

RECEIVED

OIL CONSERVATION DIVISION

JAN 12 2011

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSOCD

WELL API NO.

30-025-00292

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

303735

7. Lease Name or Unit Agreement Name

Rock Queen Unit

8. Well Number

5

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 M : 660 feet from the South line and 660 feet from the West line
Section 19 Township 13S Range 32E NMPM County Lea

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: Convert TA'd well to monitor well ☒

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.

To convert TA'd well to monitor well as per Order No. R-1541-B.

1. RIH with tbq.
2. Pull RBP.
3. Run back in hole with AD-1 plastic coated packer with 2 3/8" IPC tbq.
4. Notify OCD Hobbs office 24 hrs prior to perform required MIT test for 30 mins.

Per Underground Injection Control Program Manual
11.6 C Packer shall be set within or less than 100
feet of the uppermost injection perfs or open hole.**Condition of Approval: Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart.**

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 HuntTITLE Regulatory AnalystDATE 01/11/2011Type or print name Lisa HuntE-mail address: lhunt@celeroenergy.comPHONE: (432)686-1883**For State Use Only**APPROVED BY: [Signature]TITLE STAFF MGRDATE 1-13-2011

Conditions of Approval (if any):