

DATE IN <u>10-4-10</u>	SUSPENSE	ENGINEER <u>TW</u>	LOGGED IN <u>10, 4, 10</u>	TYPE <u>WFX</u>	APP NO. <u>1027736153</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Celero

West CAP Queen Sand Unit # 5400

ADMINISTRATIVE APPLICATION CHECKLIST

30-005-01097

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS
 WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

30-005-01100

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

WFX-872

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☒ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

R-2332
WFX 660

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☒ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Celero Energy II, LP
 Title

10/4/10
 Date

drcatanach@netscape.com
 E-Mail Address

UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT SUMMARY PAGE

Nature of Permit

☒ New Permit
☐ Amend Existing Permit
☐ Injection Pressure Increase
☐ Renew Discharge Plan
☐ Other(Specify) _____

Number of Wells

☒ Single Well
☒ Multiple Wells
☒ Specify Number Wells _____

Approval Process

☒ Administrative
☐ Hearing
 If Hearing:
 Case No. _____
 Order No. R- _____

OCD Standing

☒ Inactive Wells
☒ Financial Assurance

Reviewer

☐ Ezeanyim
☐ Brooks
☐ Jones
☒ Warnell

Quarter in which Permit Issued

☒ 1st (October-December)
☐ 2nd (January-March)
☐ 3rd (April-June)
☐ 4th (July-September)

Type of Permit

☐ SWD Well
☒ Waterflood or Pressure
 Maintenance Injection Well
☐ Class III Brine Well
☐ Other(Specify) _____

Final Outcome

☒ Application Approved
☐ Application Denied
☐ Application Returned

WFX Permit Type

Permit Number

Permit Date

Caloro Energy

Operator

247128

OGRID Number

Area of Review (AOR) Well Data

Area of Review Wells

☒ Total Number of Area of Review Wells
☒ Plugged and Abandoned Area of Review Wells
☒ Active Area of Review Wells

Area of Review Wells to be Repaired

☐ P&A Wells
☐ Active Wells

Injection/Disposal Well Classification

☐ New Wells (Wells were Drilled After March 7, 1982 -- New Mexico Primacy Date)
☒ Existing Wells (Wells that were Drilled Prior to March 7, 1982)

October 4, 2010

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Mark E. Fesmire, Director

HAND DELIVERED

Re: Form C-108
Celero Energy II, LP
West Cap Queen Sand Unit Wells No. 5 & 10
Caprock-Queen Pool (8551)
Chaves County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the West Cap Queen Sand Unit Waterflood Project. Division Order No. R-2336 dated October 18, 1962 approved secondary recovery operations within the West Cap Queen Sand Unit Area ("Unit Area"). The Unit Area was established by Division Order No. R-2332 dated October 18, 1962. The subject waterflood project has subsequently been expanded during the life of the project by Division Order No. WFX-660 dated June 23, 1994. Celero Energy II, LP proposes to convert the West Cap Queen Sand Unit Wells No. 5 & 10 to injection in order to complete an efficient production/injection pattern within the Unit Area. These wells are located in Section 17, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

All the required information is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,



David Catanach
Agent for Celero Energy II, LP
400 W. Illinois, Suite 1601
Midland, Texas 79701

Xc: OCD-Hobbs

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: X Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Celero Energy II, LP
- ADDRESS: 400 W. Illinois Avenue Suite 1601 Midland, Texas 79701
- CONTACT PARTY: Mr. David Catanach PHONE: (505) 690-9453
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? X Yes No
If yes, give the Division order number authorizing the project: R-2336 dated 10/18/62. Also see WFX-660 dated 6/23/94.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: David Catanach TITLE: Agent for Celero Energy II, LP
- SIGNATURE: David Catanach DATE: 10/4/10
- E-MAIL ADDRESS: drcatanach@netscape.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____
- DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application
Celero Enegy II, LP
West Cap Queen Sand Unit Wells No. 5 & 10
Section 17, T-14S, R-31E, NMPM
Chaves County, New Mexico

- I. The purpose of the application is to request approval to convert two (2) wells to injection within the existing West Cap Queen Sand Unit Waterflood Project in order to complete an efficient injection/production pattern.
- II. Celero Energy II, LP
400 W. Illinois
Suite 1601
Midland, Texas 79701
Contact Party: Mr. David Catanach (505) 690-9453
- III. Injection well data sheets and wellbore diagrams for each injection well are attached showing the proposed wellbore configurations.
- IV. This is an expansion of the West Cap Queen Sand Unit Waterflood Project. This project was initially approved by Division Order No. R-2336 dated October 18, 1962. The West Cap Queen Sand Unit Area ("Unit Area") was approved by Division Order No. R-2332 dated October 18, 1962. Division Order No. WFX-660 (6/23/1994) permitted additional injection wells within the Unit Area.
- V. Enclosed are maps that identify all wells/leases within a 2-mile radius of the proposed injection wells and a map that identifies the ½ mile "Area of Review" ("AOR").
- VI. AOR well data is attached. Well construction data is included for all existing wells within the AOR. Also included are wellbore diagrams for each PA'd well within the AOR. An examination of this data indicates that all AOR wells are adequately cased, cemented and/or plugged and abandoned in order to preclude the movement of fluid from the injection zone into other formations or fresh water aquifers.
- VII.
 1. The average injection rate is anticipated to be approximately 600 BWPd/Well. The maximum rate will be approximately 1,500 BWPd/Well. If the average or maximum rates increase in the future, the Division will be notified.
 2. This will be a closed system.
 3. Celero Energy II, LP will initially inject water into the proposed injection wells at a surface pressure that is in compliance with the Division's limit

of 0.2 psi/ft. Subsequent to obtaining approval for injection, step rate injection tests may be conducted on each of the wells in order to obtain a higher surface injection pressure. It is anticipated that as a result of the step rate tests, the maximum surface injection pressures may be as high as 1,100 psi.

4. Produced water from the Caprock-Queen Pool originating from wells within the Unit Area will be re-injected into the subject injection wells. In addition, Celero Energy II, LP uses fresh make-up water as necessary. A representative formation water analysis obtained from the Celero Energy II, LP Rock Queen Unit Well No. 84 is enclosed. This formation water analysis shows total dissolved solids to be approximately 298,000 mg/L.

5. Injection is to occur into a formation that is oil productive.

- | | | |
|-------|--------------------|---|
| VIII. | Geologic Age: | Permian |
| | Geologic Name: | Queen (A member of the Artesian Group) |
| | Average Thickness: | 15 Feet (calculated from available core data) |
| | Lithology: | Shaly sandstone |
| | Measured Depth: | 3,000'-3,100' |
| | USDW's: | Ogallala is present at depths from 100'-200' |
-
- IX. No stimulation is planned, however, should a stimulation treatment become necessary due to skin damage, poor reservoir quality, reservoir heterogeneities, scale formation, etc., then a mild 7 ½% NEFE HCL treatment with the appropriate additives will likely be used at a volume of 50 to 100 gal/ft. of perforated or open hole interval.
 - X. Logs were filed at the time of drilling.
 - XI. According to data obtained from the New Mexico Office of the State Engineer (enclosed), there are no fresh water wells within a one-mile radius of the proposed injection wells. For information purposes, Celero Energy II, LP is providing a fresh water analysis from a fresh water well located in Unit F of Section 35, Township 13 South, Range 31 East, NMPM.
 - XII. Affirmative statement is enclosed.
 - XIII. Proof of Notice is enclosed.

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: West Cap Queen Sand Unit No. 5

WELL LOCATION: 1980' FSL & 660' FEL I 17 14 South 31 East
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8" @ 200'
Cemented with: 150 Sx. or ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: Casing Size:
Cemented with: or ft³

Top of Cement: Method Determined:

Production Casing

Hole Size: 7 3/4" Casing Size: 5 1/2" @ 2,771'
Cemented with: 125 Sx. or ft³
Top of Cement: 2250' Method Determined: Well File
Total Depth: 2,792' PBTD:

Injection Interval

Queen Formation: 2,772'-2,792' Open Hole

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 2,672' or within 100' of the open-hole injection interval

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: Yes X No

If no, for what purpose was the well originally drilled: Well was drilled in 1955 as a Queen producing well.

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

None

Celero Energy II, LP
West Cap Queen Sand Unit No. 5
API No. 30-005-01097
1980' FSL & 660' FEL (Unit I)
Section 17, T-14 South, R-31 East, NMPM
Chaves County, New Mexico

Date Drilled: August, 1955 ✓

11" Hole; Set 8 5/8" 32# Csg. @ 200'
Cemented w/ 150 Sx. Regular.
Cement circulated to surface.

TOC @ 2,250' (Well File)

2 3/8" 4.7# J-55 IPC tubing set in a
Arrowset IX Packer @ 2,672'

7 3/4" Hole; Set 5 1/2" 15.5# Csg. @ 2,771'
Cemented w/125 Sx. Regular
TOC @ 2,250' (Well File)

Injection Interval: 2,772'-2,792' (Open Hole)

T.D. - 2,792'

X, 2 ~ 555 psi

INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, LP

WELL NAME & NUMBER: West Cap Queen Sand Unit No. 10

WELL LOCATION: 660' FSL & 1980' FEL O 17 14 South 31 East
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8" @ 212'
Cemented with: 150 Sx. or ft³
Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: Casing Size:
Cemented with: or ft³
Top of Cement: Method Determined:

Production Casing

Hole Size: 7 3/4" Casing Size: 5 1/2" @ 2,778'
Cemented with: 250 Sx. or ft³
Top of Cement: 1770' Method Determined: Well File
Total Depth: 2,780' PBTD:

Injection Interval

Queen Formation: 2,760'-2,770' Perforated

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Arrowset IX Packer

Packer Setting Depth: 2,660' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: Yes X No

If no, for what purpose was the well originally drilled: Well was drilled in 1956 as a Queen producing well.

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock-Queen Pool (8551)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

None

Celero Energy II, LP
West Cap Queen Sand Unit No. 10
API No. 30-005-01100
660' FSL & 1980' FEL (Unit O)
Section 17, T-14 South, R-31 East, NMPM
Chaves County, New Mexico

Date Drilled: June, 1956 ✓

11" Hole; Set 8 5/8" 32# Csg. @ 212'
Cemented w/ 150 Sx. Regular.
Cement circulated to surface.

