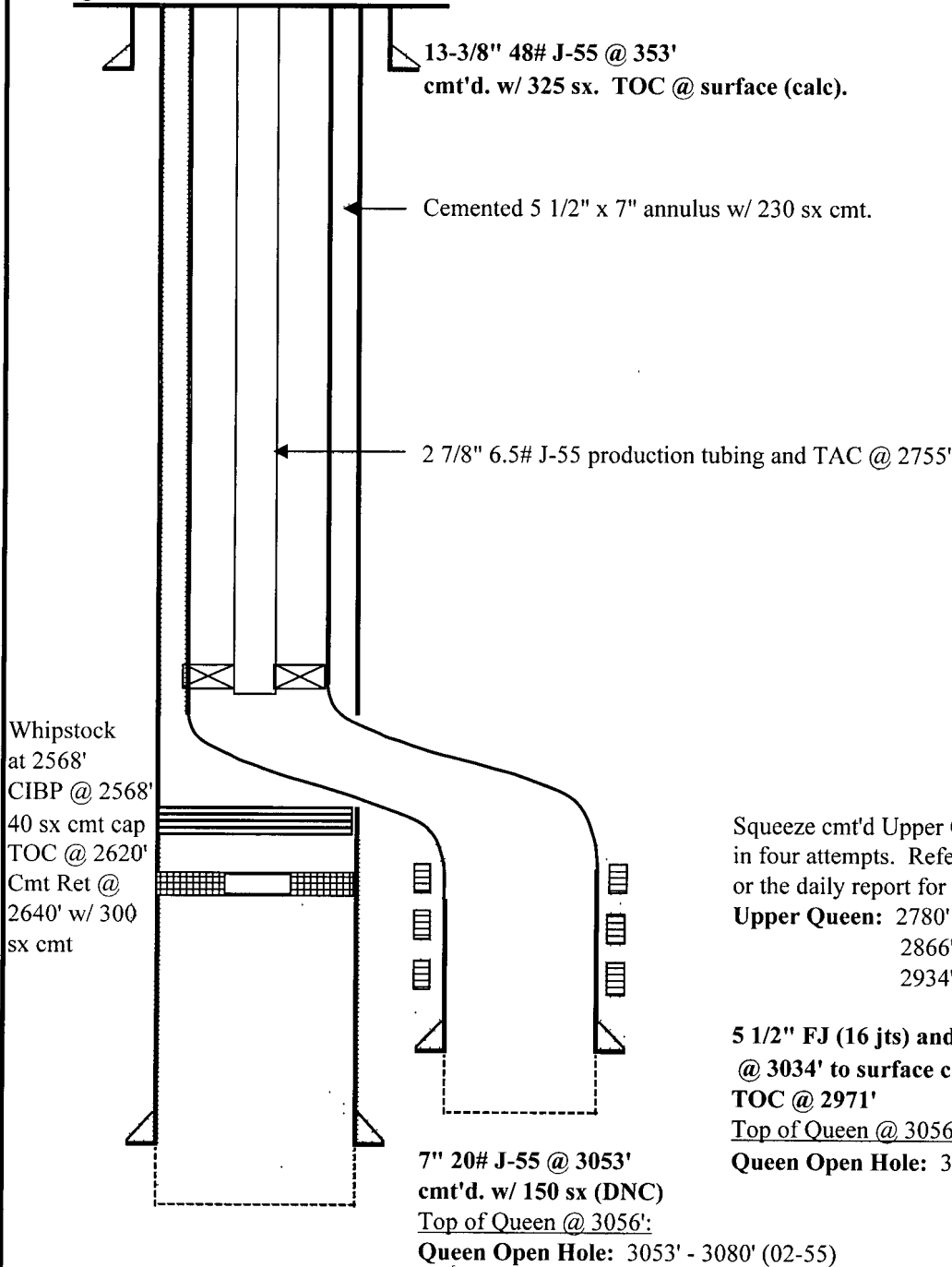
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Rock Queen
COUNTY: Lea

DATE: Jun. 20, 2008
BY: JEA
WELL: 69
STATE: New Mexico

Location: 660' FNL & 1980' FWL, Sec 30C, T13S, R32ECM
SPUD: 02/55 COMP: 02/55
CURRENT STATUS: Producer
Original Well Name: State #1-340

KB = 4385'
GL = 4374'
API = 30-025-00307



Squeeze cmt'd Upper Queen 2780' - 2998' w/ 1100 sx cmt in four attempts. Refer to below workover summary or the daily report for more detailed information.

Upper Queen: 2780' - 2820', 2832' - 2848' (4 SPF) (10-07)
2866' - 2883' (4 SPF) (10-07)
2934' - 2954', 2992' - 2998' (4 SPF) (10-07)

5 1/2" FJ (16 jts) and 5 1/2" 15.5# K-55 (54 jts)
@ 3034' to surface cmt'd w/ 35sx cmt (DNC)
TOC @ 2971'

Top of Queen @ 3056':

Queen Open Hole: 3056' - 3080' (05-08)

PBTD - 3080'
TD - 3080'

PBTD - 3080'
TD - 3080'

6/20/2008

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