

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

Form C-103
June 19, 2008

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.)		WELL API NO. 30-005-00857 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator CELERO ENERGY II, LP ✓		6. State Oil & Gas Lease No.
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name Rock Queen Unit ✓
4. Well Location Unit Letter G : 1980 feet from the North line and 1980 feet from the East line Section 25 Township 13S Range 31E NMPM County Chaves ✓		8. Well Number 57 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4387' KB		9. OGRID Number 247128 ✓
		10. Pool name or Wildcat Caprock Queen ✓

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: Sqzd csg leak and acdzd ☒

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.

8/6/08-9/11/08

MIRU well service. CO fill from 3030' to 3069'. Located holes in 4 1/2" csg as follows: 2176' to 2239'. Test to 500# & lost 100# down to 400# in one minute. Locate top holes in 4 1/2" csg from 543' to 607'. Pumped thru holes @ 1 1/2 BPM @ 300#. Prepare to cmt 4 1/2" csg. Prepare to cmt squeeze csg leak from 543' to 607'. Mix & pump 42 sx Class C cmt w/ 2% CaCl down tbg, circulating cmt out 4 1/2" csg. Mix & pumped 83 sx Class C cmt w/ 2% CaCl down 4 1/2" csg, displacing same to 368' @ 490# pressure. Prepare to DO cmt. Used total of 125 sx cmt, 14.9 ppg w/ yield of 1.30. Acdzd w/500 gals of toluene, 2500 gals of 7.5% acid & toluene mixture (80% acid & 20% toluene) + 1000# rock salt in two blocking stages. TIH w/ 93 jts. 2 3/8" OD, 8rd, J-55, 4.7# tbg, x-over, 2 7/8" x 4' lift sub, 200 - 4100 series stator w/ cross bar (28"), x-over, 1 jt. 2 3/8" OD tbg, 2 3/8" x 4 1/2" TAC & 2 - 3' x 2 3/8" PN w/ BP. Set stator from 2930-2958'; TAC w/ 10 pts tension (35K shear) from 2990-2993' and BP PN from 2993'-2999'. EOT @ 2999'. TIH w/ 22.61' rotor plus 116 - 7/8" grade D rods w/ slim hole sprayed metal couplings, 1 - 1', 1 - 4' & 1 - 6' x 7/8" pony rods, 1 1/4" x 16' polish rod. Space out pump 36" off btm. Connect up M-2100 Graco Drive w/ 30 HP motor & tie into flowlines. Start well producing to facilities @ 6:00pm. RDMO.

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 10/01/2008

Type or print name Lisa Hunt

E-mail address: LHunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

PETROLEUM ENGINEER

APPROVED BY: [Signature]

TITLE

DATE

Conditions of Approval (if any):

OCT 07 2008