TOC @ 1,770' (Well File)

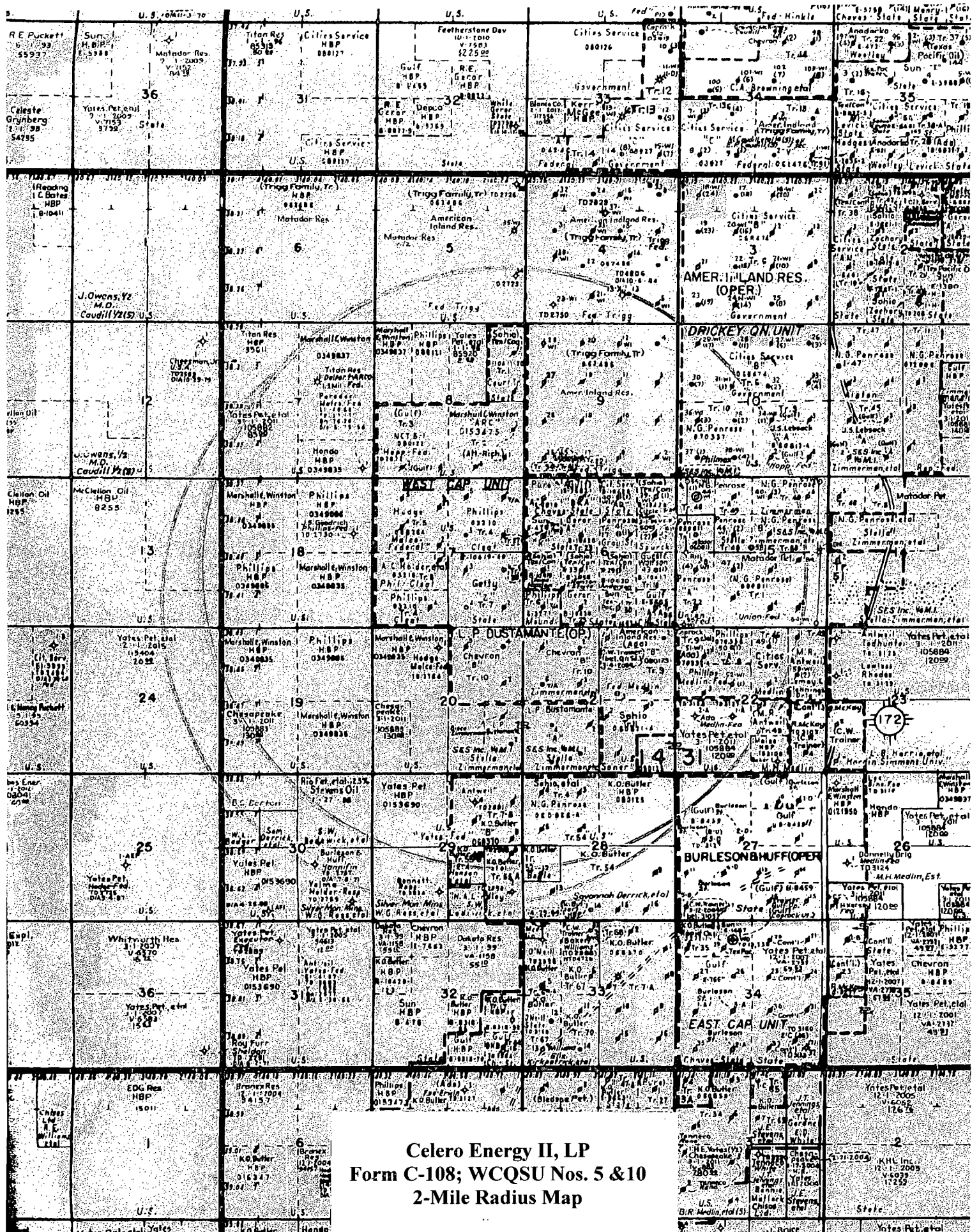
2 3/8" 4.7# J-55 IPC tubing set in a
Arrowset IX Packer @ 2,660'

Injection Interval: 2,760'-2,770' (Perforated)

7 3/4" Hole; Set 5 1/2" 15.5# Csg. @ 2,778'
Cemented w/250 Sx. Regular
TOC @ 1,770' (Well File)

T.D. - 2,780'

