

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 CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 NOV 30 2011

HOBBS, NM

WELL API NO. 30-005-01063
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Drickey Queen Sand Unit
8. Well Number 44
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 Injection

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 D : 660 feet from the N line and 660 feet from the W line
 Section 15 Township 14S Range 31E NMPM County Chaves

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: <input type="checkbox"/>		OTHER: <input checked="" 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.

9/16/11 - Open well, well flowing 16.6 GPM = 23.7 BPH. Break circ & continue washing over 2 3/8" tbg from 895'-1857'. LD 12 jts to 1369'.

9/17/11 - Open well, well flowing 12.8 GPM = 18.2 BPH. TIH w/ 12 jts 9.5# UFJ. PU swivel & continue washing over 2 3/8" inj string. Drlg hard fill @ 1820'. Wash from 1820'-2427'. Had a couple of bridges @ 1930' & 2430'. Circ hole clean. TOH, LD 4" wash pipe. Change out rams from 4" to 2 3/8". Screw back into 2 3/8" inj tbg. Pump 15 bbls 10.1 brine down down tbg @ 2 BPM 500#. No returns on 5 1/2" csg. Check flow on tbg, had 2" stream back flow.

9/19/11 - Open well, 0 pressure on tbg, 50# on csg, 25.2 BPH. Run freepoint in hole to 2720', could not go any deeper. Pipe free to 2720'. Flow well to pit, slowed to 5 BPH. Tbg closed, annulus 0 flow. Annulus closed, 7.1 BPH through tbg. NDBOP & NUWH. Install 2" valve in tbg. RD. SWI.

* Continued on attached sheet

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 11/30/2011

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 11-30-2011
 Conditions of Approval (if any):

NOV 30 2011

11/8/11 - MIRU. NDWH & NUBOP, well static.

11/9/11 - Open well, well static. PU 4 ½"x 4" shoe & TIH w/ 9.5# UFJ wash pipe to 2426'. PU swivel & wash over from 2426'-2729'. LD swivel & pull 5 jts.

11/10/11 - Open well, flowed 20 bbls to pit. TIH w/ 5 jts 4" 9.5 UFJ wash pipe back to 2729', circ mud, but would not drill further. LD swivel & TOH. LD wash pipe. Shoe was not worn on btm, but sides were scarred as if trying to go through collapsed csg. RU & start PU 1" P110 pipe. Tag @ 300'. PU swivel & ream inside 2 3/8" tbg w/ 1 ¼" mill from 300'-421'.

11/11/11 - Open well, no pressure. Had 3.5 BPH flow through 1". No flow on 5 ½". Continue cleaning out 2 3/8" tbg from 421'-1300'. Hard drlg from 421'-1300'. LD swivel & RIH to 2224'. PU swivel & mill inside 2 3/8" tbg from 2224'-2529'. Hard to mill. Circ hole clean. LD swivel & TOH 5 jts.

11/14/11 - Open well, no pressure. Move hose down to 5 ½" csg & fill hole. Close BOP & load 2 BPM @ 300#. Pressure kept dropping. Begin cleaning hole from 2529'-2689'. Going slow. LD 2 jts 1" tbg to try to unplug mill, pressured up to 2000#, mill would not unplug. Torque off btm 600#, on btm 1000#. TOH to check mill, had partial rubber ring inside mill. Well overflowed 60 bbls. Put valve on well.

11/15/11 - Open well, no pressure. No flow on 5 ½" csg. No pressure on tbg, but flowing 1 BPM. PU 1 ¼" mill & TIH w/ 1" pipe to 2689'. Well flowing over 1" while going in hole. PU swivel & pump down 1" pump psi 1500# @ .676 BPM. Torque off btm 600 ft lb 1100 ft lb on btm. Mill inside 2 3/8" tbg from 2689'-2800'. Had 2 pts on pipe, but wt could not drill off. Worked pipe several times, but could not get past 2800'. No flow on 5 ½" while drlg or tripping. Pulled 1" wet, flowing over top while TOH. Mill showed no signs of wear on btm, but was plugged w/ rubber & pipe scale. Install valve in 2 3/8" tbg & flow well to pit.

11/16/11 - Well vented to pit. Stopped flowing @ 2:30 am. RU kill truck to 2 3/8" tbg & hook chart to 5 ½" csg. Pumped 77 bbls down tbg @ 3.6 BPM 1500# had 0# on 5 ½" csg. RU kill truck to 5 ½" csg & chart to 2 3/8" tbg. Pumped 77 bbls down csg @ 3 BPM 500#. Gauge on tbg started w/ 40# & ended w/ 100#. Csg held psi bled psi to pit. Well flowed back 100 bbls back through tbg. Well vented to pit.

