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|---|------------------------------------|--|---|--|-------------------|
| Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies 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 and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 | | Form C-105 Revised June 10, 2003 | |
| <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background-color: black; color: white; font-size: 40px; text-align: center; line-height: 1;"> RECEIVED MAY 21 2008 HOBBS, NM </div> </div> | | WELL API NO. 30-005-00925 | | | |
| | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | | | |
| | | State Oil & Gas Lease No. 303733 | | | |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | |
| 1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ | | | 7. Lease Name or Unit Agreement Name DRICKEY QUEEN SAND UNIT | | |
| b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input checked="" type="checkbox"/> OTHER Re-activate | | | | | |
| 2. Name of Operator CELERO ENERGY II, LP | | | 8. Well No. 1 | | |
| 3. Address of Operator 400 W. Illinois, Ste 1601 Midland, TX 79701 | | | 9. Pool name or Wildcat CAPROCK QUEEN | | |
| 4. Well Location Unit Letter A : 660' Feet From The NORTH Line and 660' Feet From The EAST Line Section 35 Township 13S Range 31E NMPM CHAVES County | | | | | |
| 10. Date Spudded | 11. Date T.D. Reached | 12. Date Compl. (Ready to Prod.) | 13. Elevations (DF& RKB, RT, GR, etc.) 4408' KB | 14. Elev. Casinghead | |
| 15. Total Depth 3094' | 16. Plug Back T.D. 3094' | 17. If Multiple Compl. How Many Zones? | 18. Intervals Drilled By | Rotary Tools | Cable Tools |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name 3044'-3094' Open hole | | | | 20. Was Directional Survey Made no | |
| 21. Type Electric and Other Logs Run GR/CCL/CN/CBL | | | 22. Was Well Cored NO | | |
| 23. CASING RECORD (Report all strings set in well) | | | | | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
| 8 5/8" | 28# | 243' | | 250 SX | |
| 5 1/2" | 14# | 3042' | 8 5/8" | 100 SX | |
| | | | | | |
| | | | | | |
| 24. LINER RECORD | | | 25. TUBING RECORD | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE |
| | | | | | 2 7/8" |
| | | | | | 3026' |
| | | | | | |
| 26. Perforation record (interval, size, and number) OPEN HOLE 3044'-3051' (4/1955) OPEN HOLE 3044'-3094' (4/2008) | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 3044'-3094' AMOUNT AND KIND MATERIAL USED 2500 gal 7 1/2% NEFE & 550# RS | | |
| 28. PRODUCTION | | | | | |
| Date First Production | | Production Method (Flowing, gas lift, pumping - Size and type pump) PUMPING | | Well Status (Prod. or Shut-in) PRODUCING | |
| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl | Gas - MCF |
| | | | | | |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. |
| | | | | | |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) | | | | | Test Witnessed By |
| 30. List Attachments | | | | | |
| 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief | | | | | |
| Signature <i>Haylie Urias</i> | | Printed Name Haylie Urias | | Title Operations Tech | |
| E-mail Address <i>hurias@celeroenergy.com</i> | | | | Date 05/20/2008 | |

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | Northwestern New Mexico | |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy | T. Canyon | T. Ojo Alamo | T. Penn "B" |
| T. Salt | T. Strawn | T. Kirtland-Fruitland | T. Penn. "C" |
| B. Salt | T. Atoka | T. Pictured Cliffs | T. Penn. "D" |
| T. Yates | T. Miss | T. Cliff House | T. Leadville |
| T. 7 Rivers | T. Devonian | T. Menefee | T. Madison |
| T. Queen 3044' | T. Silurian | T. Point Lookout | T. Elbert |
| T. Grayburg | T. Montoya | T. Mancos | T. McCracken |
| T. San Andres | T. Simpson | T. Gallup | T. Ignacio Otzte |
| T. Glorieta | T. McKee | Base Greenhorn | T. Granite |
| T. Paddock | T. Ellenburger | T. Dakota | T. |
| T. Blinebry | T. Gr. Wash | T. Morrison | T. |
| T. Tubb | T. Delaware Sand | T. Todilto | T. |
| T. Drinkard | T. Bone Springs | T. Entrada | T. |
| T. Abo | T. | T. Wingate | T. |
| T. Wolfcamp | T. | T. Chinle | T. |
| T. Penn | T. | T. Permian | T. |
| T. Cisco (Bough C) | T. | T. Penn "A" | T. |