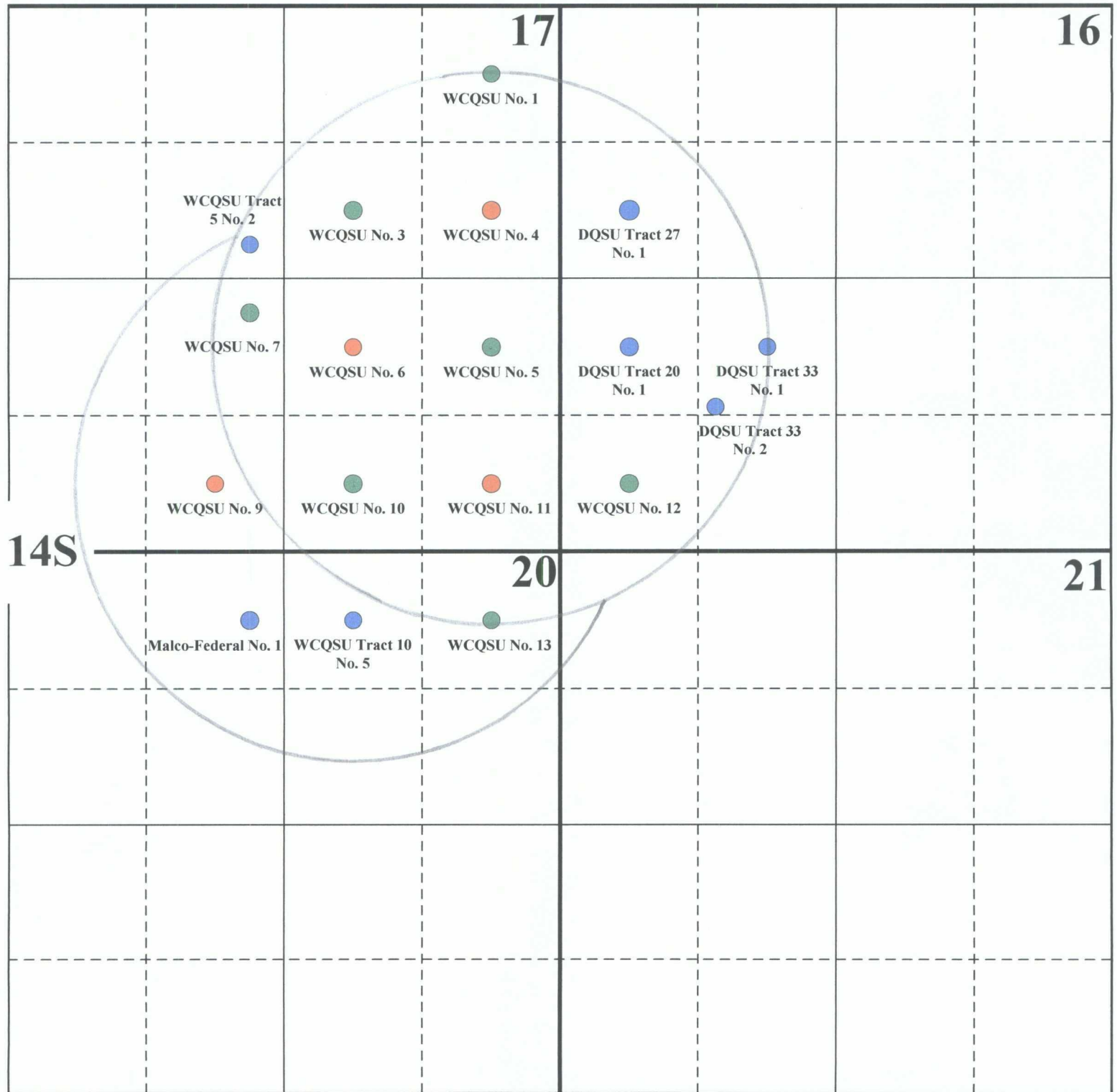
X-2 ~ 552



31E

17

16



- Injection Well 4
- PA'd Well 7
- Producing Well 7

Celero Energy II, LP
½ Mile AOR Map

West Caprock Queen Sand Unit Wells No. 5 & 10

CELERO ENERGY II, LP
AREA OF REVIEW WELL DATA
WEST CAP QUEEN SAND UNIT WATERFLOOD EXPANSION

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	FTG. E/W	UNIT	SEC.	TSHP	RNG.	DATE DRILLED	TOTAL DEPTH	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	COMPLETION	REMARKS	
30-005-01086	Chavez Oil, Ltd.	WCOSU Tract 5	2	I	PA	2310'	N 2310'	W	F	17	14S	31E	Jan-57	2,725'	11"	8.625"	225'	150	Surface	Calc.	7.875"	4.5"	2,725'	100	2,320'	Calc.	2,706'-2,714'	Perf. PAV 2/74 Schematic Attached
30-005-01090	Celero Energy II, LP	WCOSU	7	P	Active	2310'	S 2310'	W	K	17	14S	31E	Jul-57	2,730'	11"	8.625"	160'	150	Surface	Calc.	7.875"	5.5"	2,730'	75	2,330'	Calc.	2,705'-2,715'	Perf.
30-005-01092	Celero Energy II, LP	WCOSU	4	I	Shut-In	1982'	N 660'	E	H	17	14S	31E	Jul-55	2,770'	12.75"	8.625"	159'	175	Surface	Circ.	7.875"	5.5"	2,759'	100	2,226'	Calc.	2,759'-2,770'	O.H. Failed MIT Test 6/8/2010 (See Below)
30-005-01093	Celero Energy II, LP	WCOSU	1	P	Shut-In	660'	N 660'	E	A	17	14S	31E	Aug-55	2,758'	11"	8.625"	170'	180	Surface	Calc.	7.875"	5.5"	2,730'	100	2,197'	Calc.	2,731'-2,758'	O.H.
30-005-01094	Celero Energy II, LP	WCOSU	3	P	Active	1982'	N 1979'	E	G	17	14S	31E	Jul-56	2,770'	11"	8.625"	197'	175	Surface	Calc.	7.875"	5.5"	2,749'	100	2,216'	Calc.	2,727'-2,736'	Perf.
30-005-01095	Celero Energy II, LP	WCOSU	9	I	Shut-In	660'	S 1982'	W	N	17	14S	31E	Aug-56	2,735'	11"	8.625"	208'	175	Surface	Calc.	7.875"	5.5"	2,715'	100	2,182'	Calc.	2,715'-2,735'	O.H.
30-005-01098	Celero Energy II, LP	WCOSU	11	I	Active	660'	S 660'	E	P	17	14S	31E	Sep-55	2,830'	11"	8.625"	210'	150	Surface	Circ.	7.875"	5.5"	2,787'	125	2,121'	Calc.	2,773'-2,830'	Perf & O.H. Injection Interval
30-005-01099	Celero Energy II, LP	WCOSU	6	I	Active	1980'	S 1980'	E	J	17	14S	31E	May-56	2,772'	11"	8.625"	211'	150	Surface	Circ.	7.875"	5.5"	2,770'	200	1,960'	T.S.	2,734'-2,747'	Perf.
																					4.0"	2,762'	540	See Below				
30-005-01103	Celero Energy II, LP	WCOSU	13	P	Active	660'	N 660'	E	A	20	14S	31E	Jan-56	2,818'	11"	8.625"	210'	150	Surface	Circ.	6.75"	4.5"	2,798'	75	2,484'	CBL	2,798'-2,818'	O.H. Casing Leaks @ 290'-312" Repaired w/200 Sx. Cement (8/2008)
30-005-01104	Chavez Oil, Ltd.	WCOSU Tract 10	5	I	PA	660'	N 1980'	E	B	20	14S	31E	Oct-56	2,790'	11"	8.625"	204'	150	Surface	Circ.	7.875"	4.5"	2,767'	75	2,463'	Calc.	2,765'-2,769'	Perf. PAV 3/74 Schematic Attached
30-005-01106	T. F. Hodge	Malco Federal	1	Dry	PA	660'	N 2310'	W	C	20	14S	31E	Nov-56	2,769'	11"	8.625"	220'	150	Surface	Calc.	7.875"							PAV 11/56 Schematic Attached
30-005-01077	Guest & Wolfson	DQSU Tract 20	1	P	PA	1980'	S 660'	W	L	16	14S	31E	May-55	2,815'	15"	12.75"	81'	100	Surface	Circ.	8"	7.0"	2,795'	125	1,384'	Calc.	2,795'-2,815'	O.H. PAV 3/74 Schematic Attached
30-005-01078	Guest & Wolfson	DQSU Tract 33	1	P	PA	1980'	S 1980'	W	K	16	14S	31E	Apr-55	2,853'	15"	12.75"	80'	100	Surface	Circ.	8"	7.0"	2,833'	125	1,422'	Calc.	2,833'-2,853'	O.H. PAV 4/74 Schematic Attached
30-005-01079	Celero Energy II, LP	WCOSU	12	P	Active	660'	S 660'	W	M	16	14S	31E	Aug-55	2,841'	12.25"	8.625"	178'	155	Surface	Circ.	7.875"	5.5"	2,829'	100	2,296'	Calc.	2,829'-2,841'	O.H.
30-005-01082	Guest & Wolfson	DQSU Tract 27	1	P	PA	1980'	N 660'	W	E	16	14S	31E	Apr-55	2,808'	13"	8.625"	177'	100	Surface	Circ.	8.75"	5.5"	2,787'	100	2,421'	Calc.	2,787'-2,808'	O.H. PAV 3/74 Schematic Attached
30-005-10038	Guest & Wolfson	DQSU Tract 33	2	I	PA	1325'	S 1325'	W	K	16	14S	31E	May-63	2,865'	11.25"	8.625"	216'	150	Surface	Circ.	7.875"	4.5"	2,864'	300	1,647'	Calc.	2,842'-2,852'	Perf. PAV 3/74 Schematic Attached
Celero Energy II, LP will rig up on the WCOSU Well No. 4 (30-005-01092) during the first two weeks of October, 2010, repair the well, if necessary, and place the well on production.																												
CBL indicates cement present in the following intervals behind the 4" liner: Surface-2,490'; 2,710'-2,762'. See attached C-103 that details Celero Energy II, LP's effort to cement the liner in the wellbore.																												

Submit 3 Copies 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
May 27, 2004

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

WELL API NO. 30-005-01099
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 303737

7. Lease Name or Unit Agreement Name West Cap Queen Sand Unit
8. Well Number 6
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 J : 1980 feet from the South line and 1980 feet from the East line
Section 17 Township 14S Range 31E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

JAN - 4 2008

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

HOBBS OCD

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"/>	
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/> Reactivate Injector	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CO/mill out well to 2754'. Identified casing leak below 2460'. CO/mill out well to 2762'. Ran 2793' of 4" 9.5# J-55 liner from 2762' to surface and cemented liner in place w/ 50 sx 50/50 poz w/ additives and 60 sx Class C cmt w/ additives. DO cmt to 2760'. Logged well w/ GR/CCL/CN log and CBL log. TOC @ 2730'. Re-cemented 4" liner w/ 50 sx 50/50 poz w/ additives and 50 sx Class C cmt w/ additives. DO cmt to 2716'. Pressure tested squeezed perms, failed. Ran CBL, TOC @ 2710'. Set cmt retainer @ 2612'. Re-cemented 4" liner w/ 50 sx 50/50 poz w/ additives and 100 sx Class C expanding cmt w/ additives. Cmt valve on retainer did not hold so well flowed back water. Re-cemented 4" liner w/ 25 sx Class C cmt w/ additives. Cemented 4" x 5 1/2" annulus w/ 80 sx Class H cmt w/ additives. Ran CBL and showed no cement between 1970' and 2612'. Perforated 4" casing @ 2134' w/ 4 shots. Set cmt retainer @ 2045'. Re-cemented 4" liner w/ 50 sx Class C cmt w/ additives. DO cmt and cmt retainers to 2758'. Ran CBL, no cmt between 2490' and 2730'. Squeeze perms @ 2134' did not pressure test. Set CIBP @ 2415'. Re-cemented 4" liner w/ 25 sx Class C cmt w/ additives. DO cmt and CIBP and CO well to PBTD @ 2758'. Received verbal permission from Chris Williams to set pkr @ 2475'. Received verbal permission from Chris Williams to set pkr @ 2475'. Perforated Queen interval 2734' - 2747' w/ 4 SPF. Ran 2 3/8" 4.7# J-55 IPC injection tubing and Baker Model AD-1 packer. Set packer @ 2475'. Acidized Queen sand interval (2734' - 2747') w/ 1500 gal 7 1/2% NEFE acid and 1000# rock salt in three stages @ 3.5 BPM and 550 psi STP. Returned well to injection. Order No. R-2336

10/4/07

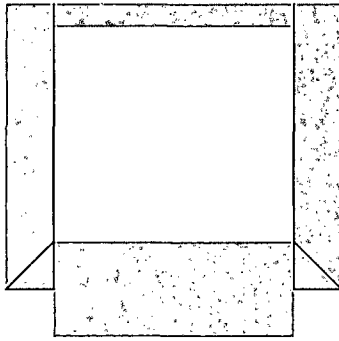
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Haylie Urias TITLE Operations Tech DATE 12/26/07

Type or print name Haylie Urias E-mail address: hurias@celeroenergy.com Telephone No. 432-686-1883 Ext. 120
For State Use Only

APPROVED BY: [Signature] TITLE Geologist

Celero Energy II, LP
Form C-108; WCQSUS Nos. 5 & 10
C-103; WCQSUS No. 6



10 Sx. surface plug

11" Hole; 8 5/8" csg. set @ 225'
Cemented w/150 Sx.
Cement circulated to surface.

Set 40 Sx. cement plug @ 225'

Chavez Oil, Ltd.

WCQSU Tract 5 No. 2

API No. 30-005-01086

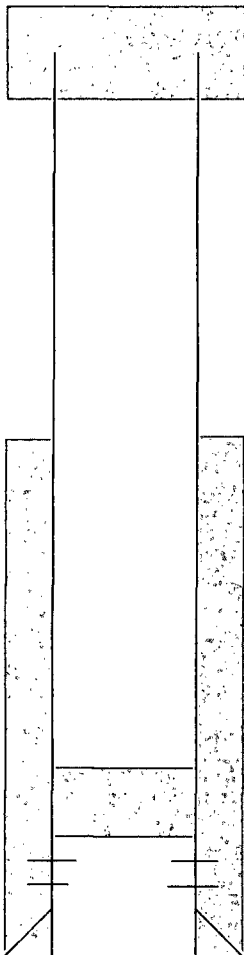
2310' FNL & 2310' FWL, Unit F

Section 17, T-14S, R-31E

Type Well: Injection

Drilled: 1/57

Plugged: 2/74



Cut & pulled 870' of 4.5" casing
Set 35 Sx. cement stub plug

Mud-laden fluids placed between cement plugs

Calculated TOC @ 2,320'

Set 30 Sx. cement plug @ 2,500'
Capped w/5 Sx. cement

Perforations: 2,706'-2,714'

7 7/8" Hole; 4 1/2" csg. set @ 2,725'
Cemented w/100 Sx.
Calculated TOC @ 2,320'

T.D. 2,725'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPI
(Other instructions
verse side)TE
reForm approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

LC-068624

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME West Cap
Queen Sand Unit Tr 5

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Caprock Queen

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 17, T14S, R31E

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

4100' GR

12. COUNTY OR PARISH

Chaves

13. STATE

N. M.

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any
proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones perti-
nent to this work.)*

The following work was done for plugging & abandonment:

1. Ran a 30 sx plug @ 2500', capped w/5 sx cement.
2. Loaded hole w/mud-laden fluid.
3. Cut & pulled 4-1/2" casing from 870'.
4. Spotted a 35 sx plug across casing stub.
5. Set a 40 sx plug across 8-5/8" casing shoe @ 225'.
6. Ran a 10 sx surface plug, set 4" regulation marker.
7. Well was plugged & abandoned on 2/14/74.

