

RECEIVED

OIL CONSERVATION DIVISION

JAN 10 2011

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSD

WELL API NO.

30-005-29158

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 308

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 23 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 ☐

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.

12/23/10:- Spud 11" hole & drilled to 350'. Circ & TOH. LD DC & BHA. RU csg crew & run 9 jts 8 5/8" 24# J-55 ST&C. Circ & pump cmt as follows: 270 sx Class "C" cmt + 2% CaCl2 + .25% R-38 + .125# Celloflake, circ 145 sx to pit, bump plug w/950 psi. plug down @ 14:30. WOC, cut conductor & 8 5/8" csg, weld on WH. NUBOP. Test BOP. OK.

12/24/10 - Drill 7/7/8" hole F/350' T/1,404'. TIH w/ BHA. Drill out plug, float collar & cement.

12/25 - 12/27/10 - Drill F/1,404' T/2,970'.

12/28/10 - Drill F/2,970' T/3,127'. TOH, LD D/P & DC. RU csg crew & run 82 jts 5-1/2 15.5# set @ 3122' RD CC and RU cementers and pump cmt as follows: Lead 500 sx 50/50 Class "C" cmt + 10% Gel, 5% salt, .25% R-38. Tail 300 sx 50/50 Class "C" cmt + 2% Gel, 5% salt, .25% R-38. Plug down @ 2:24 am.

12/29/10 - NDBOP, install & test WH, clean pits, release rig. Rig down. Circ 60' sx cmt to surface on 5 1/2" csg.

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 01/06/2011

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

JAN 11 2011

Conditions of Approval (if any):