

October 13, 2009

District I
1625 N. French Dr., Hobbs, NM 88240District II
1301 W. Grand Ave., Artesia, NM 88210District III
1000 Rio Brazos Rd., Aztec, NM 87410District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505**RECEIVED**
NOV 02 2010
HOBBSD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-07168

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MM Harris

8. Well Number 2

9. OGRID Number
24712810. Pool name or Wildcat
SWD; Devonian

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 SWD2. Name of Operator
CELERO ENERGY II, LP3. Address of Operator 400 W. Illinois, Ste. 1601
Midland, TX 79701

4. Well Location

Unit Letter D : 660 feet from the North line and 660 feet from the West line
Section 8 Township 12S Range 38E 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: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following bradenhead cmt job done by prior operator (Saber Resources) submitted for well record & requested by NMOCD inspector. 02/18/08 - Arrive on location: '0' Psi on well. Finish Poh with 164 Jts 3 1/2" 9.3# Ipc Cs Hydrill (Total of 246 Jts 3 1/2" 9.3# Cs Hydrill), x-over, 10 Jts 2 7/8" 6.5# L-80 8rd IPC, x-over, On/Off Tool, 1.81 'F' Profile Nipple, 4 1/2" AS1 Packer with nickel coating. Run 90' of 1" Pvc down between 9 5/8" Casing and 13 3/8" Casing. Ru Watson Packer Cementing Services. Cement with 85 sks Class "C" Cement with 3% Calcium Chloride, fill cellar with 2 Ft Cement. SWI SDFN. Notes: Had 3/4" Hole from inside out in Jt 214 of 3 1/2" Cs Hydrill. Tuboscope tested 51 Jts 3 1/2" 9.3# IPC Cs Hydrill. 2 Yellow band with 1 bad pin, 4 Blue Band with 3 bad Pins, 42 Green band with 22 Bad Pins, 3 Red Band with 2 bad Pins

2/10-17/10 - RIH w/5 1/2" 32-A pkr on 144 jts 2 7/8" tbg. Set pkr w/30 pts tension @ 4683'. RU Acd. Load csg w/110 bbls FW. Test pkr to 500# psi for 15 mins. Ok. RU Basic & est rate 2 bpm at 700# psi. Pump 50 bbls FW ahead. Mix 780 sx Class H cmt @ 15.2 ppg. Wash up pump & lines. Displace w/23 bbls. Didn't catch cmt. Hesitate for 4.5 hrs. Final displacement to 30 1/4 bbls, 4830'. No vacuum or flowback. Open tbg, load w/10.5 bbls. TP to 1000#. Bled off 400 psi in 5 min. POH w/tbg & pkr. RIH w/BP, PS, 178 jts. tbg. Tag @ 5791'. * Continued on back of page.

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 HuntTITLE Regulatory AnalystDATE 02/25/2010Type or print name Lisa HuntE-mail address: LHunt@celeroenergy.comPHONE: (432)686-1883**For State Use Only**APPROVED BY: [Signature]TITLE STATE MGRDATE 3-9-10

Conditions of Approval (if any):

MM Harris #2, API # 30-025-07168 – C103 Continued

Break circ. Mix 120 sx Class C cmt, flush w/ 25 bbls & LD 44 jts. tbg. POH w/15 stands tbg to 3371'. Begin hesitation sqze. Obtained 300# sqze, wait 3 hrs. after mixing cmt. RIH & tag w/142 jts. + 25' @ 4640.58'. LD 1 jt., circ. hole w/ 9.5# mud laden fluid. RIH w/10 stands tbg to 4550'. Break circ. Mix 50 sx Class C cmt 2% CC. Displace w/23.5 bbls 9.5# mud laden fluid. LD 10 jts. POH w/15 stands. WOC 3 hrs. TIH & tag @ 4208.96'. POH LD 58 jts 2 7/8" tbg to 2330'. Break circ. Mix 40 sx Class C cmt 2% CC. Flush w/12 bbls. POH LD 66 jts 2 7/8" tbg. Stand back 3 stds tbg. RIH & perf @ 422'. RIH w/9 5/8" AD-1. Set at 210'. Establish inj rate. 1.5 bpm @ 600 psi. Mix 200 sx Class C cmt 2% CC. Flush w/8 bbls. SD w/200# psi on tbg. WOC 3 hrs. Open tbg. No flowback. POH w/AD-1. RIH & tag @ 290'. POH to 60'. Circ 25 sx Class C cmt 2%CC to surf. Dig out WH. Welder cut off WH & 9 5/8" csg 4' below ground level. Welded dry hole marker. Cut anchors off. Maxey Brown inspected & approved. GPS coordinates are: N 33.17.919', W 103.07.553'. GPS showed 16' accuracy. Backfill cellar and anchor holes.

02/17/10