RECEIVED
MAR - 7 1974
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED

Stanley Aubin

TITLE

Agent

DATE

3/5/74

(This space for Federal or State office use)

APPROVED BY

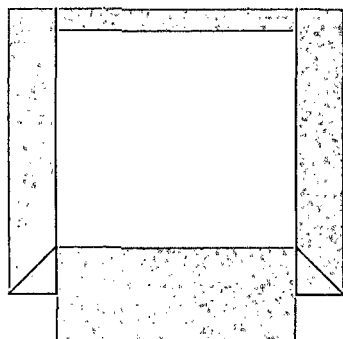
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

DEC 26 1974
L. E. BEEKING
ACTING DISTRICT ENGINEER

*See Instructions on Reverse Side



10 Sx. surface plug

11" Hole; 8 5/8" csg. set @ 204'
Cemented w/150 Sx.
Cement circulated to surface.

Set 70 Sx. cement plug @ 310'

Chavez Oil, Ltd.

WCQSU Tract 10 No. 5

API No. 30-005-01104

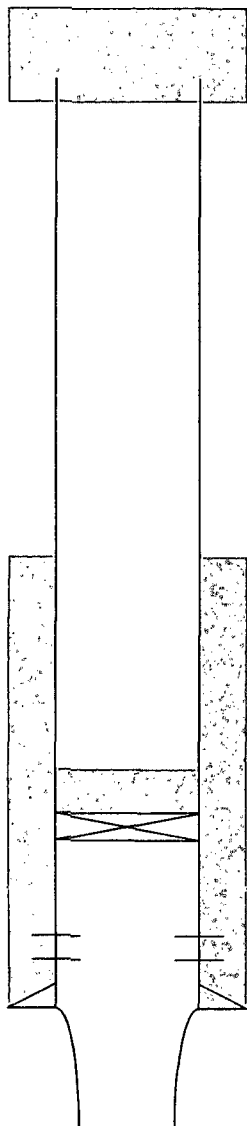
660' FNL & 1980' FEL, Unit B

Section 20, T-14S, R-31E

Type Well: Injection

Drilled: 10/56

Plugged: 3/74



Cut & pulled 1,000' of 4.5" casing

(Notice of Intent to plug indicated that a stub plug would be set, however subsequent plugging report did not indicate that the stub plug was set)

Mud-laden fluids placed between cement plugs

Calculated TOC @ 2,463'

Set CIBP @ 2,491' w/5 Sx. cement on top

Perforations: 2,765'-2,769' (Well File)

7 7/8" Hole; 4 1/2" csg. set @ 2,767'

Cemented w/75 Sx.

Calculated TOC @ 2,463'

T.D. 2,790'

Celero Energy II, LP

Form C-108; WCQSU Nos. 5 & 10

PA Schematic

WCQSU Tract 10 No. 5

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Injection Well		5. State Oil & Gas Lease No.
2. Name of Operator Weldon S. Guest & I. J. Wolfson		7. Unit Agreement Name
3. Address of Operator c/o Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.		8. Farm or Lease Name D.Q.S.U. West Cap
4. Location of Well UNIT LETTER B 660 FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE, SECTION 20 TOWNSHIP 14S RANGE 31E NMPM.		9. Well No. Tract 10 #5
15. Elevation (Show whether DF, RT, GR, etc.) 4124		10. Field and Pool, or Wildcat Caprock Queen
12. County Chaves		

16. 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	OTHER <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
OTHER <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

1. Set CIBP @ 2491' w/5 sx cement on top.
2. Loaded hole w/mud-laden fluids.
3. Shot & recovered production casing, 1000'.
4. Spotted 70 sx plug across 8-5/8" casing shoe @ 310'.
5. Spotted 10 sx top hole plug & erected 4" regulation marker.
6. Well was plugged & abandoned on 3/14/74.

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

SIGNED <u>S. Sauter</u>	TITLE <u>Agent</u>	DATE <u>4/10/74</u>
APPROVED BY <u>John W. Remyan</u>	TITLE <u>Geologist</u>	DATE <u>4/11</u>
CONDITION OF APPROVAL, IF ANY:		

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FILE		
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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Injection Well		5. State Oil & Gas Lease No.
2. Name of Operator Chevron Oil Ltd		7. Unit Agreement Name
3. Address of Operator c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, N.M. 88240		8. Farm or Lease Name West Cap Queen Sand Unit Tr 10
4. Location of Well UNIT LETTER B FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE, SECTION 10 TOWNSHIP 14 S RANGE 31 E NMPM.		9. Well No. 5
10. Field and Pool, or Wildcat Caprock Queen		12. County Chaves
15. Elevation (Show whether DF, RT, GR, etc.) 4124		

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 checked="" 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

It is proposed to plug as follows:

Set cast iron bridge plug @ 2500 & cap with 5 sacks cement.
Cut & pull 4 1/2" casing from 2000.
Spot 100' plug across casing stub.
Spot 100' plug across top of salt @ 1500.
Set 100' plug across 8 5/8" casing shoe @ 204.
10 sacks at surface with regulation marker.
Mud between all plugs.
Location to be cleaned & levelled.

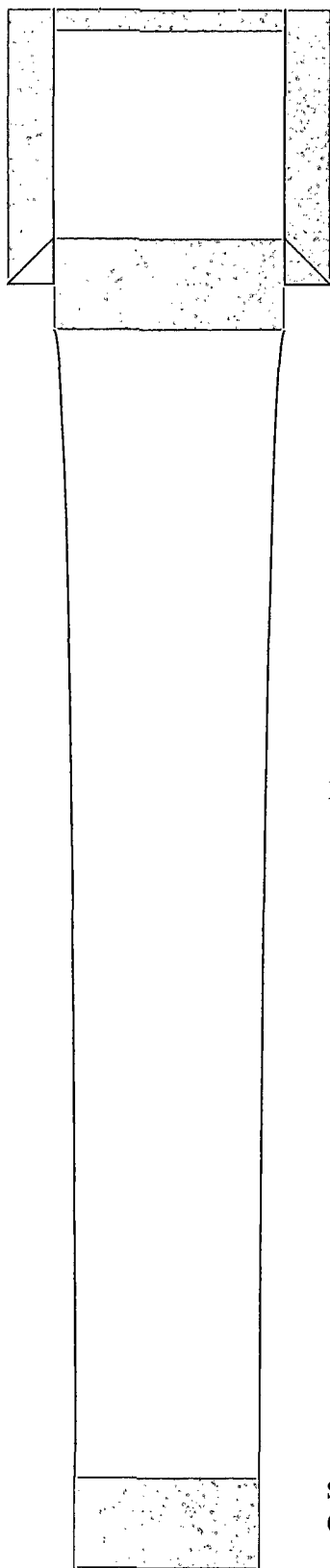
THE COMMISSION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS FOR THE C-103 TO BE APPROVED.

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

SIGNED Henry Hollen TITLE Agent DATE 10/29/73

APPROVED BY Joe R. Hiney TITLE Dist. 1, Supv. DATE

CONDITIONS OF APPROVAL, IF ANY:



10 Sx. surface plug

11" Hole; 8 5/8" csg. set @ 220'
Cemented w/150 Sx.
Cement circulated to surface.

Set 15 Sx. cement plug 200'-240'

Mud-laden fluids placed between cement plugs

Set 15 Sx. cement plug 2,720'-2,769'
(Queen Sand-2,734'-2,741')

T.D. 2,769'

T. F. Hodge

Malco Federal No. 1

API No. 30-005-01106

660' FNL & 2310' FWL, Unit C

Section 20, T-14S, R-31E

Type Well: Dry Hole

Drilled: 11/56

Plugged: 11/56



UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 187
Artesia, New Mexico

RECEIVED
IN REPLY REFER TO

FEB 26 1957

Oil Cons. Comm.
ARTESIA OFFICE

January 15, 1957

30-005-01106

Mr. T. F. Hodge
805 Sinclair Building
Fort Worth, Texas

Re: Oil and Gas Lease
Las Cruces 068264

Dear Sir:

Your "Subsequent Report of Abandonment" covering your well No. 1-Halseo-Federal located in (660 feet from north line and 2300 feet from west line) of section 20, T. 14 S., R. 11 E., wildcat area, Chaves County, New Mexico, is hereby approved.

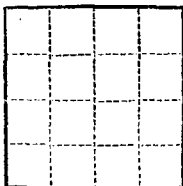
Very truly yours,

(Orig. Sent by mail, January 15, 1957)

John A. Frost
District Engineer

JAF:cm

Inspected by John A. Frost
January 15, 1957



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office _____
Lease No. 12-668344
Unit 068 264

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	SUBSEQUENT REPORT OF WATER SHUT-OFF.....
NOTICE OF INTENTION TO CHANGE PLANS.....	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....	SUBSEQUENT REPORT OF ALTERING CASING.....
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	SUBSEQUENT REPORT OF ABANDONMENT..... <input checked="" type="checkbox"/>
NOTICE OF INTENTION TO PULL OR ALTER CASING.....	SUPPLEMENTARY WELL HISTORY.....
NOTICE OF INTENTION TO ABANDON WELL.....	

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

February 18, 1957

Well No. 1 is located 660 ft. from N line and 2310 ft. from E line of sec. 20

14N/A 14E 31E N.M.P.M.
($\frac{1}{4}$ Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Caprock Chaves New Mexico
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 4115 ft. G.L.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Surface casing - 805/8 set 220' and cemented w/150 sacks by Halliburton.
Queen sand dry and following abandonment plugs of cement set as follows:

T.D. 2769 - 2720 with 15 sacks (Queen sand 2734-41)
2720 - 240 Mud
240 - 200 with 15 sacks
200 - 20 Mud
30 - Surface with 10 sacks

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

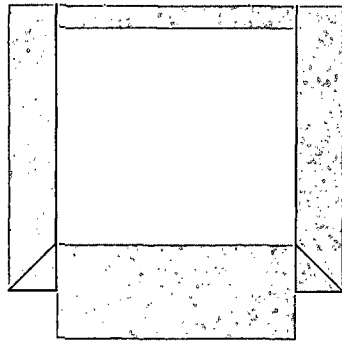
Company T.F. Hodge

Address 1113 Continental Bank Building

Port Worth 2, Texas

By K.K. Armini

Title Petroleum Engineer



10 Sx. surface plug

15" Hole; 12 3/4" csg. set @ 81'
Cemented w/100 Sx.
Cement circulated to surface.

