

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

OIL CONSERVATION DIVISION

NOV 03 2010

220 South St. Francis Dr.  
Santa Fe, NM 87505

HOBBSD

WELL API NO. 30-005-29147
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 303
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4383'

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 H : 1880 feet from the North line and 660 feet from the East line  
Section 25 Township 13S Range 31E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4383'

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: ☐

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.

9/28/10 - Spud well @ 1:30 pm. Drl 11" hole to 395'. Run 8 5/8" csg. Circ. Cmt as follows: 200 sx Class C wt 14.8 yield=1.35. Circ 84 sx to surf. WOC

9/29/10 - Weld on WH. NU BOP & equip. Test BOP & equip 1500# psi high, 250# psi low. Tag cmt @ 302', 40' high drill cmt. Drill to 1434'.

10/4/10 - Drl 7 7/8" hole to 3,039'. Lost circ @ 3,035', mix Lcm to get returns. Pump LCM pill.

10/5/10 - Knock out bridges @ 1,100', 1,240', 1,600' & dry drill to 3,185'.

10/6/10 - Ream through bridge @ 800' & 1,147'. Lost returns @ 1,147', trip to TD. Spot high vis LCM pill 30# p/gal.

10/7/10 - TIH to TD, Ream from 800' to 1,100'. TIH, ream from 1,650' to 1,750' trip in hole.

10/8/10 - Tag bridge @ 3,065'. Wash & ream w/ no returns. Spot 30 ppb, LCM pill & 300' balanced plug. Ream tight hole @ 817' & 1,750', tag cmt @ 2,970'. Cement 190 sx Class "C" w/ 2% CaCl2 + 2 pps Silica sand + .25% R-38.

10/10/10 - Cont running 5 1/2" csg to 3,110'. Wash & ream. Pump 1st stage cmt, 242 SKS 50/502 "C" + 2% gel + 1/4# celloflake + 5% salt + .25% R-38, 12 ppg, yield 2.30, no returns on 1st stage. open DV tool & attempt to circ (no returns). Pump 2nd stage cmt, 665 SKS, lead 565 SKS, 50/50/10 "C" + 10% gel + 1/4# celloflake + 5% salt + .25% R-38, 14.2 ppg, yield 1.3. Tail 100 SKS, Class "C" + 1% CaCl2 + .25% R-38, 14.8 ppg & yield 1.32. DV tool set @ 2,515'. Rig released @ 12:00 10/11/10.

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 10/29/2010

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 NOV 03 2010

Conditions of Approval (if any):