

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88201
District III
1000 Rio Brazos Rd., Aztec, NM 87412
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
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HOBBSD

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

<p>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.)</p>		<p>WELL API NO. 30-025-05121 ✓</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator CELERO ENERGY II, LP</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name Buckley A ✓</p>
<p>4. Well Location Unit Letter L : 1650 feet from the South line and 330 feet from the West line Section 25 Township 14S Range 37E NMPM County Lea ✓</p>		<p>8. Well Number 3 /</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3809' GR</p>		<p>9. OGRID Number 247128 ✓</p>
		<p>10. Pool name or Wildcat Denton Devonian ✓</p>

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

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

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.

10/20-10/30/09 - RIH w/tbg punch. Tag @ 11,137'. Located 1st collar @ 11,105'. Perforated 4 holes at 11,121'. RU acidizing & pump 250 gals 15% NEFE acid, double inhibited w/iron control. Flush w/10 bbls soapy water. Work tbg 30 mins. Pump 5 bbls soapy wtr. Work tbg for 10 mins. Pumps came free. Pump 250 gals 15% NEFE down tbg. Flush w/65 bbls soapy wtr. Pump 2000 gals 15% NEFE acid, double inhibited w/iron control & flush w/10 bbls soapy water. SD for 30 mins. RU on tbg & csg pump 1.5 bpm down tbg & 3 bpm down csg. Flush. No psi on tbg or csg during acid job. Tbg & csg on vacuum after acid job. RIH w/gauge ring junk basket, CCL. Tie into lead seal patch at 5873'. RIH to top perf at 12,237'. POH w/junk bakset. Fluid level @ 11,600'. RIH w/40 arm caliper. Tie into 5873'. Resumed TOH to 12,250' & log up to 5700'. Test tbg in hole to 6000# psi. Set JD pkr @ 8475'. Test tools to 1000# psi. Pressure csg to 350# psi. Monitor for 15 mins w/no bleed of. Unset pkr. Release BP. Test tbg in hole to 6000# psi. NU master valve and flowline. Intake at 12,053.55'. Btm of Grc sensor at 12,119.15'. Start pumps. Leave well pumping to battery.

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 11/12/2009

Type or print name Lisa Hunt

E-mail address: LHunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

Camille Hill

TITLE

DISTRICT 1 SUPERVISOR

DATE

NOV 18 2009

Conditions of Approval (if any):