Set 80 Sx. cement plug @ 180'

Guest & Wolfson

DQSU Tract 20 No. 1

API No. 30-005-01077

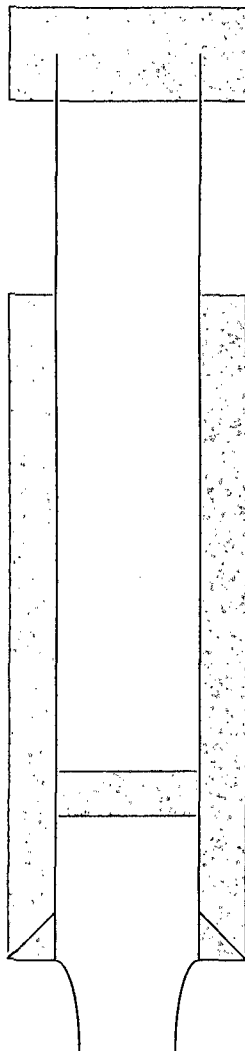
1980' FSL & 660' FWL, Unit L

Section 16, T-14S, R-31E

Type Well: Producing

Drilled: 5/55

Plugged: 3/74



Cut & pulled 800' of 7" casing
Set 40 Sx. cement stub plug

Calculated TOC @ 1,384'

Mud-laden fluids placed between cement plugs

(Notice of intent to plug dated 3/26/74 shows that a CIBP or 25 Sx. cement plug will be set to isolate producing interval. However, subsequent plugging report does not state that this plug was set.)

8" Hole; 7" csg. set @ 2,795'
Cemented w/125 Sx.
Calculated TOC @ 1,384'

Producing Interval: 2,795'-2,815' O.H.

T.D. 2,815'

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>30-005-01077</u>		7. Unit Agreement Name D.Q.S.U.
2. Name of Operator Weldon S. Guest & I. J. Wolfson		8. Farm or Lease Name Tract 20
3. Address of Operator c/o Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.		9. Well No. 1
4. Location of Well UNIT LETTER <u>L</u> , <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14S</u> RANGE <u>31E</u> NMPM.		10. Field and Pool, or Wildcat Caprock Queen
15. Elevation (Show whether DF, RT, GR, etc.) 4165' DF		12. County Chaves

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"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Loaded hole w/mud-laden fluids.
2. Shot & recovered production casing, 800'.
3. Spotted 40 sx plug @ casing stub.
4. Spotted 80 sx plug in & out of 12-3/4" surface casing, set @ 180'.
5. Spotted 10 sx top hole plug & erected 4" regulation marker.
6. Well was plugged and abandoned on 3/30/74.

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

SIGNED S. Sackin TITLE Agent DATE 4/10/74

APPROVED BY Nathan E. Vegg TITLE 26103 DATE 4/10/74

CONDITIONS OF APPROVAL, IF ANY:

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
D.Q.S.U.	
8. Farm or Lease Name	
Tract 20	
9. Well No.	
1	
10. Field and Pool, or Wildcat	
Caprock Queen	
12. County	
Chaves	

SUNDY 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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator
Weldon S. Guest & I. J. Wolfson
3. Address of Operator
Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.
4. Location of Well
UNIT LETTER <u>L</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM
THE <u>West</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14S</u> RANGE <u>31E</u> NMPM.
15. Elevation (Show whether DF, RT, GR, etc.)
4165' DF

16. 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 checked="" 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Set CIBP or 25 sx plug to cover existing perforations.
2. Load hole w/mud-laden fluids.
3. Shoot & recover production casing.
4. Spot 100' plug at casing stub.
5. Spot 100' plug in & out of 12-3/4 surface casing, set @ 81'.
6. Spot 10 sx top hole plug & erect 4" regulation marker.

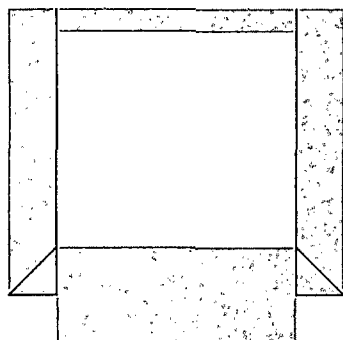
THE COMMISSION MUST BE NOTIFIED 24 HOURS PRIOR TO THE PLUGGING OF PLUGGING OPERATIONS FOR THE CIBP TO BE APPROVED

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

SIGNED S. Saitkin TITLE Agent DATE 3/26/74

APPROVED BY John J. [Signature] TITLE Agent DATE 3/26/74

CONDITIONS OF APPROVAL, IF ANY:



10 Sx. surface plug

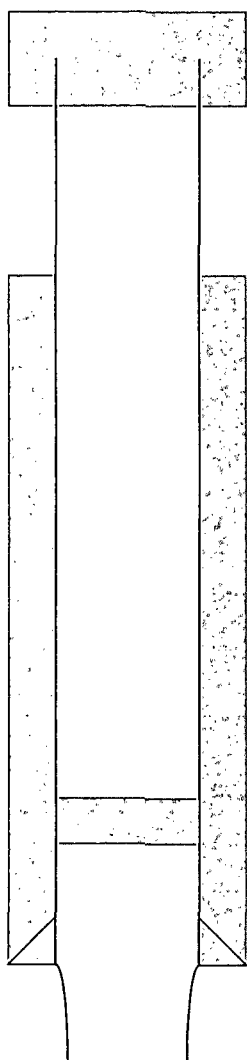
15" Hole; 12 3/4" csg. set @ 80'
Cemented w/100 Sx.
Cement circulated to surface.

Set 80 Sx. cement plug @ 180'

Guest & Wolfson
DQSU Tract 33 No. 1
API No. 30-005-01078
1980' FSL & 1980' FWL, Unit K
Section 16, T-14S, R-31E
Type Well: Production

Drilled: 4/55

Plugged: 4/74



Cut & pulled 1,000' of 7" casing
Set 40 Sx. cement stub plug

Calculated TOC @ 1,422'

Mud-laden fluids placed between cement plugs

(Notice of intent to plug dated 3/26/74 shows that a CIBP or 25 Sx. cement plug will be set to isolate producing interval. However, subsequent plugging report does not state that this plug was set.)

8" Hole; 7" csg. set @ 2,833'
Cemented w/125 Sx.
Calculated TOC @ 1,422'

Producing Interval: 2,833'-2,853' O.H.

T.D. 2,853'

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>30-005-01078</u>		5. State Oil & Gas Lease No.
2. Name of Operator Weldon S. Guest & I. J. Wolfson		7. Unit Agreement Name D.O.S.U.
3. Address of Operator c/o Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.		8. Farm or Lease Name Tract 33
4. Location of Well UNIT LETTER <u>K</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14S</u> RANGE <u>31E</u> NMPM.		9. Well No. 1
10. Field and Pool, or Wildcat Caprock Queen		
15. Elevation (Show whether DF, RT, GR, etc.) 4184' GR		12. County Chaves

16. 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"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/> PLUG AND ABANDONMENT <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Loaded hole w/mud-laden fluids.
2. Hot & recovered production casing, 1000'.
3. Spotted a 40 sx plug @ casing stub, 1000'.
4. Spotted a 80 sx plug in & out of 12-3/4 surface casing set @ 180'.
5. Spotted 10 sx top hole plug & erected 4" regulation marker.
6. Well was plugged and abandoned on 4/5/74.

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

SIGNED S. Sauter TITLE Agent DATE 4/10/74

APPROVED BY Nathan E. Vogg TITLE FOR DATE
 CONDITIONS OF APPROVAL, IF ANY:

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Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-		6. State Oil & Gas Lease No.
2. Name of Operator Weldon S. Guest & I. J. Wolfson		7. Unit Agreement Name D.Q.S.U.
3. Address of Operator Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.		8. Farm or Lease Name Tract 33
4. Location of Well UNIT LETTER K 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE West LINE, SECTION 16 TOWNSHIP 14S RANGE 31E NMPM.		9. Well No. 1
10. Field and Pool, or Wildcat Caprock Queen		
15. Elevation (Show whether DF, RT, GR, etc.) 4184' GR		12. County Chaves

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 checked="" 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Set CIBP or 25 sx plug to cover existing perforations.
2. Load hole w/mud-laden fluids.
3. Shoot & recover production casing.
4. Spot 100' plug at casing stub.
5. Spot 100' plug in & out of 12-3/4 surface casing set @ 80'.
6. Spot 10 sx top hole plug and erect 4" regulation marker.

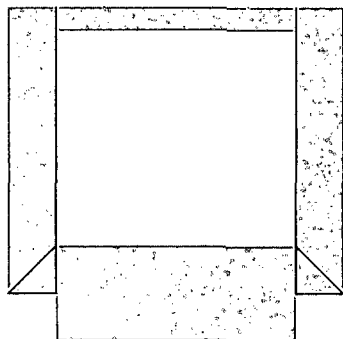
THE COMMISSION MUST BE NOTICED 24 HOURS PRIOR TO THE BEGINNING OF DRILLING OPERATIONS FOR THE WELLS TO BE APPROVED.

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

SIGNED S. Saiton TITLE Agent DATE 3/26/74

APPROVED BY Joe D. Ramsey TITLE Supervisor DATE 3/26/74

CONDITIONS OF APPROVAL, IF ANY:



10 Sx. surface plug

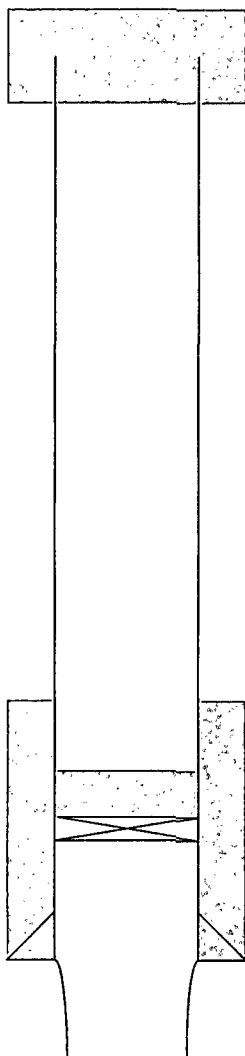
13" Hole; 8 5/8" csg. set @ 177'
Cemented w/100 Sx.
Cement circulated to surface.

