

June 19, 2008

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-005-01103 ✓
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	303737
7. Lease Name or Unit Agreement Name	West Cap Queen Sand Unit ✓
8. Well Number	13 ✓
9. OGRID Number	247128 ✓
10. Pool name or Wildcat	Caprock Queen ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

(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 A : 660 feet from the North line and 660 feet from the East line
Section 20 Township 14S Range 31E NMPM County Chaves ✓

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:

REMEDIATION 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.

Returned this abandoned producer to production
7/23/08-8/18/08

MIRU well service rig. Repaired the wellhead. TOOH w/ rods, pump, and production tubing. CO well to TD @ 2818'. Replaced top two joints of 4 1/2" csg. Squeeze cemented holes in 4 1/2" csg from 290' - 312' w/ 200 sx Class C cmt w/ 2% CaCl (DNC). DO cement down to 813'. Pressure tested 4 1/2" casing to 200 psi, held OK. Acidized Queen interval (2800' - 2818') w/ 500 gals toluene, 2500 gals 80 - 20 mixture of 7 1/2% NEFE acid and toluene, and 1000# rock salt in three stages @ 4.4 BPM 2469 - 2620 psi STP. Swabbed load back. Fracture stimulated Queen interval (2800' - 2818') w/ 110,000 gals slick water and 43,100# 20/40 sand @ 25 BPM and 3013 - 3905 psi STP. Flowed and swabbed load back. CO well to TD @ 2818'. Ran 2 3/8" 4.7# J-55 production tubing and BHA, EOT @ 2727'. Returned well to production.

NOTE: This well last produced 9/1998.

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 HuntTITLE Regulatory AnalystDATE 09/25/2008Type or print name Lisa HuntE-mail address: LHunt@celeroenergy.comPHONE: (432)686-1883

For State Use Only

APPROVED BY: [Signature]TITLE PETROLEUM ENGINEERDATE OCT 01 2008

Conditions of Approval (if any):

CELERO ENERGY

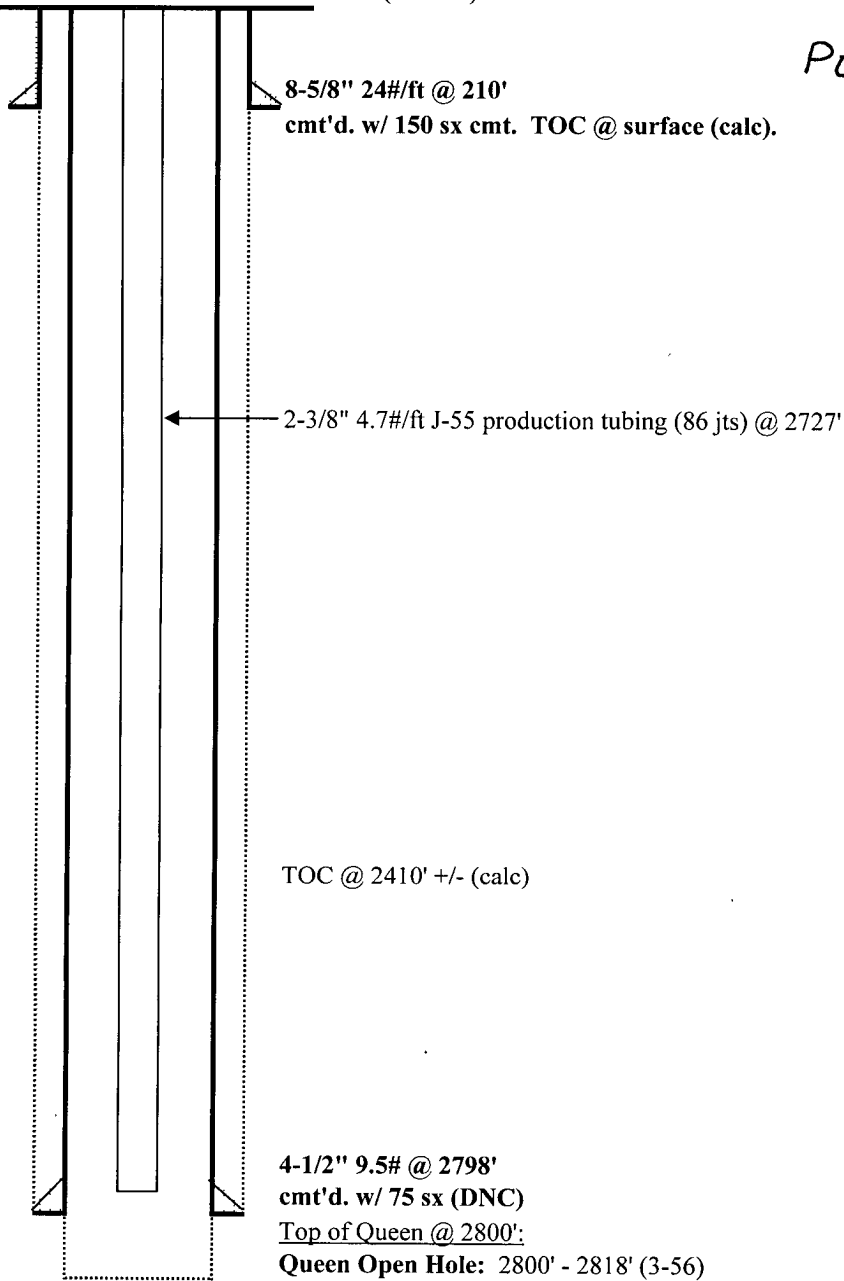
FIELD: Caprock
LEASE/UNIT: West Cap Queen Sand Unit
COUNTY: Chaves

DATE: Aug. 22, 2008
BY: GSA
WELL: 13
STATE: New Mexico

Location: 660' FNL & 660' FEL, Sec 20A, T14S, R31ECM
SPUD: 3/56 COMP: 3/56
CURRENT STATUS: Producer
Original Well Name: Stella Zimmerman (NCT-B) #4

KB = 4149'
GL =
API = 30-005-01103

POST-WORKOVER



9/25/2008

Copy of WCQSU #13