

RECEIVED

OIL CONSERVATION DIVISION

FEB 25 2011

HOBBS

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. 30-005-00839 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Monitor well <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 K : 1980 feet from the S line and 1980 feet from the W line Section 24 Township 13S Range 31E NMPM County Chaves		8. Well Number 9 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 247128 ✓
10. Pool name or Wildcat Caprock; Queen ✓		

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: Convert TA'd well to monitor well ☒

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.

2/11/11- MIRU. NDWH & NUBOP. TIH w/ tbg WS w/ retrieving head for RBP. Wash off sand & latch onto RBP @ 3038'. TOH, LD tbg WS w/ RBP. TIH w/ 94 jts (3026') of 2 3/8" OD 4.7# 8rd EUE IPC tbg w/ TDC + 5 1/2" plastic coated AD-1 pkr. With pkr swinging @ 3026', circ pkr fluid. Set pkr w/ 12 pts of tension, test annulus to 500# & held okay. NDBOP & NUWH.

2/18/11- MIRU. ND WH & NU BOP. Pulled more tension on pkr. Pressured up on tbg-csg annulus to 500#. Leaked off. Change out fluid using produced wtr. Made several settings w/ pkr from 3016' to 1185'. Tbg-csg annulus holds 500# above 1185'. Csg takes fluid @ 550# & 0.4 BPM below the 1185' depth. TOH w/ tbg & pkr.

2/21/11 - TIH w/Kenco's RBP & pkr. Ran & set RBP @ 3002'. Test pkr, RBP & tbg to 750#. Held ok. Raise & reset pkr several times. Csg held 500#. Didn't find a csg leak. TIH. Recovered RBP & TOH. Ran 94 jts of 2 3/8" OD, 4.7#, 8rd, EUE, J-55 IPC tbg w/ TDC & 5 1/2" plastic coated AD-1 pkr. Ran to 3004'. Left pkr swinging.

2/22/11 - Circ pkr fluid. Set pkr @ 3004'.. (OH 3061-3072'). Took pre test on csg to 450#. Held ok. ND BOP & NU WH. Ran OCD required MIT test. Test for 30 mins at 520# & held ok. Original chart is attached. Well now a monitor well as per Order No.

Spud Date: R-1541-B.

Rig Release Date:

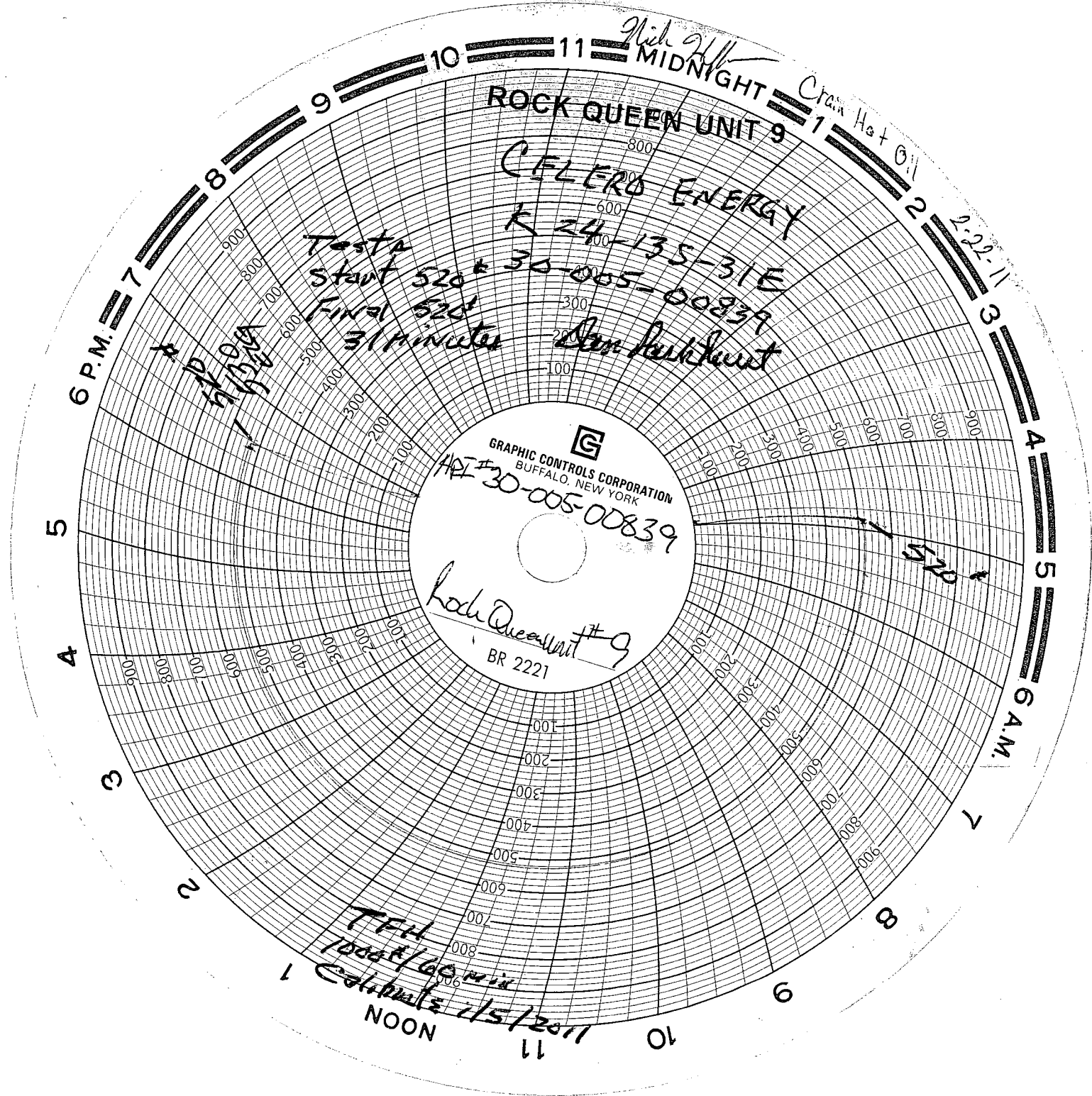
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lisa HuntTITLE Regulatory AnalystDATE 02/24/2011Type or print name Lisa HuntE-mail address: lhunt@celeroenergy.comPHONE: (432)686-1883

For State Use Only

APPROVED BY: [Signature]TITLE STAFF MGRDATE 2-28-2011

Conditions of Approval (if any):



High 24

ROCK QUEEN UNIT 9

Crank Hot Oil

CELERO ENERGY

K 24-135-31E

Teste
Start 520 * 30-005-00839
Final 520
31 minutes

Don Parkhurst

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

API # 30-005-00839

Rock Queen Unit #9
BR 2221

TFH
1000 ft / 60 min
Calculated 1/5/2011
NOON