Set 40 Sx. cement plug @ 165'

Guest & Wolfson
DQSU Tract 27 No. 1
API No. 30-005-01082
1980' FNL & 660' FWL, Unit E
Section 16, T-14S, R-31E
Type Well: Production

Drilled: 4/55

Plugged: 3/74



Cut & pulled 810' of 5 1/2" casing
Set 35 Sx. cement stub plug

Mud-laden fluids placed between cement plugs

Calculated TOC @ 2,421'

CIBP set at 2,496' w/5 Sx. cement on top

8 3/4" Hole; 5 1/2" csg. set @ 2,787'
Cemented w/100 Sx.
Calculated TOC @ 2,421'

Producing Interval: 2,787'-2,808' O.H.

T.D. 2,808'

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Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	

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. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>30-005-61082</u>		7. Unit Agreement Name D.Q.S.U.
2. Name of Operator Weldon S. Guest & I. J. Wolfson		8. Farm or Lease Name Tract 27
3. Address of Operator c/o Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.		9. Well No. 1
4. Location of Well UNIT LETTER <u>E</u> , <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14S</u> RANGE <u>31E</u> NMPM.		10. Field and Pool, or Wildcat Caprock Queen
15. Elevation (Show whether DF, RT, GR, etc.) 4175' RT		12. County Chaves

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

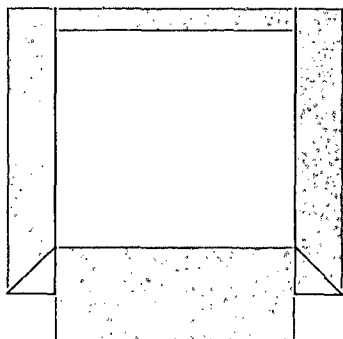
1. Set CIBP @ 2496' w/5 sx cement on top.
2. Loaded hole w/mud-laden fluid.
3. Shot & recovered production casing, 810'.
4. Spotted a 35 sx plug @ casing stub.
5. Spotted a 40 sx plug in & out of surface casing set @ 165'.
6. Spotted a 10 sx top hole plug & erected a 4" regulation marker.
7. Well was plugged and abandoned on 3/20/74.

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

SIGNED S. Saitin TITLE Agent DATE 4/10/74

APPROVED BY Walter E. O'Leary TITLE DATE 4/15

CONDITIONS OF APPROVAL, IF ANY:



10 Sx. surface plug

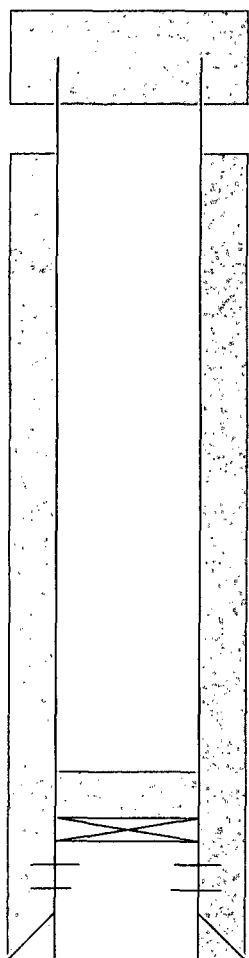
11 1/4" Hole; 8 5/8" csg. @ 216'
Cemented w/150 Sx.
Cement circulated to surface.

Set 40 Sx. cement plug @ 216'

Guest & Wolfson
DQSU Tract 33 No. 2
API No. 30-005-10038
1325' FSL & 1325' FWL, Unit K
Section 16, T-14S, R-31E
Type Well: Injection

Drilled: 5/63

Plugged: 3/74



Cut & pulled 1500' of 4 1/2" casing
Set 30 Sx. cement stub plug

Calculated TOC @ 1,647'

Mud-laden fluids placed between cement plugs

CIBP set at 2,760' w/5 Sx. cement on top

Perforations: 2,842'-2,852'

7 7/8" Hole; 4 1/2" csg. set @ 2,864'
Cemented w/300 Sx.
Calculated TOC @ 1,647'

T.D. 2,865'

Celero Energy II, LP
Form C-108; WCQSU Nos. 5 & 10
PA Schematic
DQSU Tract 33 No. 2

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
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5a. Indicate Type of Lease
State ☒ Fee ☐

5. State Oil & Gas Lease No.

30-005-10038

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. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Water Injection	7. Unit Agreement Name D.Q.S.U.
2. Name of Operator Weldon S. Guest & I. J. Wolfson	8. Farm or Lease Name Tract 33
3. Address of Operator c/o Hobbs Pipe & Supply, Box 2010, Hobbs, N. M.	9. Well No. 2
4. Location of Well UNIT LETTER K 1325 FEET FROM THE South LINE AND 1325 FEET FROM THE West LINE, SECTION 16 TOWNSHIP 14S RANGE 31E NMPM.	10. Field and Pool, or Wildcat Caprock Queen
15. Elevation (Show whether DF, RT, GR, etc.) 4184 GR	12. County Chaves

16. 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"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Set CIBP @ 2760', with 5 sx on top.
2. Loaded hole w/mud-laden fluids.
3. Shot & recovered production casing, 1500'.
4. Spotted 30 sx plug @ casing stub.
5. Spotted 40 sx plug in & out of 8-5/8" surface casing, set @ 216'.
6. Spotted 10 sx top hole plug & erected 4" regulation marker.
7. Well was plugged and abandoned on 3/30/74.

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

SIGNED S. Sarkin TITLE Agent DATE 4/10/74

APPROVED BY Nathan E. Oleg TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

No records found.

PLSS Search:

Section(s): 7-9

Township: 14S

Range: 31E

**Celero Energy II, LP
Form C-108; WCQSU Nos. 5 & 10
State Engineer
Fresh Water Data**

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

No records found.

PLSS Search:

Section(s): 16-18

Township: 14S

Range: 31E

**Celero Energy II, LP
Form C-108; WCQSU Nos. 5 & 10
State Engineer
Fresh Water Data**

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

No records found.

PLSS Search:

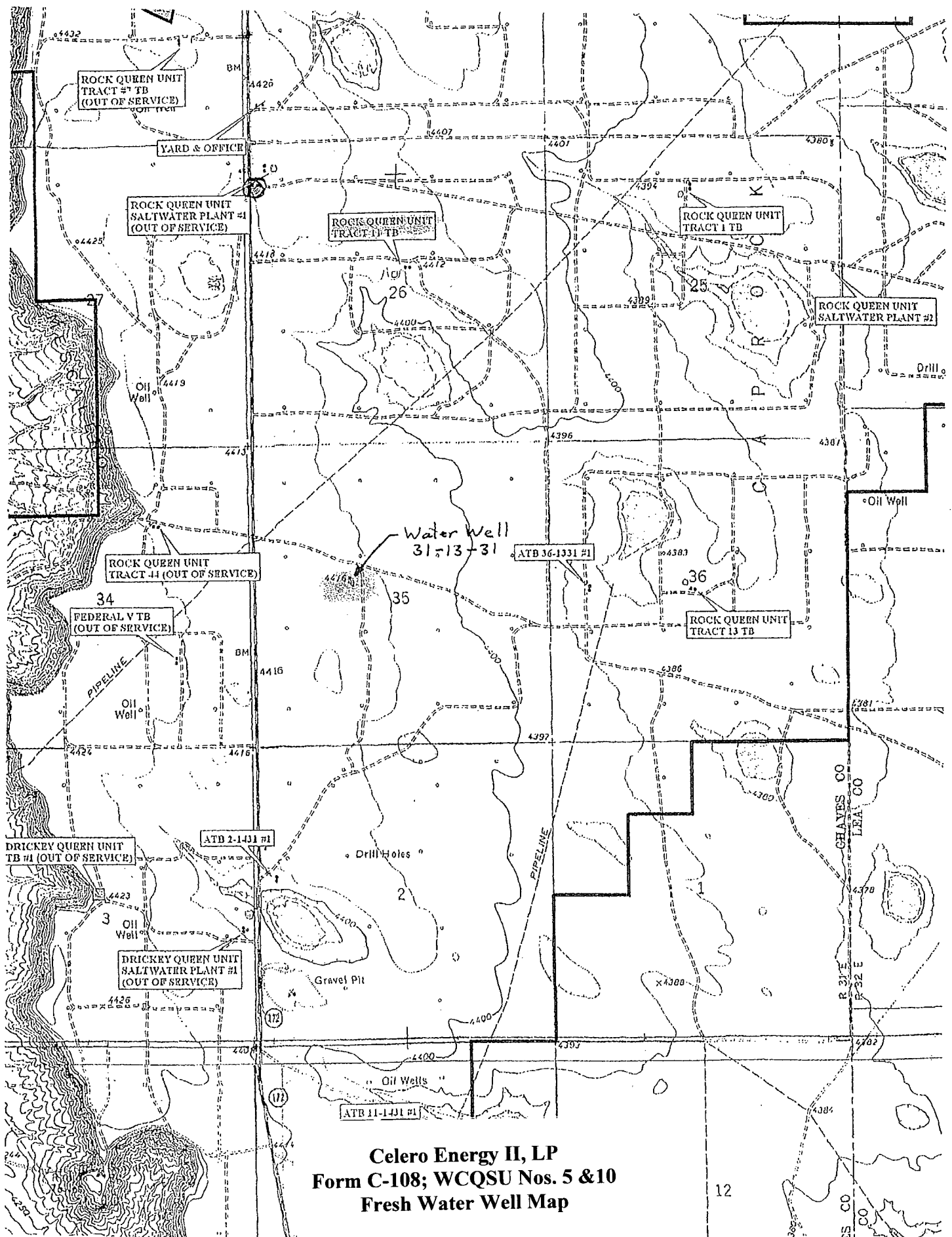
Section(s): 19-21

Township: 14S

Range: 31E

**Celero Energy II, LP
Form C-108; WCQSU Nos. 5 & 10
State Engineer
Fresh Water Data**

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Celero Energy II, LP
 Form C-108; WCQSU Nos. 5 & 10
 Fresh Water Well Map

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Celero Energy
 Lease :
 Well No.: Fresh Water
 Location:
 Attention:

Date Sampled : 17-August-2007
 Date Analyzed: 23-August-2007
 Lab ID Number: Aug2307.003- 2
 Salesperson :
 File Name : aug2307.003

