

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

RECEIVED
PERMITTING DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
DEC 22 2010
HOBBSUCD

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.)		WELL API NO. 30-005-29156
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Celero Energy II, LP		6. State Oil & Gas Lease No.
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name Rock Queen Unit
4. Well Location Unit Letter P : 420 feet from the South line and 930 feet from the East line Section 24 Township 13S Range 31E NMPM County Chaves		8. Well Number 311
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 247128
		10. Pool name or Wildcat Caprock; Queen

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.

12/15 - 12/16/10 - Spud 11" hole and drill to 342' surface TD. Circulate, drop TOTCO, Run 8 5/8" csg & cmt as follows: Texas Patt shoe .80, 1 jt 8 5/8" 24# ST&C (38.21'), FC 1.25', 8 jts 8 5/8" 24# ST&C (305.68'). Total = 343.89'. Set @ 342'. Pump 270 sxs (65 bbls) Class "C" cmt + 2% CaCl₂ + .25% R-38 + .25# Celloflake, Circ 40 bbls (166 sxs) to pit. Bump plug with 1100# PSI. Down at 15:00. WOC and clean pits. Cut off casing and weld on head. WTC 8 5/8" SOW X 11" 3M. N/U BOP, low 250 PSI and high 1500 PSI.

12/17 - 12/19/10 - Test BOP, mix mud, condition & circulate. Drill plug, FC @ 302' & cmt to 342'. Drill F/342' T/3058'.

12/20/10 - Drill 7 7/8" hole F/ 3,058' T/ 3,131' (T.D.) & circulate. Run 5 1/2" 15.5# J-55 LT&C csg & cmt as follows: Shoe, F.C., 1-jt csg., F.C., 81-jts of 5 1/2" 15.5# J-55 csg. (3,131'). Lead: 500 sx 50/50/10 - Class "C" cmt + 10% gel + 5% Salt + .25% R-38 Tail: 300 sx 50/50/2 Class "C" cmt + 2% gel + 5% Salt + .25% R38. Bump plug W/1,500 PSI. NDBOP & NUWH. Clean pits & release 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):