

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101  
Revised November 14, 2012

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD

FEB 20 2013

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APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Celero Energy II, LP 400 W. Illinois, Ste. 1601 Midland, TX 79701		2. OGRID Number 247128
3. API Number 025-00200		4. Well No. 28
5. Property Code 30041 39738	6. Property Name North Caprock Celero Queen Unit	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	32	12S	32E		660	FSL	660	FWL	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name Caprock; Queen	Pool Code 8551
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Additional Well Information

11. Work Type E	12. Well Type O	13. Cable/Rotary R	14. Lease Type S	15. Ground Level Elevation 4380'
16. Multiple No	17. Proposed Depth 3066'	18. Formation Queen	19. Contractor Unassigned	20. Spud Date 04/15/2013
Depth to Ground water 250'		Distance from nearest fresh water well 9000' SSE		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12 1/4"	8 5/8"	25	309'	150	Surf-Calc
Prod	7 7/8"	5 1/2"	14	3023'	600	342'-Calc

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Dual-Pipe/Blinds	5000 psi	1000	Unassigned

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: Lisa Hunt Printed name: Lisa Hunt Title: Regulatory Analyst E-mail Address: lhunt@celeroenergy.com Date: 02/18/2013 Phone: (432)686-1883		OIL CONSERVATION DIVISION Approved By: [Signature] Title: Petroleum Engineer Approved Date: 02/21/13 Expiration Date: 02/21/15 Conditions of Approval Attached	
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FEB 25 2013

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State of New Mexico  
Oil, Gas, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

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FEB 20 2013

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-00200	<sup>2</sup> Pool Code 8551	<sup>3</sup> Pool Name Caprock; Queen
<sup>4</sup> Property Code 3004 39738	<sup>5</sup> Property Name North Caprock Celero Queen Unit	
<sup>7</sup> OGRID No. 247128	<sup>8</sup> Operator Name Celero Energy II, LP	<sup>6</sup> Well Number 32-3 28 <sup>9</sup> Elevation 4380' GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	12S	32E		660	FSL	660	FWL	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code U	<sup>15</sup> Order No. R-13673
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> 				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature Date 02/18/2013 Lisa Hunt Printed Name lhunt@celeroenergy.com E-mail Address
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
				Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

