

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

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. 30-025-00302
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 checked="" type="checkbox"/> FEE <input 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 I : 2310 feet from the South line and 990 feet from the East line Section 30 Township 13S Range 32E NMPM County Lea		8. Well Number 75
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4374' 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: ☒

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.

4/22/09 - Ran 4 1/2" pkr to 30'. Found 4 1/2" csg to leak at surface. Repaired leak & tested to 250#. Held okay. TIH w/tbg, DC's & 3 3/4" taper mill. Stop at 70'. TOH. Ran 2 3/8" OD tbg w/notched collar to 70'. TOH. Ran 1 11/16" collar locator. Stop at 70'. Ran tbg w/notched collar. RU swivel & C/O from 70' to 75', recovering "rust". Stop at 75'. TOH. Ran 3 3/4" taper mill & milled from 75' to 75.5'. Recovered very fine metal cuttings. Lost circulation the last one inch of milling. TOH. Re-ran 1 11/16" collar locator & stopped at 75.5'.

4/23/09 - Dug out cellar & replaced a few feet of 8 5/8" & 4 1/2" csg & the WH's. Ran 3 1/2" lead impression block. Found tbg looking up at 75.5'. TIH w/taper tap. Screw into fish @ 75.5', set off jars twice & fish started coming out of hole. Pulled 95 jts of 2 7/8" tbg, 1 - 2' x 2 7/8" tbg sub, 2 1/4" x 12' tbg pump, 1 - 3' x 2 7/8" perforated nipple & 2' of 2 7/8" mud anchor. Mud anchor appears to be broken off. TIH w/ 2 3/8" tbg work string, DC's, jars, one jt of 3 3/4" wash pipe & 3 7/8" mill shoe. Tagged @ 3045'. RU swivel. Worked mill up & down from 3015' to 3039'. Unable to get below 3039' w/mill shoe. PU mill to 3015'.

4.24.09 - Lower mill to 3039'. Unable to go deeper. Attempted to lower mill. Stopped at 3030'. No recovery. Mill was not worn. Unable to reach fish. Ran csg inspection log from surface to 3030'. Csg appears corroded at 550' & from an area from 750' to 1350'+. Ran CBL from 2350' to 3030'. TOC=2486'. Ran packer. Tested csg from surface to 987'. Pumped down annulus at 1 1/2 BPM at 200#. Pressure would go to 300# & fall back below 200#, three different times. Raised pkr to 487', tested annulus to 400# & held. Lower packer to 618'. Pumped into hole in csg at 1 1/2" BPM at 200#. Appears to be a hole at 550' based on csg inspection log. Lower pkr to 740'. Unable to set. Start out hole. Packer started dragging. Packer drug all of the way out of hole. Found rubber gone. Attempted to run and set CIBP at 2970'. Unable to go below 550'. Stopped at 550'. Ran 3 3/4" tapered mill. Unable to rotate thru spot at 550'. TOH. Ran tbg open ended to 610', able to get thru the spot. Raised tbg to 500'. SION.

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 04/27/2009

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

For State Use Only

APPROVED BY: Cory W. Hill TITLE DISTRICT 1 SUPERVISOR DATE APR 27 2009

Conditions of Approval (if any):