

October 13, 2009

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

87505

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

DEC 22 2010
HOBBSOCD

WELL API NO.

30-005-29155

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Rock Queen Unit

8. Well Number 310

9. OGRID Number

247128

10. Pool name or Wildcat

Caprock; Queen

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 N : 660 feet from the South line and 2100 feet from the West line

Section 24

Township 13S

Range 31E

NMPM

County Chaves

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

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.

12/7/10 - Spud 11" hole & drilled to 342'. Circ & TOH. Run 8 5/8" csg & cmt as follows: Texas Patt (.95'), 1 jt J-55 24# ST&C (38.25'), float collar (1.40'), 8 jts (304.76'). Pump 270 sx Class "C" cmt + 2% CaC12 + .125 Celloflake + .25% R-38. Circ. 83 sx to pit. Fresh wtr 780 bbls, brine wtr 950 bbls. Plug down @ 16:30. WOC. Cut off csg & weld on WH. NUBOP & test BOP. OK.

12/8/10 - BOP tested good. Condition mud, TIH, drill out float collar & cmt. Drill 7 7/8" hole F/ 342' T/ 1,705'.

12/9 - 12/12/10 - Drilled F/ 1,705' T/ 3,137'

12/13/10 - Run 95 jts of 5 1/2" csg & cmt as follows: Texas PTT & float collar (1.50'), 1-jt 15.5# coated (38.17'), float collar (1.10'), 8 jts 15.5# coated csg, 13 jts 15.5# (500.29'), DV tool (3.00'), 60 jts 5 1/2" 15.5# (2290.21'). Pump 300 sx 50/50 Class "C" cmt w/ 2% gel + 5% salt + .25% R-38. Open DV tool & pump 500 sx 50/50 Class "C" cmt + 10% gel + 5% salt + .25% R-38. No returns on both stages. Brine wtr 1200 bbls, fresh wtr 260 bbls. NDBOP, install B-section, clean pits & released rig

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 12/21/2010

Type or print name, Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

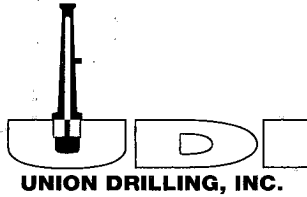
TITLE

PETROLEUM ENGINEER

DATE

DEC 23 2010

Conditions of Approval (if any):



Well Name & Number: ROCK QUEEN UNIT #310

API Number: 30-005-29155

Location: 600' FSL & 2100' FWL, Lot N, Sec. 24, Township 13S, Range 31E,
Chaves County, New Mexico

Operator: Celero Energy II, L.P.

Drilling Contractor: Union Drilling, Inc.

The undersigned hereby certifies that she is an authorized representative of the drilling Contractor who drilled the above described well and that deviation survey tests were conducted and she obtained the following results:

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
348	348	3/4	1.31	4.56	4.56
1282	934	1/2	0.87	8.15	12.71
2260	978	1/4	0.44	4.27	16.97
3137	877	1/2	0.87	7.65	24.63

Drilling Contractor: Union Drilling, Inc.

By: Jim Mayfield
Jim Mayfield
Title: Division Manager

Subscribed and sworn to before me this 14th day of December, 2010.

Laura Jo Young
Notary Public
My Commission Expires: July 29, 2014

COUNTY OF TAYLOR)
STATE OF TEXAS)

