

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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

RECEIVED
 NOV 03 2010
 HOBBSUOD

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

WELL API NO.	30-005-29146 ✓
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Rock Queen Unit ✓
8. Well Number	302 ✓
9. OGRID Number	247128 ✓
10. Pool name or Wildcat	Caprock; Queen ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4390'

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 F : 1930 feet from the North line and 1765 feet from the West line
 Section 25 Township 13S Range 31E NMPM County Chaves

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

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

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.

10/14/10 - Spud well @ 11:00 hrs. Drl 11" hole. Run 8 5/8" csg to/ 341'. Pump cmt as follows; 270 sx Class "C" + .125% celloflake + .25% R-38. Circulate 87 sx to pits. WOC.
 10/15/10 - WOC, weld on WH. NUBOP, test BOP to L/ 250 psi & H/ 1500 psi. Condition mud & TIH. PU Kelly, break circ & wash to btm, test csg to 1000 psi, ok. Drill plug & cmt. Drill F/ 341' T/ 487'.
 10/19/10 - Drl 7 7/8" hole to 3,207'. Run 5-1/2" csg to 3,207'. Pump cmt as follows: Lead = 450 sx 50/50 C + 10% gel + 5% salt + .25% R-38. Tail = 250 sx 50/50 C + 2% gel + 5% salt + .25% R-38. Rig released @ 12:00 pm on 10/19/10.

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 10/28/2010

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

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 03 2010

Conditions of Approval (if any):