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|
| | | | |

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|
| | | | |

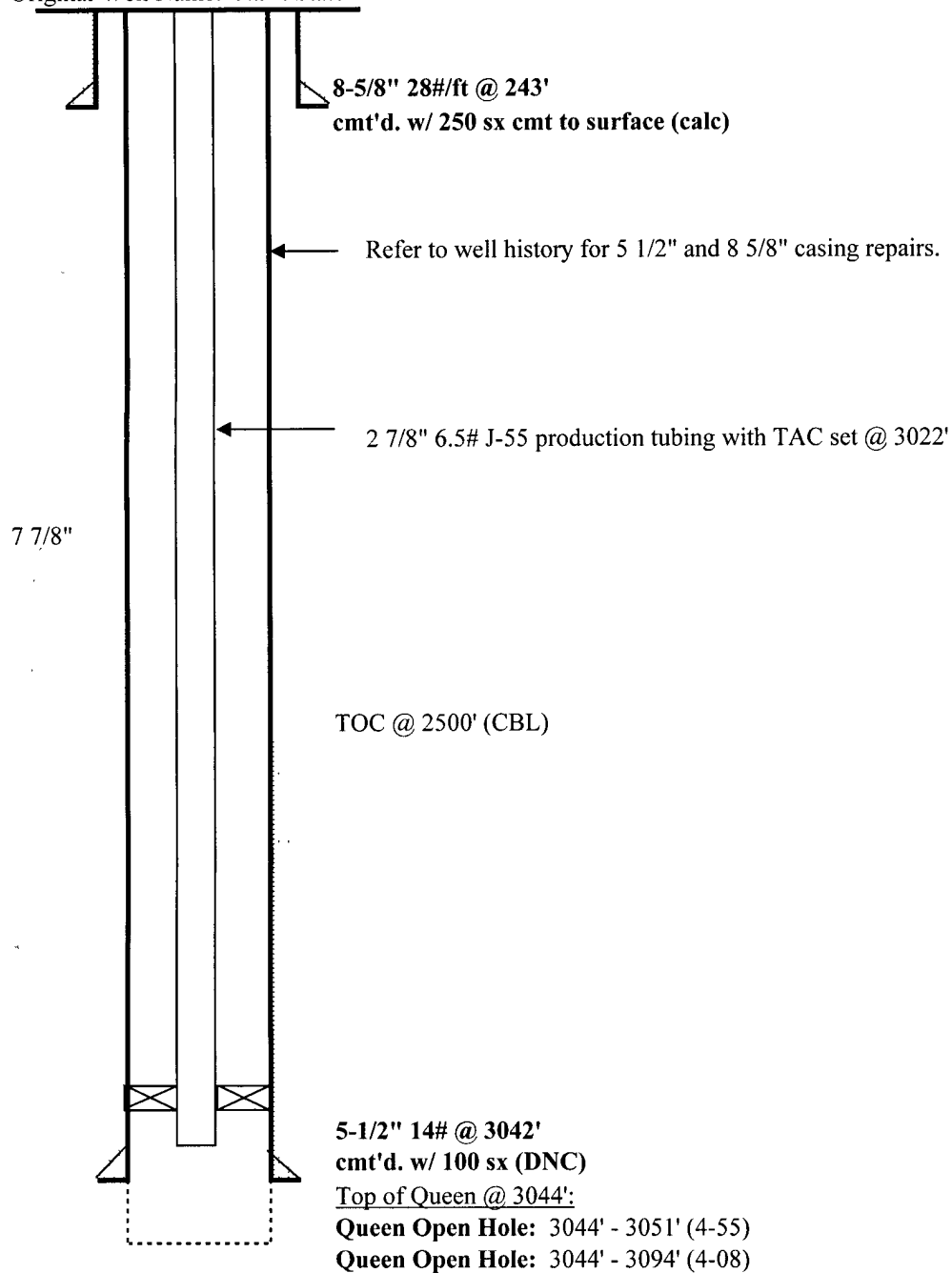
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Drickey Queen Sand Unit
COUNTY: Chaves

DATE: May. 12, 2008
BY: JEA
WELL: 1
STATE: New Mexico

Location: 660' FNL & 660' FEL, Sec 35A, T13S, R31ECM
SPUD: 4/55 COMP: 4/55
CURRENT STATUS: Producer
Original Well Name: N.M. State "I" A/c 1 #5

KB = 4408'
GL =
API = 30-005-00925



PBTD - 3094'
TD - 3094'

5/12/2008

DQSU #1.xls