ANALYSIS

1. Ph 7.100
2. Specific Gravity 60/60 F. 1.009
3. CACO3 Saturation Index @ 80F 0.133 Mild
 @ 140F 0.733 Moderate

Dissolved Gasses

4. Hydrogen Sulfide Not Present
5. Carbon Dioxide Not Determined
6. Dissolved Oxygen Not Determined

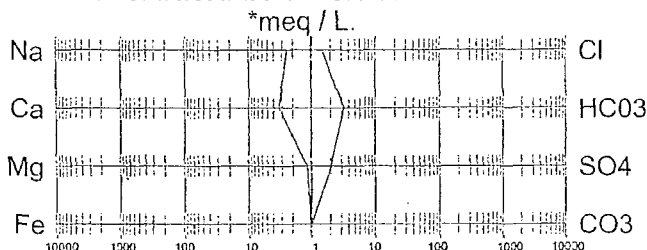
Cations

- | | | | |
|------------------------------|----------------|----------|------|
| 7. Calcium (Ca++) | 63 | / 20.1 = | 3.13 |
| 8. Magnesium (Mg++) | 13 | / 12.2 = | 1.07 |
| 9. Sodium (Na+) (Calculated) | 54 | / 23.0 = | 2.35 |
| 10. Barium (Ba++) | Not Determined | | |

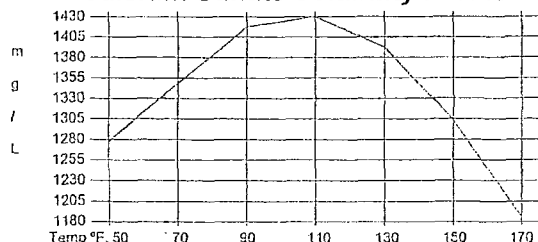
Anions

- | | | | |
|--------------------------------------|--------------------|----------|------|
| 11. Hydroxyl (OH-) | 0 | / 17.0 = | 0.00 |
| 12. Carbonate (CO3=) | 0 | / 30.0 = | 0.00 |
| 13. Bicarbonate (HCO3-) | 193 | / 61.1 = | 3.16 |
| 14. Sulfate (SO4=) | 95 | / 48.8 = | 1.95 |
| 15. Chloride (Cl-) | 50 | / 35.5 = | 1.41 |
| 16. Total Dissolved Solids | 468 | | |
| 17. Total Iron (Fe) | 2.00 | / 18.2 = | 0.11 |
| 18. Manganese (Mn++) | Not Determined | | |
| 19. Total Hardness as CaCO3 | 208 | | |
| 20. Resistivity @ 75 F. (Calculated) | 2.462 Ohm · meters | | |

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT. =	mg/L.
Ca(HCO3)2	3.13		81.04	254
CaSO4	0.00		68.07	0
CaCl2	0.00		55.50	0
Mg(HCO3)2	0.02		73.17	2
MgSO4	1.04		60.19	63
MgCl2	0.00		47.62	0
NaHCO3	0.00		84.00	0
NaSO4	0.91		71.03	64
NaCl	1.41		58.46	82

* milliequivalents per Liter

Kevin Byrne, Analyst

Celero Energy II, LP
Form C-108; WCQSU Nos. 5 & 10
Fresh Water Well Analysis

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Celero
Lease : Rock Queen
Well No.: 84
Location:
Attention:

Date Sampled : 17-July-2007
Date Analyzed: 20-July-2007
Lab ID Number: Jul2307.004- 1
Salesperson :
File Name : jul2307.004

ANALYSIS

1. Ph 6.500
2. Specific Gravity 60/60 F. 1.204
3. CACO3 Saturation Index @ 80F 1.125 Moderate
@140F 2.505 Severe

Dissolved Gasses

- | | MG/L. | EQ. WT. | *MEQ/L |
|---------------------|----------------|---------|--------|
| 4. Hydrogen Sulfide | Not Present | | |
| 5. Carbon Dioxide | 300 | | |
| 6. Dissolved Oxygen | Not Determined | | |

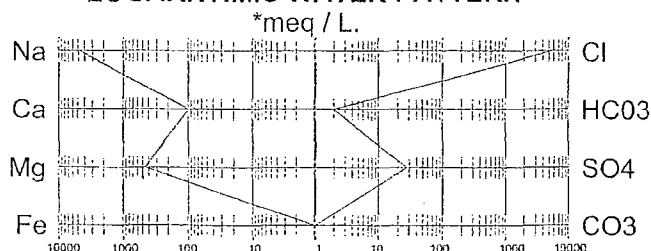
Cations

- | | | | |
|------------------------------|----------------|----------|----------|
| 7. Calcium (Ca++) | 1,876 | / 20.1 = | 93.33 |
| 8. Magnesium (Mg++) | 5,310 | / 12.2 = | 435.25 |
| 9. Sodium (Na+) (Calculated) | 107,113 | / 23.0 = | 4,657.09 |
| 10. Barium (Ba++) | Not Determined | | |

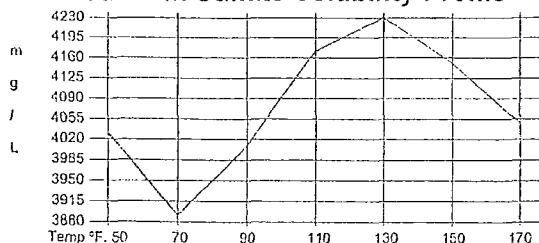
Anions

- | | | | |
|--------------------------------------|--------------------|----------|----------|
| 11. Hydroxyl (OH-) | 0 | / 17.0 = | 0.00 |
| 12. Carbonate (CO3=) | 0 | / 30.0 = | 0.00 |
| 13. Bicarbonate (HCO3-) | 117 | / 61.1 = | 1.91 |
| 14. Sulfate (SO4=) | 1,300 | / 48.8 = | 26.64 |
| 15. Chloride (Cl-) | 182,959 | / 35.5 = | 5,153.77 |
| 16. Total Dissolved Solids | 298,675 | | |
| 17. Total Iron (Fe) | 11.50 | / 18.2 = | 0.63 |
| 18. Manganese (Mn++) | Not Determined | | |
| 19. Total Hardness as CaCO3 | 26,544 | | |
| 20. Resistivity @ 75 F. (Calculated) | 0.001 Ohm · meters | | |

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	1.91		81.04		155
CaSO4	26.64		68.07		1,813
CaCl2	64.78		55.50		3,595
Mg(HCO3)2	0.00		73.17		0
MgSO4	0.00		60.19		0
MgCl2	435.25		47.62		20,726
NaHCO3	0.00		84.00		0
NaSO4	0.00		71.03		0
NaCl	4,653.75		58.46		272,058

* milliequivalents per Liter

Kevin Byrne, Analyst

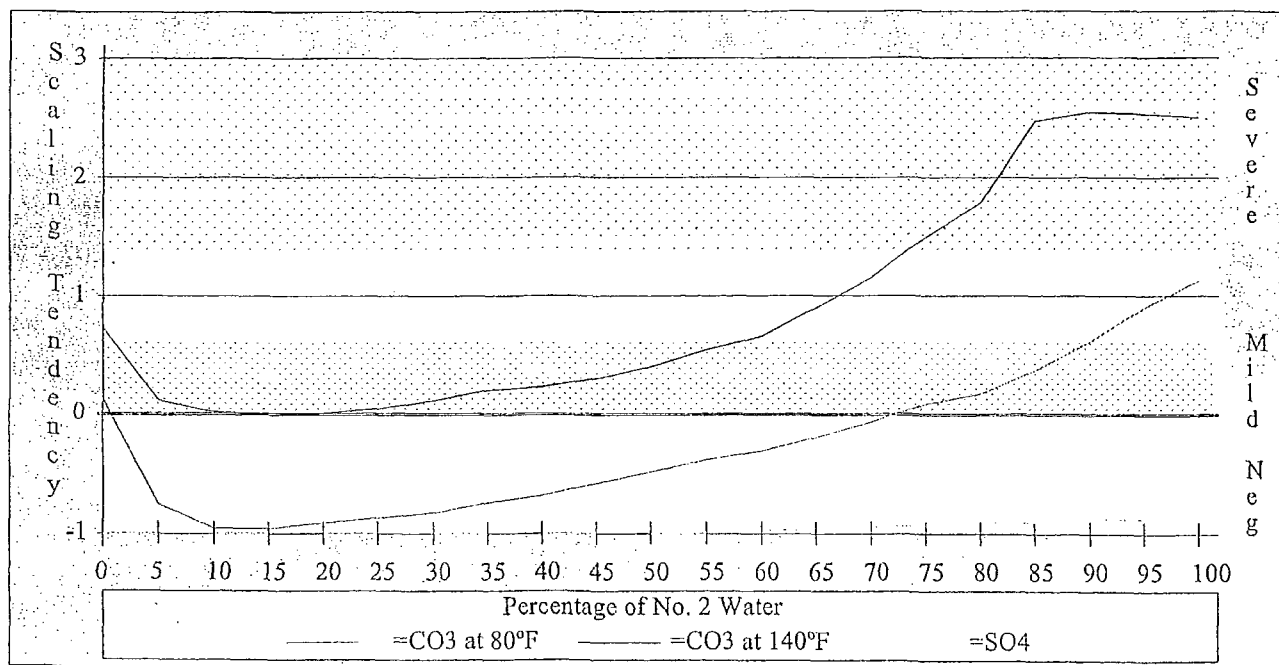
Comparison Between Two Waters

Requested by: Pro-Kem, Inc.

