

District I  
1625 N. French Dr., Hobbs, NM 88201  
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

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 10 2008

HOBBS, NM

WELL API NO. 30-005-21132
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 303733
7. Lease Name or Unit Agreement Name Drickey Queen Sand Unit
8. Well Number 144
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 B : 1300 feet from the North line and 1340 feet from the East line Section 35 Township 13S Range 31E NMPM County Chaves	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4305' KB	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: Return to production <input checked="" type="checkbox"/></p>
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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.

3/31/08-9/18/08 Reactivate abandoned producer to production.

MIRE well service. CO well to PBTD @ 3150'. Ran GR/CCL/CN logs. Perforated Queen interval 3044' - 3057' (14' net, 4 SPF, 52 shots). Acidized Queen interval (3026' - 3057') w/ 3500 gal 7 1/2% NEFE acid and 1500# rock salt in three stages @ 3 BPM and 700 psi avg STP. Swabbed load back. Ran 2 7/8" 6.5# J-55 production tubing and TAC. Set TAC @ 2997', EOT @ 3003'. Installed progressive cavity pumping system. Returned well to production.

NOTE: This well last produced 1/1996.

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 10/09/2008

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

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 28 2008  
Conditions of Approval (if any):