

Submit 1 Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88218
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
October 13, 2009

RECEIVED

JUL 13 2010

HOBBSOCD

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

WELL API NO.	30-005-00878
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	303735
7. Lease Name or Unit Agreement Name Rock Queen Unit	
8. Well Number	46
9. OGRID Number	247128
10. Pool name or Wildcat Caprock; Queen	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4413' KB

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 Injection <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 L : 1980 feet from the South line and 660 feet from the West line Section 26 Township 13S Range 31E NMPM County Chaves	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4413' KB	

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Annual IMIT ☒

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.

This well failed the annual IMIT on 5/27/10. A copy of the OCD Letter of Violation is attached.

7/1 & 7/2/10 - MIRU. Latched onto tbg & pulled 9 pts of tension on pkr. Ran MIT. 520# psi to 510# psi & held 30 mins. Original chart attached & sent to OCD Hobbs.

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 07/12/2010

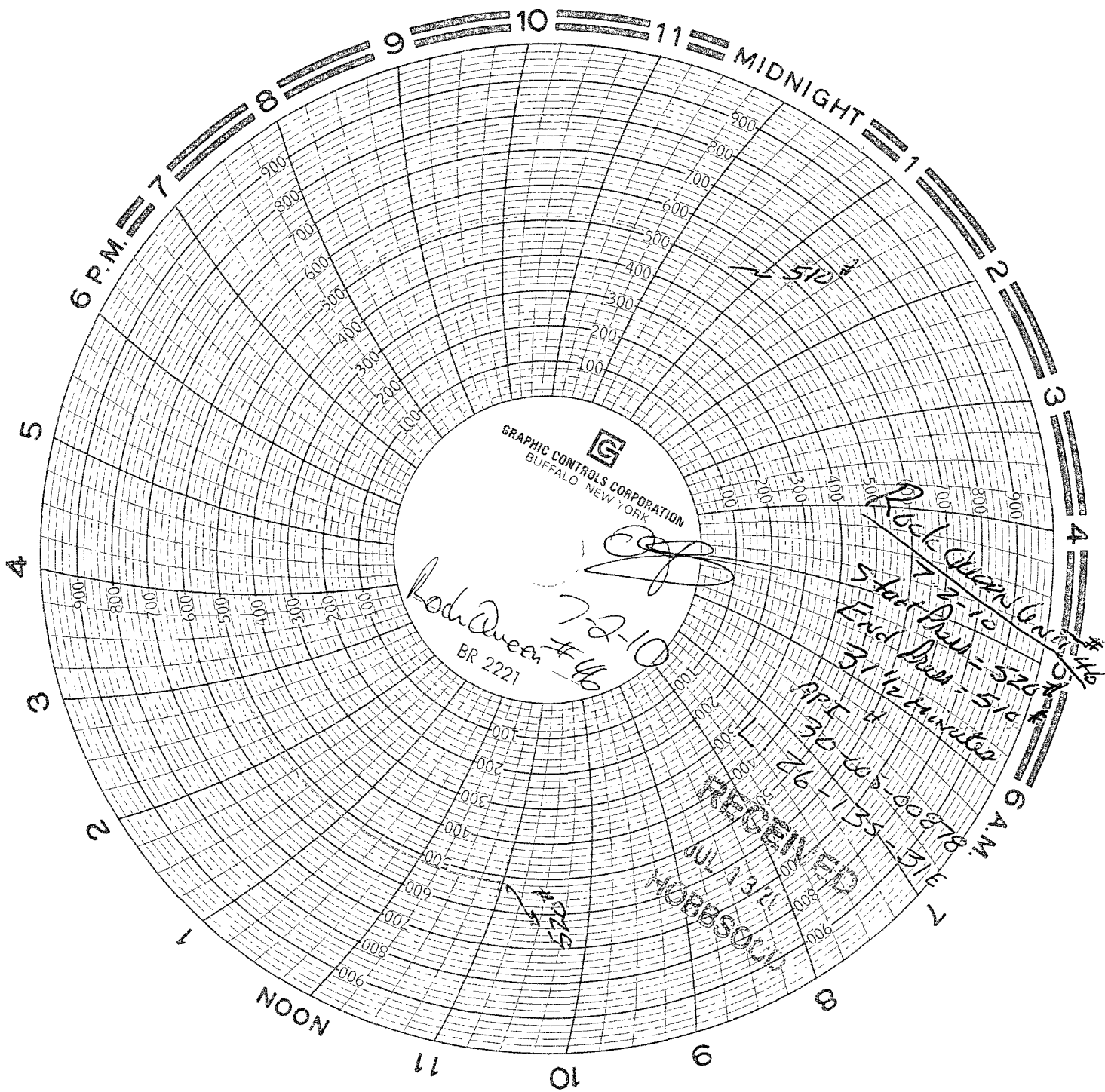
Type or print name Lisa Hunt E-mail address: LHunt@celeroenergy.com PHONE: (432)686-1883

For State Use Only

APPROVED BY: [Signature] TITLE Staff MGR DATE 7-14-10

Conditions of Approval (if any):

P.m.



Don Parkhurst
Representative of Celero Energy
7/2/10