

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2009

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HOBBSOCD

OIL AND GAS CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.	30-005-29150	✓
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	✓
6. State Oil & Gas Lease No.		
7. Lease Name or Unit Agreement Name	Rock Queen Unit	✓
8. Well Number	306	✓
9. OGRID Number	247128	✓
10. Pool name or Wildcat	Caprock; Queen	✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4407' GR	

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 B : 810 feet from the N line and 1990 feet from the E line
Section 26 Township 13S Range 31E NMPM County Chaves

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.

11/3/10 - Spud & drill 11" hole to 354'. Run 8 5/8" csg as follows: Texas patt, .80, 1 jt 8 5/8" 24 # J-55, stc 36.98', float collar 1.10', 8 jts of 8 5/8" 317.93. Pump cmt as follows: 270 sx Class "C" cmt + 2% CaC12 + 0.125cello flakes + 0.25% R-38. Circ 95 sx to pit. Plug down. WOC, cut off & weld on WH. NUBOP.

11/4/10 - Drl 7 7/8" hole to 922'. NUBOP & cond mud. TIH, tag cmt @ 310', drill out float & cmt.

11/5-11/9/10 - Drl 7 7/8" hole to 3,172'. Run csg as follows: 82 jts 5 1/2" 15.5 J-55 set @ 3169'. Pump cmt: lead 500 sx 50/50 Class "C" cmt w/ 10% gel, 5% salt, .25% R-38. Tail w/ 300 sx 50/50 Class "C" cmt w/ 2% gel, 5% salt, .25% R-38. Circulated 53 sx cmt to open top plug down @ 7:30 A.M. NDBOP. Release rig @ 2:00 P.M.

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 11/10/2010

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 15 2010

Conditions of Approval (if any):