

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  
JAN 19 2011  
HOBBSOCD

CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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. 30-005-29167 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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 G : 1478 feet from the North line and 1330 feet from the East line Section 34 Township 13S Range 31E NMPM County Chaves		8. Well Number 706
		9. OGRID Number 247128
		10. Pool name or Wildcat Caprock Queen
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

1/6/11 - Spud 11" hole & drill to 380'. Circ, TOH & L/D 8" BHA. Run 8 5/8" csg as follows: ran 10 jts 8 5/8" 24# J-55 383' set @ 380' 1-GS 1-FC 4-Cent. Pump 270 sx Class "C" cmt + 2% CACL2 + .125# Celloflake + .25% R-38, 40 sxs to surf. Plug down at 3:11 pm 1-6-11. WOC. Cut & weld on WH. NU & test BOP. MU BHA. TIH, tag cement & drill out. Drill 7 7/8" hole to 638'.

1/7 -1/8/11- Drill 7 7/8" hole to 3,120'. Circ, TOH, L/D DP, break Kelly down & pull rotating head. L/D DC.

1/9/11 - Run csg as follows: ran 78 Jts 5 1/2" 15.5# 3,124'. Set at 3,120', 1-FS, 1-FC, 20 CENT. Cement as follows: Lead 500 sx Class "C" cmt + 10% gel 5% salt .25% R-38. Tail w/ 300 sx Class "C" cmt 2% gel 5% salt .25% R-38. Plug down 12:15 PM. Circulate 68 sx to pits. ND, set slips, NU tbg head, 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 01/17/2011

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 20 2011

Conditions of Approval (if any):