

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

RECEIVED

JUN 08 2009

HOBBSOCD

OIL CONSERVATION DIVISION

220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-025-31846 ✓
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Arco SWD ✓
8. Well Number	1 ✓
9. OGRID Number	247128 ✓
10. Pool name or Wildcat	SWD; San Andres ✓

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 type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input checked="" 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 O : 793 feet from the South line and 2271 feet from the East line	
Section 18 Township 17S Range 39E 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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Bradenhead inspection ☒

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.

6/2/09 - John Robert Harrison w/OCD in Hobbs inspected this SWD and stated it passed the bradenhead test.

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 06/03/2009

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

For State Use Only

APPROVED BY: Tony W. Hill TITLE DISTRICT 1 SUPERVISOR DATE JUN 09 2009

Conditions of Approval (if any):