

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

Form C-103
October 13, 2009

RECEIVED JAN 24 2011 HOBBSUCD		WELL API NO. 30-005-29162 /	
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.)		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		6. State Oil & Gas Lease No.	
2. Name of Operator Celero Energy II, LP		7. Lease Name or Unit Agreement Name Rock Queen Unit	
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		8. Well Number 704	
4. Well Location Unit Letter C : 1309 feet from the North line and 2629 feet from the West line Section 36 Township 13S Range 31E NMPM County Chaves		9. OGRID Number 247128	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		10. Pool name or Wildcat Caprock Qn	

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.

1/15/11 - Spud 11" hole @ 06:30. Drill to 349'. Circ & TOH, LD 8" BHA. Run csg as follows: ran 9 jts 8 5/8" 24# set at 349' 1 GS, 1 FC, and 4 Cent. Cement as follows: 270 sx Class "C" cmt, 2% CACL, .125# CF, .25% R-38. Plug down @ 1:00 A.M. Circulated 124 sx to pit. WOC. Cut off csg & weld on WH.

1/16 - 1/17/11 - Drill 7-7/8" hole to 2,918'.

1/18/11 - Drl to 3,135'. Circ, TOH & LD DP. Run 5-1/2" casing as follows: run 3138' 5.5 15.50 J-55. Set @ 3135', 1GS, 1FC, 20 cent Pump cmt as follows: lead 500 sxs 50/50/10 C, 10% Gel, 5% Salt, .25% R-38; Tail 300 sxs 50/50/2 C, 2% Gel, 5% Salt, .25% R-38. (75 sx to surf.). Plug down @ 11:30 pm. ND, clean pits & release rig @ 6:00 am.

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 01/20/2011

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 25 2011

Conditions of Approval (if any):