

Submit 3 Copies To Appropriate District  
Office  
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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 19, 2008

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-005-01098
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 303737
7. Lease Name or Unit Agreement Name West Cap Queen Sand Unit
8. Well Number 11
9. OGRID Number 247128
10. Pool name or Wildcat Caprock Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4140' GL

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 Injector ☐

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 P : 660 feet from the South line and 660 feet from the East line  
Section 17 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:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Acdzd & ran MIT ☒

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.

8/7/08-8/13/08

MIRU well service. CO to 2830'. Acdzd w/ 500 gals toluene @ 3.5 BPM, TP 388#. Pump 64 bbls acid, toluene 80/20 mix @ 4.8 BPM, TO 571#, when acid hit formation pressure dropped 100#. 1st stage of rock salt. TP increase to 545#. Pump flush 4.8 BPM, TP 611#, 50 bbls. ISIP 330#, 5 mins 206#, 10 mins 306#, 15 mins 305#, 121 BLTR. TIH w/2 3/8" x 5 1/2" nickel plated arrow set pkr w/on/off tool, 83 jts 2 3/8" IPC, J-55, 4.7#, 8rd, EUE tbg. Set pkr @ 2590'. Tested to 500#. Held ok. ND BOP. Back off on/off tool, circ 60 bbls pkr fluid down csg, pulled 20 pts tension on pkr. Held ok. Run good MIT chart. Pressure up to 580#. Held 30 mins. Chart is attached. Return well to injection.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

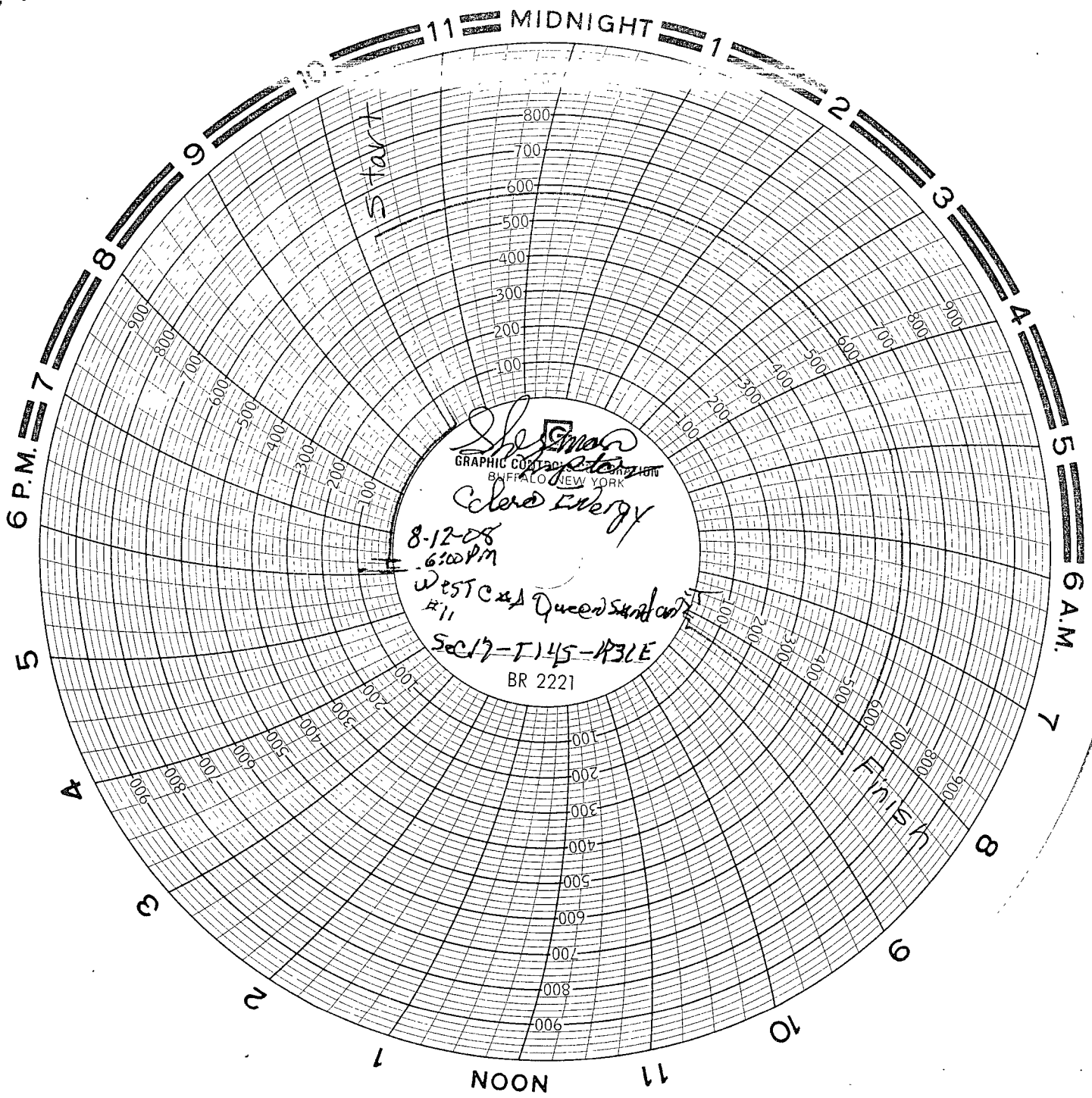
SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 09/30/2008

Type or print name Lisa Hunt E-mail address: LHunt@celeroenergy.com PHONE: (432)686-1883

For State Use Only

APPROVED BY: [Signature] TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE OCT 06 2008

Conditions of Approval (if any):



Shepherd  
GRAPHIC CONTROLS  
BUFFALO NEW YORK  
Clear Energy  
8-12-08  
6:00 PM  
WESTC & Queen's University  
#11  
SEC 17-T145-1431E  
BR 2221