

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 87401

District IV

1220 S. St. Francis Dr., Santa Fe, NM

87505

RECEIVED

APR 20 2009

HOBBSD

Energy, Minerals and Natural Resources

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-00301

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

303735

7. Lease Name or Unit Agreement Name

Rock Queen Unit

8. Well Number

8

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 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 H : 1980 feet from the North line and 660 feet from the East line

Section 30

Township 13S

Range 32E

NMPM

County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 ☐

OTHER:

☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

P AND A ☐

CASING/CEMENT JOB ☐

OTHER:

☐

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.

4/6-4/14/09 POOH w/o packer--safety collar released. Took 5 trips w/tools to finally recover packer and 1-joint of tailpipe. Had tight spots at 2510', 2502', and 2100'. Ran 3-3/4" taper mill to 2513' and work to 2518', POOH--bottom of mill worn. Ran 3-3/4" taper mill to 2513' and work to 2629', POOH--mill worn out. Ran 3.06" knotted collar and set down at 1970'--could not work through. RIH with open-ended 2-3/8" workstring and tag at 2800'--could not wash through. Well will not circulate.

Celero Energy proposes:

RIH with O-E tubing and spot 25 sx Class C w/2lbs. sand/sk. PU, WOC 2-1/2 hours, and tag. Re-spot as warranted. Circulate hole with salt mud. Perforate at 2300'--top of Yates. RIH with packer to 2050' and squeeze with 100 class C neat to 1000 psi. Displace cement no deeper than 2150'. WOC overnight. POOH w/packer, RIH open-ended and tag TOC. Test casing and leave temporarily abandoned pending sidetrack evaluation.

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart

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 04/15/2009

Type or print name Lisa Hunt

E-mail address: LHunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

*Conny M. Hip*

TITLE

DISTRICT 1 SUPERVISOR

DATE

APR 22 2009

Conditions of Approval (if any)