Submit 1 Copy To Appropriate District Office
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

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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
October 13, 2009

WELL API NO. 30-005-00825	
5. Indicate Type of Lease STATE [X] FEE [ ]	
6. State Oil & Gas Lease No. 303735	
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.)	7. Lease Name or Unit Agreement Name ROCK QUEEN UNIT
1. Type of Well: Oil Well [X] Gas Well [ ] Other	8. Well Number 21
2. Name of Operator CELERO ENERGY II, LP	9. OGRID Number 247128
3. Address of Operator 400 W. Illinois, Ste 1601 Midland, TX 79701	10. Pool name or Wildcat CAPROCK QUEEN
4. Well Location Unit Letter M : 660' feet from the S line and 660' feet from the W line Section 23 Township 13S Range 31E NMPM CountyCHAVES	
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 4429'	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
OTHER: [ ]		OTHER: Return to production [X]	

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.

8/27-9/7/10 - MIRU. TOOH w/ rods, pump & tbg. Replace 7 5/8" surface csg & 4 1/2" production WH's. Pick up & tally tbg. Set RBP @ 2998' w/pkr set @ 2990'. Test tools w/tbg to 750#. Held ok. Pump down tbg-csg annulus to test csg. Fluid started circulating out 7 5/8" surface valve. Locate holes in 4 1/2" csg from 100'- 857'. Fluid wouldn't circulate through holes in 4 1/2" csg out 7 5/8" csg head outlet @ 2 bpm & 0# pressure. Tbg set open ended @ 880'. Pump 151 sx of class "C" cmt w/ 1% CaC12 + 2% gel. Circulated cmt out 4 ½" x 2 3/8" annulus & 4 ½" x 7 5/8" annulus. Finish filling 4 ½" csg full of cmt & circ add'l cmt out 4 ½" x 7 5/8" csg annulus. Displaced cmt down 4 ½" csg to 30' from surface. Cmt appeared to stay @ 30' & not fall DH. After WOC 20 ½ hours. Ran bit on end of tbg & tag @ 12'. Test csg to 500# & held. Drld cmt from 12' to 260'. Test cmt sqze job. Results; held 500#. Drilled cmt from 12' to 260'. Found void in cmt from 260' to 280'. Drld to 313'. Test csg from surface to 313' to 500# & held. Drld cmt from 313' to 394' & fell out of cmt. Lwr to 410', circ hole clean & test csg from surf to 410'. Test to 500# & lost immediately back to 300# losing 200# in 5 minutes. Drld from 12' to 410' for a total overall drlg of 398' excluding the void of 36'. Raise bit to 348'. Drld cmt @ 410'. Drld to 879'. Circ hole clean. Locate leak in 4 1/2" csg from 394' to 410'. Leak off 500# to 100# in 1 min. Raise pkr to 350'. Ran tbg w/ 4 ½" pkr. Re-located holes in 4 ½" csg from 350' to 827'. TOH w/ tbg & pkr. TIH w/ tbg, open ended & set @ 850'. * Cont'd on attached 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 09/20/2010

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

For State Use Only

APPROVED BY: TITLE PETROLEUM ENGINEER DATE NOV 03 2010

Conditions of Approval (if any):

Rock Queen Unit #21, API# 30-005-00825 – C-103 continued

9/7/10 - Pump 5 BFW & spot 40 sx of class "C" cmt w/ 1% CaC12 & 2% gel from 850' back to 188'. Raise tbg to 162'. Reversed out cmt & finish TOH w/ tbg. TIH w/ tbg & 4 ½" tension pkr to 160'. Started staging cmt. Pumped 2 ¼" bbls in 4 stages & well pressure increased to 600# & held. Displaced cmt to 325'.

9/8/10 - After WOC 18 hours. Tag cmt @ 271'. Drld cmt from 271' to 700'. Circ hole clean. Ran tbg w/ 4 ½" pkr. Re-located holes in 4 ½" csg from 350' to 827'. TOH w/ tbg & pkr. TIH w/ tbg, open ended & set @ 850'. Pump 5 BFW & spot 40 sx of class "C" cmt w/ 1% CaC12 & 2% gel from 850' back to 188'. Raise tbg to 162'. Reversed out cmt & finish TOH w/ tbg. TIH w/ tbg & 4 ½" tension pkr to 160'. Started staging cmt. Pumped 2 ¼" bbls in 4 stages & well pressure increased to 600# & held. Displaced cmt to 325'.

9/9/10 - Drld cmt. Drld from 700' to 854'. Ran bit to 909'. Test 4 ½" csg & pressure dropped from 550# to 350# in 2 minutes. Locate holes in 4 ½" csg from 383' to 817'. Re-test to 550# & leaked off to 350# in 1 minute. TOH w/ tbg & pkr. TIH w/ 2 3/8" O.D. tbg, 3 ¾" string mill & 3 7/8" O.D. bit. Ran to 2, 863'. Did not find any "tight" spots. Raise bit to 2,525'.

9/10/10 - Lwr bit w/ string mill & C/O from 2,862' to 2,900' recovering remnants of cmt cuttings. Ran magnetic csg inspection log w/ 40 arm caliper from surface to 2,887'. Ran GR – CBL from surface to 2,887'. TOC on btm of string = 2,500 +/- feet.

9/13/10 - TIH w/ tbg & retrieving head for RBP. Wash off cmt cuttings & sand from 2,900' to RBP @ 2,967'. TOH w/ tbg & RBP. TIH w/ 96 jts of 2 3/8" O.D. 4.7#, 8rd, EUE, J-55 tbg (3,015') w/ seating nipple & perforated nipple w/ bull plug. Set seating nipple from 3,015' to 3,016'; bull plugged perforated nipple from 3,016' to 3,020'. End of tbg @ 3,020'. NDBOP & NUWH. Start in hole w/ 2" x 1 ½" x 16' RWBC pump (125" stroke) w/ 6- 1 ½" x 25' sinker bars & ¾" rods.

9/14/10 - Finish running ¾" rods w/ DH pump. Ran string as follows; 2" x 1 ½" x 16' RWBC pump w/ 125" stroke w/ 6" strainer nipple on btm of pump, ran 6- 1 ½" x 25' sinker bars, ran 113- ¾" 25' inspected grade D rods, ran 1- ¾" x 6' pony rod w/ 1 ¼" x 16' polish rod & 1 ¼" x 1 ½" x 8' polish rod liner, space out pump & clamp rods off. Clean location & RDMO. Well SI. Waiting on flowline. Will send in a C-104 as soon as flowline is finished and a well test is done.