

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-00935

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

303375

7. Lease Name or Unit Agreement Name
Rock Queen Unit

8. Well Number 90

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, LP3. Address of Operator 400 W. Illinois, Ste. 1601
Midland, TX 79701

4. Well Location

Unit Letter K : 1980 feet from the South line and 1980 feet from the West line
Section 36 Township 13S Range 31E NMPM County Chaves11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4382' GR

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. ☐ 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.

9/2/08-9/10/08

MIRU well service. Got on BP, unset & run to 335' & set. Test csg to 500#, held ok. Unset BP, tally & PU 2 7/8" workstring & RIH to 3004'. Set BP. Got off & test same, pulled up to 1897' & set pkr, test, held ok. Test @ 1246', 596', 465', 400' & csg held 500#. Hole is between 355' & 368'. Pump in 1/8 BPM @ 300' & it circ. out 8 5/8" csg. Run 20 jts. 2 7/8" workstring & dump 2 sx of sand. Install collar & swedge in 5 1/2" csg to cmt well. RU Superior to test lines. Pump 100 sx Class C cmt & 2% CaCl @ 2 BPM @ 1200#. Circ. cmt back to surface & out of 8 5/8" csg. Closed surface pump, flush & closed well in 900#. Tag cmt @ 233'. Started drilling & fell out of cmt @ 255', tested csg to 500#, held. Tag @ 3069'. Drilled new hole down to 3080'. TIH w/ 5 1/2" AD-1 pkr & tbg, set @ 3004'. Acdzd w/500 gals toluene & 2000 gals of acid w/ 7 1/2% NEFE, 500 gals toluene mix 80/20 w/ 1000# rock salt. TIH w/production equipment. EOT @ 3041.75'; TAC @ 3035.65'; 91 jts. 2 7/8" tbg @ 2961.90'; Top of pump @ 2970'. Returned to production.

NOTE: This well last produced 5/1997.

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 09/29/2008Type or print name Lisa HuntE-mail address: LHunt@celeroenergy.comPHONE: (432)686-1883

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

OCT 03 2008

Conditions of Approval (if any):

CELERO ENERGY

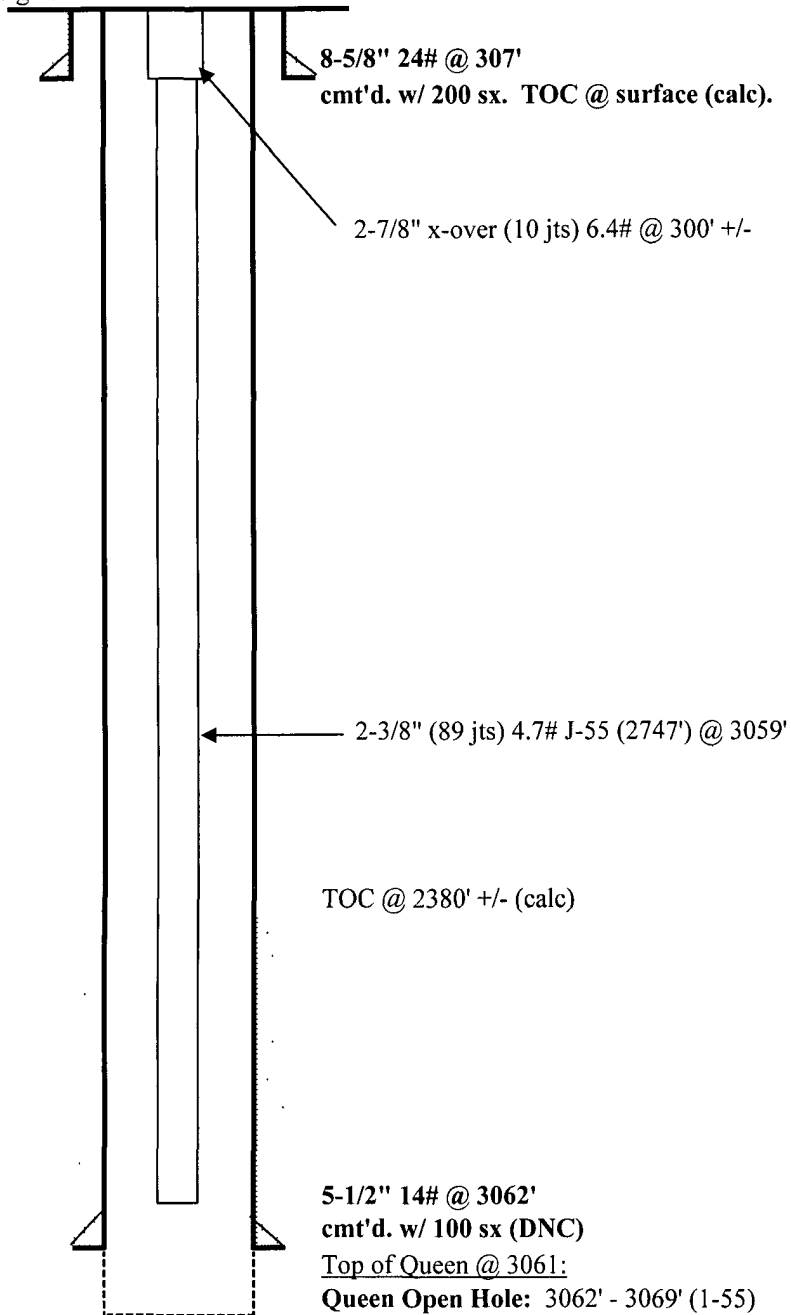
FIELD: Caprock
LEASE/UNIT: Rock Queen
COUNTY: Chaves

DATE: Oct. 2, 2007
BY: GSA
WELL: 90
STATE: New Mexico

Location: 1980' FSL & 1980' FWL, Sec 36K, T13S, R31ECM
SPUD: 1/55 COMP: 1/55
CURRENT STATUS: Producer
Original Well Name: State U #6

KB = 4391'
GL = 4382'
API = 30-005-00935

PRE-WORKOVER



PBTD - 3069'
TD - 3069'

9/29/2008

RQU #90

CELERO ENERGY

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

DATE: Sep. 30, 2008
BY: GSA
WELL: 90
STATE: New Mexico

Location: 1980' FSL & 1980' FWL, Sec 36K, T13S, R31ECM
SPUD: 1/55 COMP: 1/55
CURRENT STATUS: Producer
Original Well Name: State U #6

KB = 4391'
GL = 4382'
API = 30-005-00935

POST-WORKOVER

8-5/8" 24# @ 307'
cmt'd. w/ 200 sx. TOC @ surface (calc).

2-7/8" x-over (10 jts) 6.4# @ 300' +/-

2-7/8" (91 jts) 6.5# J-55 (2962') @ 3042'

TOC @ 2380' +/- (calc)

5-1/2" 14# @ 3062'
cmt'd. w/ 100 sx (DNC)
Top of Queen @ 3061:
Queen Open Hole: 3062' - 3069' (1-55)
Queen Open Hole: 3062' - 3080' (9-08)

PBTD - 3080'
TD - 3080'

9/30/2008

RQU #90