

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

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

WELL API NO. 30-025-00286 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rock Queen Unit ✓
8. Well Number 2 ✓
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 I : 1980 feet from the S line and 990 feet from the E 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:		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 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: Convert to monitor well <input checked="" 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.

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

- 1) MIRU. POOH with existing production equipment.
- 2) Make a bit and scraper run to end of casing.
- 3) RIH with test packer and pressure test casing.
- 4) RIH with IPC AD-1 packer and IPC 2-3/8" tubing, circulate hole with inhibited freshwater, and perform MIT.
- 5) Install AI-Br wellhead valve and shut well in as monitor well.

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 of 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 Hunt TITLE Regulatory Analyst DATE 02/18/2011

Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883  
**For State Use Only**

APPROVED BY: [Signature] TITLE Staff MGR DATE 2-23-2011

Conditions of Approval (if any):

*act*

# CELERO ENERGY

FIELD: Caprock  
LEASE/UNIT: Rock Queen  
COUNTY: Lea

DATE: Feb. 20, 2011  
BY: MWM  
WELL: 2  
STATE: New Mexico

Location: 1980' FSL & 990' FEL, Sec 19I, T13S, R32ECM

SPUD: 1/58 COMP: 2/58

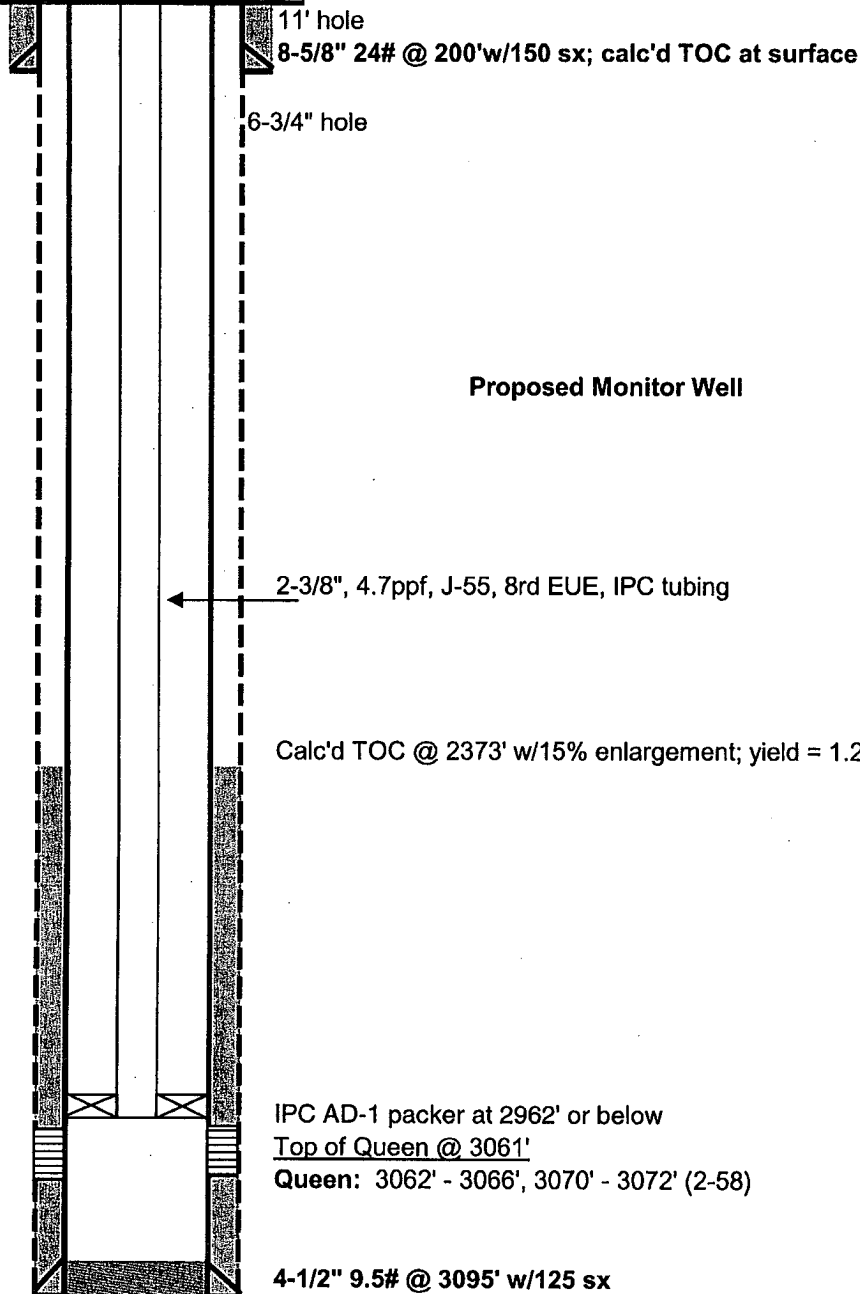
CURRENT STATUS: Producer

Original Well Name: Carper Superior C #2

KB = 4376'

GL =

API = 30-025-00286



T-Anhy @ 1479'  
T-Salt @ 1560'  
B-Salt @ 2250'  
T-Yates @ 2304'  
T-Queen @ 3061'

Proposed Monitor Well

IPC AD-1 packer at 2962' or below  
Top of Queen @ 3061'  
Queen: 3062' - 3066', 3070' - 3072' (2-58)

4-1/2" 9.5# @ 3095' w/125 sx

PBTD -  
TD - 3095'