

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources

Form C-104  
Revised Feb. 26, 2007

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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☐ AMENDED REPORT

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REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                                            |                                                               |                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br><b>CELERO ENERGY II, LP<br/>400 W. Illinois, Ste. 1601<br/>Midland, TX 79701</b> |                                                               | <sup>2</sup> OGRID Number<br><b>247128</b>                                         |
|                                                                                                                            |                                                               | <sup>3</sup> Reason for Filing Code/ Effective Date<br><b>Return to production</b> |
| <sup>4</sup> API Number<br><b>30 -005-01103</b>                                                                            | <sup>5</sup> Pool Name<br><b>Caprock Queen</b>                |                                                                                    |
|                                                                                                                            |                                                               | <sup>6</sup> Pool Code<br><b>08559</b>                                             |
| <sup>7</sup> Property Code<br><b>20418</b>                                                                                 | <sup>8</sup> Property Name<br><b>West Cap Queen Sand Unit</b> |                                                                                    |
|                                                                                                                            |                                                               | <sup>9</sup> Well Number<br><b>13</b>                                              |

II. <sup>10</sup> Surface Location

|                           |                      |                        |                     |         |                             |                                  |                             |                               |                         |
|---------------------------|----------------------|------------------------|---------------------|---------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------|
| UL or lot no.<br><b>A</b> | Section<br><b>20</b> | Township<br><b>14S</b> | Range<br><b>31E</b> | Lot.Idn | Feet from the<br><b>660</b> | North/South Line<br><b>North</b> | Feet from the<br><b>660</b> | East/West line<br><b>East</b> | County<br><b>Chaves</b> |
|---------------------------|----------------------|------------------------|---------------------|---------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------|

<sup>11</sup> Bottom Hole Location

|                                    |                                                 |          |                                   |         |                                   |                  |                                    |                |                                     |
|------------------------------------|-------------------------------------------------|----------|-----------------------------------|---------|-----------------------------------|------------------|------------------------------------|----------------|-------------------------------------|
| UL or lot no.                      | Section                                         | Township | Range                             | Lot Idn | Feet from the                     | North/South line | Feet from the                      | East/West line | County                              |
|                                    |                                                 |          |                                   |         |                                   |                  |                                    |                |                                     |
| <sup>12</sup> Lse Code<br><b>S</b> | <sup>13</sup> Producing Method Code<br><b>P</b> |          | <sup>14</sup> Gas Connection Date |         | <sup>15</sup> C-129 Permit Number |                  | <sup>16</sup> C-129 Effective Date |                | <sup>17</sup> C-129 Expiration Date |

III. Oil and Gas Transporters

|                                 |                                                                   |                     |
|---------------------------------|-------------------------------------------------------------------|---------------------|
| <sup>18</sup> Transporter OGRID | <sup>19</sup> Transporter Name and Address                        | <sup>20</sup> O/G/W |
| <b>034053</b>                   | <b>Plains Marketing<br/>PO Box 4648<br/>Houston TX 77210-4648</b> | <b>O</b>            |
|                                 |                                                                   |                     |
|                                 |                                                                   |                     |
|                                 |                                                                   |                     |
|                                 |                                                                   |                     |
|                                 |                                                                   |                     |
|                                 |                                                                   |                     |

IV. Well Completion Data

|                         |                          |                                    |                         |                            |                            |
|-------------------------|--------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|
| <sup>21</sup> Spud Date | <sup>22</sup> Ready Date | <sup>23</sup> TD                   | <sup>24</sup> PBTD      | <sup>25</sup> Perforations | <sup>26</sup> DHC, MC      |
|                         | <b>08/18/2008</b>        | <b>2818'</b>                       | <b>2818'</b>            | <b>2800-2818' OH</b>       |                            |
| <sup>27</sup> Hole Size |                          | <sup>28</sup> Casing & Tubing Size | <sup>29</sup> Depth Set |                            | <sup>30</sup> Sacks Cement |
|                         |                          | <b>8 5/8"</b>                      | <b>210'</b>             |                            | <b>150 sx</b>              |
|                         |                          | <b>4 1/2"</b>                      | <b>2798'</b>            |                            | <b>75 sx</b>               |
|                         |                          | <b>2 3/8"</b>                      | <b>2727'</b>            |                            |                            |
|                         |                          |                                    |                         |                            |                            |

V. Well Test Data

|                            |                                 |                         |                           |                             |                             |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| <sup>31</sup> Date New Oil | <sup>32</sup> Gas Delivery Date | <sup>33</sup> Test Date | <sup>34</sup> Test Length | <sup>35</sup> Tbg. Pressure | <sup>36</sup> Csg. Pressure |
|                            |                                 | <b>09/06/2008</b>       | <b>24 hrs</b>             |                             |                             |
| <sup>37</sup> Choke Size   | <sup>38</sup> Oil               | <sup>39</sup> Water     | <sup>40</sup> Gas         |                             | <sup>41</sup> Test Method   |
| <b>1</b>                   |                                 | <b>42</b>               | <b>0</b>                  |                             | <b>P</b>                    |

|                                                                                                                                                                                                                                         |                             |                                                              |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------|--|
| <sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <i>Lisa Hunt</i> |                             | OIL CONSERVATION DIVISION<br>Approved by: <i>[Signature]</i> |  |
| Printed name:<br><b>Lisa Hunt</b>                                                                                                                                                                                                       |                             | Title:<br><b>PETROLEUM ENGINEER</b>                          |  |
| Title:<br><b>Regulatory Analyst</b>                                                                                                                                                                                                     |                             | Approval Date:<br><b>OCT 01 2008</b>                         |  |
| E-mail Address:<br><b>LHunt@celeroenergy.com</b>                                                                                                                                                                                        |                             |                                                              |  |
| Date: <b>09/25/2008</b>                                                                                                                                                                                                                 | Phone: <b>(432)686-1883</b> |                                                              |  |