Sample No. 1
Celero Energy
Recovery Water

Sample No. 2
Celero Energy
Produced Water


Percent of #1 & #2	pH	TDS	SpGr	CaCO ₃ Saturation @80°F. @140°F.		Calcium Sulfate Scaling Potential
100 - 00	7.100	468	1.009	0.133	0.733	Nil
95 - 05	7.070	15,378	1.019	-0.751	0.109	Nil
90 - 10	7.040	30,289	1.029	-0.960	0.010	Nil
85 - 15	7.010	45,199	1.038	-0.952	-0.012	Nil
80 - 20	6.980	60,109	1.048	-0.908	0.002	Nil
75 - 25	6.950	75,020	1.058	-0.873	0.047	Nil
70 - 30	6.920	89,930	1.068	-0.823	0.107	Nil
65 - 35	6.890	104,840	1.077	-0.742	0.193	Nil
60 - 40	6.860	119,751	1.087	-0.679	0.226	Nil
55 - 45	6.830	134,661	1.097	-0.592	0.298	Nil
50 - 50	6.800	149,572	1.107	-0.480	0.400	Nil
45 - 55	6.770	164,482	1.116	-0.382	0.538	Nil
40 - 60	6.740	179,392	1.126	-0.307	0.653	Nil
35 - 65	6.710	194,303	1.136	-0.196	0.904	Nil
30 - 70	6.680	209,213	1.146	-0.067	1.153	Nil
25 - 75	6.650	224,123	1.155	0.080	1.500	Nil
20 - 80	6.620	239,034	1.165	0.175	1.785	Nil
15 - 85	6.590	253,944	1.175	0.367	2.467	Nil
10 - 90	6.560	268,854	1.185	0.608	2.548	Nil
05 - 95	6.530	283,765	1.194	0.898	2.528	Nil
00 - 100	6.500	298,675	1.204	1.125	2.505	Nil



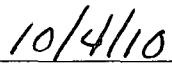
Celero Energy II, LP
Form C-108; WCQSU Nos. 5 & 10
Water Compatibility

Form C-108
Affirmative Statement
Celero Energy II, LP
West Cap Queen Sand Unit Wells No. 5 & 10
Section 17, T-14 South, R-31 East, NMPM,
Chaves County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.

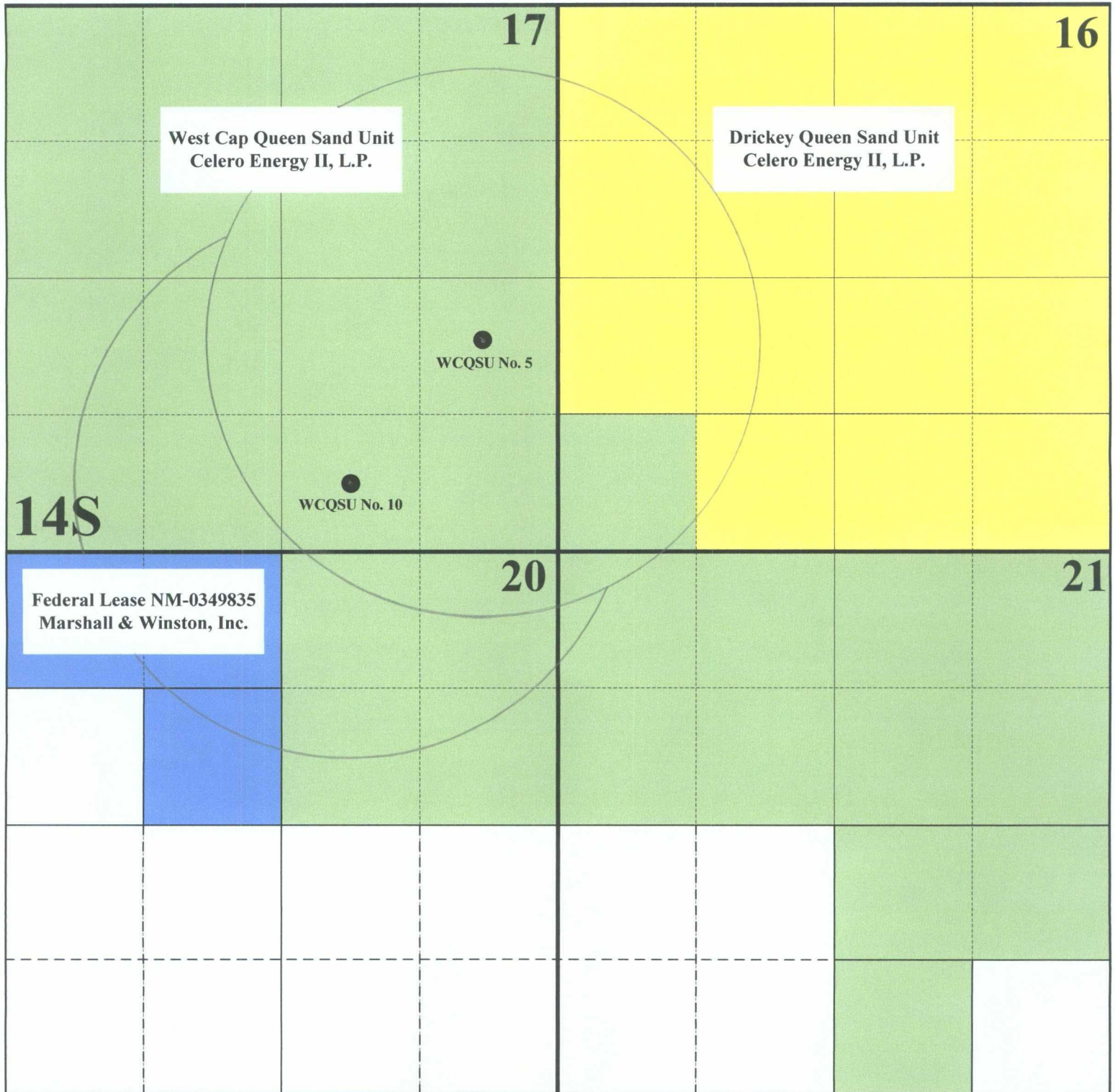


David Catanach
Agent for Celero Energy II, LP



Date

31E



Celero Energy II, LP
Form C-108 Application
West Cap Queen Sand Unit Wells No. 5 & 10
Offset Operator Identification Plat

Celero Energy II, LP
Form C-108: West Cap Queen Sand Unit Wells No. 5 & 10
Section 17, T-14 South, R-31 East, NMPM
Chaves County, New Mexico

Offset Operator/Leasehold Owner Notification List

All acreage located within a ½ mile radius of the West Cap Queen Sand Unit Wells No. 5 & 10, with the exception of the N/2 NW/4 and SE/4 NW/4 of Section 20 is currently contained within the West Cap Queen Sand Unit Area or the Drickey Queen Sand Unit Area. Both the West Cap Queen Sand Unit Area and the Drickey Queen Sand Unit Area are operated by Celero Energy II, LP

N/2 NW/4 & SE/4 NW/4 of Section 20, T-14S, R-31E

Federal Lease No. NM-0349835
Lessee: Marshall & Winston, Inc.
P.O. Box 50880
Midland, Texas 79701

Surface Owner

The West Cap Queen Sand Unit Wells No. 5 & 10 are located on State of New Mexico Lease No. B1-419-96. Consequently, notice of this application is being provided to:

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Additional Notice

Oil Conservation Division (Hobbs Office)
1625 N. French Drive
Hobbs, New Mexico 88240

October 4, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Marshall & Winston, Inc.
P.O. Box 50880
Midland, Texas 79710

Re: Celero Energy, II, LP
Form C-108 (Application for Authorization to Inject)
West Cap Queen Sand Unit Wells No. 5 & 10
Section 17, T-14 South, R-31 East, NMPM,
Chaves County, New Mexico

Dear Sir:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Celero Energy II, LP's West Cap Queen Sand Unit Wells No. 5 & 10 located in Section 17, T-14 South, R-31 East, NMPM, Chaves County, New Mexico. You are being provided a copy of the application as either the surface owner of the land on which the proposed injection wells are located, or as an offset lease owner. The proposed expansion of the West Cap Queen Sand Unit Waterflood Project will allow the completion of an efficient injection/production pattern within the Unit Area.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (505) 690-9453.

Sincerely,



David Catanach
Agent for Celero Energy II, LP
400 W. Illinois
Suite 1601
Midland, Texas 79701

Enclosure

Form C-108
Celero Energy, II, LP
West Cap Queen Sand Unit Wells No. 5 & 10
Section 17, T-14 South, R-31 East, NMPM,
Chaves County, New Mexico

Legal notice was published on September 30, 2010 in the:

Roswell Daily Record
2301 N. Main
Roswell, New Mexico 88201

A copy of the legal advertisement is attached

Celero Energy II, LP, 400 W. Illinois Avenue, Suite 1601, Midland Texas 79701 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described wells to waterflood injection wells within the West Cap Queen Sand Unit Waterflood Project, Caprock-Queen Pool, Chaves County, New Mexico:

**WCQSU Well No. 5 API No. 30-005-01097 1980' FSL & 660' FEL (Unit I)
Section 17, T-14S, R-31E
Injection Interval: 2,772'-2,792'**

**WCQSU Well No. 10 API No. 30-005-01100 660' FSL & 1980' FEL (Unit O)
Section 17, T-14S, R-31E
Injection Interval: 2,760'-2,770'**

Produced water from the Caprock-Queen Pool and make-up fresh water from the Ogallala formation will be injected into the wells at average and maximum rates of 600 and 1,500 barrels of water per day, respectively. The average and maximum surface injection pressure for each well is anticipated to be 800 psi and 1,000 psi, respectively.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. David Catanach, Agent for Celero Energy II, LP at (505) 690-9453.

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Corinna Martinez
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time with the issue dated

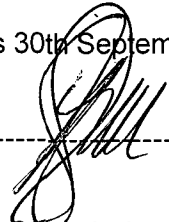
September 30, 2010



Clerk

Sworn and subscribed to before me

this 30th September, 2010



Notary Public

My Commission expires
June 13, 2014

(SEAL)

Publish September 30, 2010

Celero Energy II, LP, 400 W. Illinois Avenue, Suite 1601, Midland Texas 79701 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described wells to waterflood injection wells within the West Cap Queen Sand Unit ("WCQSU") Waterflood Project, Caprock-Queen Pool, Chaves County, New Mexico:

WCQSU Well No. 5 API No. 30-005-01097 1980'
FSL & 660' FEL (Unit I)

Section 17, T-14S, R-31E
Injection Interval:

2,772'-2,792' (Open-Hole)

WCQSU Well No. 10 API No. 30-005-01100 660'
FSL & 1980' FEL (Unit O)

Section 17, T-14S, R-31E
Injection Interval:

2,760'-2,770' (Perforated)

Produced water from the Caprock-Queen Pool and make-up fresh water from the Ogallala formation will be injected into the wells at average and maximum rates of 600 and 1,500 barrels of water per day, respectively. The average and maximum surface injection pressure for each well is anticipated to be 800 psi and 1,000 psi, respectively.

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Additional information can be obtained by contacting Mr. David Catanach, Agent for Celero Energy II, LP at (505) 690-9453.

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PS Form 3800, June 2002 See Reverse for Instructions

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 City, State, ZIP+4 *Midland, Texas 79701*

PS Form 3800, June 2002 See Reverse for Instructions