11/17/11 - Well flowed approximately 30 bbls & then went static.

11/18/11 - Well vented to pit, well static. Pump 10 bbls brine mud, follow w/ 5 bbl FW spacer, 25 sx Class "C" cmt w/ 2% CaCl₂. Displace w/ 10.4 bbls. SWI & WOC. RIH w/ 1 ½" spud bar & tag cmt @ 2727'. POH & RIH w/ free point tool. Pipe free @ 2724'. POH w/ free point tool & RIH w/ 1 11/16" jet cutter. Tool did not fire on 1st run. POH & RPR tool. RIH w/ jet cutter & cut 2 3/8" tbg @ 2718'. Got a cut, but pipe was not free. POH w/ jet cutter & work pipe free. LD 1 jt. Lead w/ 10 bbls brine mud & follow w/ 5 bbl FW spacer & 30 sx Class "C" cmt w/ 2% CaCl₂. Displace w/ 8 bbls. TOH w/ 8 stds 2 3/8" tbg & rev clean.

11/19/11 - Open well, well static. Started to POH, pipe stuck. Worked pipe, would not come free. Pumped down tbg. Pressured up to 1200# & broke free. Circ 30 bbls mud @ 2 BPM 700#. Pipe still stuck. Turned 2 RDS w/ tongs & pipe came free. TOH SLM. Recovered total pipe 1993'. Fish @ approximately 1504'. TIH w/ 2 3/8" IPC tbg & LD same.

11/21/11 - Open well, no pressure, no flow. PU 4 ¼" taper mill & TIH. Tag @ 1468'. PU swivel & establish circ. TOH w/ taper mill. PU flat mill, 6- 3 ½" DC's & TIH to dress off fish. PU swivel & dress top of fish from 1468'-1469'. Cut through stub good. Collar & dutchman going slow. Still getting fine metal cuttings in returns.

11/22/11 - Open well, no pressure, no flow. Resume milling @ 1469'. Made approximately 4", mill stopped cutting. LD swivel & TOH for mill. Center of mill looked like it was cutting on 1" pipe. Also had outline of 2 3/8" collar. Direct center of mill looked like someone had used a drill on it. PU new 4 ¼" concave mill & TIH to 1469'. PU swivel & begin milling. Recovered slick line, rubber seal & metal in returns. Milled from 1469'-1473'. Circ well clean.

11/23/11 - Open well, no pressure, no flow. TOH w/ 4 3/4" mill. PU 4 3/4" shoe w/ ext & TIH. Tag @ 1470'. PU swivel & wash over from 1470'-1480'. Circ hole clean & TOH w/ shoe. PU 3 3/8" overshot w/ 2 3/8" grapple w/ pack off & TIH. Work over & latch onto fish. Tried to pump through tbg, but was unsuccessful. RIH w/ 1 1/4" wt bar & collar locator. Total tools 12'. Could not get past 1465'. POH w/ WL. Get off fish & circ 20 bbls PW down tbg @ 2 BPM 100#. Latch back onto fish & attempt to circ through tbg. Pressured up to 1500#. Bleed off psi & RIH w/ 1 1/4" wt bars & collar locator. Got down to 1475'. POH w/ WL.

11/28/11 - Open well, no pressure, no flow. RIH w/ 1" collar locator & wt bar. Tag @ 1470'. Show collar @ 1464'. Cannot get down to overshot. POH w/ WL & TOH w/ overshot. PU 4 1/2" impression block, sit down on fish & TOH. Block shows no obstruction to keep tools from going. PU 3 3/8" overshot w/ 2 3/8" grapple & TIH to 313'. Ran WL through overshot. WL showed overshot @ 303'. POH w/ WL. TIH & tag fish. RIH w/ WL. Showed overshot @ 1456', by pipe tally over shot @ 1466'. POH w/ WL & circ hole clean. RIH w/ WL, shows overshot @ 1464'. Went down to 1470', but could not get through 2 3/8" tbg. POH w/ WL. Get off overshot & TOH. PU port sub & install 1 jt above overshot. TIH & latch onto fish. RIH w/ outside back-off shot to 1560'. First shot unsuccessful. POH w/ WL. SWI.