

Office

Energy, Minerals and Natural Resources

October 13, 2009

District I

1625 N. French Dr., Hobbs, NM 88241

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

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OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-05217

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
TD Pope 36

8. Well Number

9

9. OGRID Number

247128

10. Pool name or Wildcat

Denton, 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 ☒

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 C : 660 feet from the North line and 1650 feet from the West line
Section 36 Township 14S Range 37E NMPM County Lea

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

3804' GR

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.

2/26/10 - RIH w/40 arm caliper to 5500'. Pull to surface. Several wt changes in pipe. RIH w/CBL to 5850'. Found TOC @ 5370'.

3/15/10 - Tag w/ EOT @ 6004', lower mill @ 5971' & upper string mill @ 5905' (tight spot in 5 1/2" csg was shown to be @ 5901'). Raise EOT to 5907'.

3/16/10 - Lower BHA & tag w/5 7/8" OD btm mill at 5905'. Rotate & mill through tight spot w/200# +/- of add'l torque. Wipe out tight spot. No add'l torque. Lower BHA & top 5 7/8" OD mill. Tag at 5905'. Mill & rotate through tight spot until same cleared up. Took 30 mins rotating through spot several times. Lower EOT to 6035'. Both mills went below tight spot. Chg BHA assembly. Ran 1 jt of 2 7/8" tbg, 1-5 7/8" OD mill, X/O, 1-4 3/4" DC, X/O, 1-5 7/8" OD mill, X/O, 5-4 3/4" OD collars, X/O, & 2 7/8" OD, L-80 tbg. Rotate & mill through tight spot at 5905' w/both mills. Would take 50-100# add'l torque. Appears the tight spot is wiped out.

3/17/10 - Ran 1 jt of 2 7/8" OD tbg, x/o, 6.1" OD spiral string mill, x/o, 2-4 3/4" DC's, x/o, 6.1" OD spiral mill, x/o & 4-4 3/4" OD DC's & 2 7/8" OD tbg. Ran & tag w/btm mill @ 5905'. Milled, rotated & wipe out tight spot @ 5905' w/both mills. Rearranged 6.1" OD spiral string mills. Ran 1 jt of 2 7/8" OD tbg, x/o, 6.1" OD spiral string mill, x/o, 1-4 3/4" DC's, x/o, 6.1" OD spiral string mill, x/o, 5-4 3/4" OD DC's. Ran on 2 7/8" OD tbg. Lwr btm mill to 5905'. Mill, rotate & wipe out tight spots w/both mills. Ran end of BHA to 6003'. Circ hole clean. TOH w/BHA. *Cont'd 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 Hunt

TITLE Regulatory Analyst

DATE 03/25/2010

Type or print name Lisa Hunt

E-mail address: LHunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

MAR 29 2010

Conditions of Approval (if any):

TD Pope 36 #9 – C-103 Continued

3/18/2010 - TIH w/7" RBP & pkr. Ran & set RBP @ 5591'. Raise pkr to 5585'. Set & test pkr & RBP to 1600#. Held okay. Spot 2 sx of sand on RBP. Raise & set pkr @ 5202' per pipe tally. Test tbg-csg annulus (7" csg) to 550#. Held ok. Ran 1 9/16" OD tbg perforating gun. Shot 4 holes at 5325'. Tied onto 7" x 9 5/8" annulus. Pumped down tbg through 7" csg perforations at 5325' & fluid circulated out 7" x 9 5/8" annulus at 2 BPM & 180# pressure. Pumped 5 BFW @ 2 BPM & 300# pressure to re-establish circulation out 7" x 9 5/8" annulus. Mix & pump 150 sx of Class C cmt w/2% CaCl₂. Displaced cmt 2.8 bbls below pkr to 5289' @ 1400# SD pressure. WOC 20 mins; pressure = 1200#. WOC 40 mins; pressure = 1200#. WOC.

3/19/2010 - WOC 17 1/2 hrs. Check tbg pressure = slight vacuum; CP = 90#. Pressure up tbg to 600#. Ok. PU 6" cone bit, 6-4 1/8" OD DC's & start in hole. Ran BHA on 2 7/8" OD tbg. Ran & tag cmt per wireline measurements at 5283'. Drl cmt from 5283' to 5340'; (57') Ran bit to 5372'. Circulate hole clean. Tested csg to 540# & held ok. (Sqz holes shot at 5325').

3/22/2010 - RIH CBL to 5600'. Found TOC @ 4320'. RIH w/2 3/8" SN, x-over, 244 jts 2 7/8" 6.5# L-80 8rd tbg – 7913.34', x-over, 118 jts 2 7/8" PH-6 tbg – 3588.51'. Land donut into seaboard WH. ND BOP. NU MV & FL. RD PU. Cabello hauled 40 bbls well fluid to DKD. Key hauled 295 bbls cmt water to Brown #M1 SWD - TX RRC #67765.