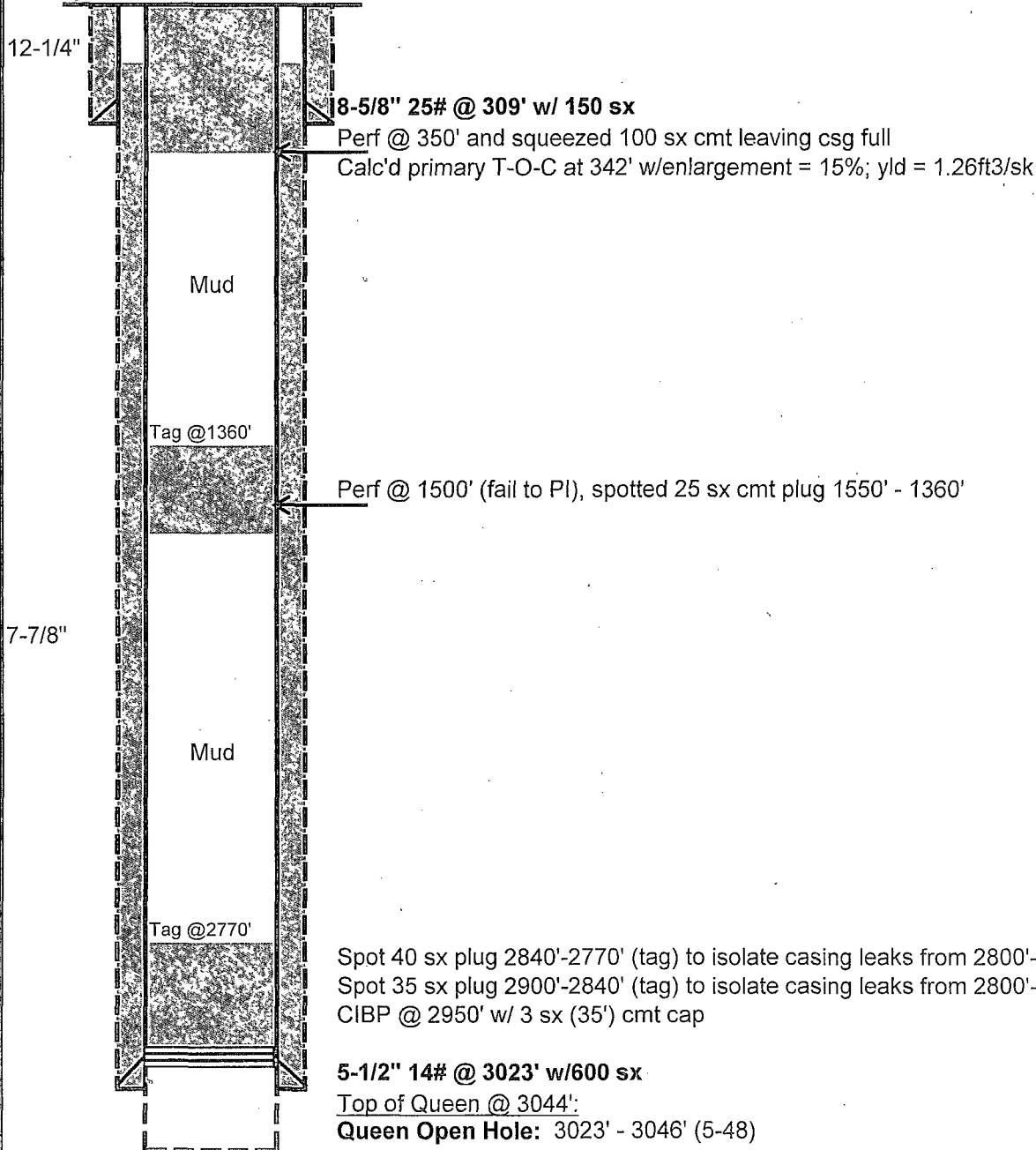
# CELERO ENERGY

**FIELD:** Caprock  
**LEASE/UNIT:** State 32 (formerly NCQU 1 TR 12 SEC 32M #13)  
**COUNTY:** Lea

**DATE:** 30-Sep-12  
**BY:** MWM  
**WELL:** 3  
**STATE:** New Mexico

Location: 660' FSL & 660' FWL, Sec 32M, T12S, R32E  
 SPUD: 4/48 COMP: 5/48  
 CURRENT STATUS: P&A Producer (09-04)  
 Original Well Name: Great Western Producers, Inc. State "Q" # 1

**KB =**  
**GL = 4,380'**  
**API = 30-025-00200**



PBTD - 3046'  
 TD - 3046'

Celero Energy II LP NCCQU #32-3  
API 30-025-00200  
660 FSL & 660 FWL  
Unit M, Section 32, T-12S, R-32E  
Lea County, N. Mexico

Procedure to re-enter plugged well and return to production.

1. Blade off a 200'-by-200' location.
2. Dig out well head and install cellar. Dress off casing stubs and install risers for 8-5/8" and 5-1/2" casing. Install for 8-5/8"-by-5-1/2" minimum 2000 psi WP, SOW, Larkin-style casing head with two outlets. Install minimum 2000 psi WP Larkin-style casing head on 5-1/2" casing.
3. RU pulling unit. Install hydraulically-operated, dual-ram (blinds on bottom) 5000 psi WP BOPE and test to 1000 psi. RU tubing swivel and reverse unit pump taking returns off casing head outlet with single line to return tank. Open and monitor the 8-5/8"-by-5-1/2" outlet for returns during drill out.
4. RIH with 4-3/4" bit, bit sub, (6) 2-3/8" regular DC's(3-1/8" OD) on 2-7/8", 6.5#, J-55, 8rd EUE workstring. Drill out cement from surface and pressure test to 500 psi (discuss w/office before proceeding). Tag next plug at 1360', and pressure test to 500 psi (discuss w/office before proceeding). Tag next plug at 2770', and pressure test to 500 psi (discuss w/office before proceeding). Drill out cement/CIBP at 2770'-2950'. Continue drilling out and clean out to original TD of 3046'. Circulate hole clean using produced water tank. POOH standing back workstring.
5. RU wireline unit and run a casing inspection log from 3023' to surface. Run a GR/CCL/CBL from 3023' to T-O-C. Discuss results with office before proceeding. Run a GR/CCL/CNL from TD to 2000'.
6. RIH with retrievable treating packer and acidize the existing open hole with 1500 gals inhibited 7-1/2% NEFE HCL containing 10% xylene at maximum rate without exceeding 4000 psi surface treating pressure. Pump 10 gals gelled 10-ppg brine water containing 750# of graded rock salt after the first 750 gals of acid/xylene mixture. Flush with tubing volume plus 20 bbls of freshwater. Record initial, 15-minute, and 30-minute shut-in pressures.
7. Swab back load recording initial and final fluid levels. TOOH w/treating packer LD workstring. RIH with 2-3/8", 4.7#, J-55, 8rd EUE production tubing and tubing anchor. Run pump and rods and a pump unit capable of lifting 600 BPD. Shut well in waiting on electricity and completion of tank battery.

