

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBS OGD
MAR 11 2014
RECEIVED

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

WELL API NO.	30-005-00938
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit/Agreement Name	Rock Queen Unit
8. Well Number	83
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input type="checkbox"/>
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 B : 660 feet from the N line and 1980 feet from the E line Section 36 Township 13S Range 31E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
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12. Check ☐ Approved for Plugging of well bore only. Liability under bond is retained pending receipt of C-103 (Specifically for Subsequent Report of Well Plugging) which may be found at OCD web page under forms! www.emnrd.state.nm.us/oed

Indicate Nature of Notice, Report or Other Data

SUBSEQUENT REPORT OF:	
<input type="checkbox"/> REMEDIAL WORK	<input type="checkbox"/> ALTERING CASING
<input type="checkbox"/> COMMENCE DRILLING OPNS.	<input checked="" type="checkbox"/> P AND A
<input type="checkbox"/> CASING/CEMENT JOB	<input type="checkbox"/>
<input type="checkbox"/> OTHER:	<input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2/17/14 - Pump 5 bbls of 12.3 ppg CaCO₃ mud to kill tbg. NDWH & NUBOP. Release pkr, pump 10 bbls of 12.3 ppg mud down annulus. LD 83 jts of 2 3/8" IPC tbg with 4" SL-4 Watson IPC pkr. TIH w/ tbg open ended w/ 91 jts of regular 2 3/8" O.D. to 2915'. Pumped 15 BPW down tbg at 1 BPM & 100#. Pump 25 sx of Class "C" cmt at 14.8 ppg. Spot cmt as a balanced plug, pumping cmt at 1 BPM at 250#. Tag @ 2910'.

2/18/14 - TIH w/ tbg WS with 2 3/8" X 4' BPPN. Ran to 2910'. Pump 10 BPW down tbg followed with 25 sx of "C" cmt w/ 2% CaCl₂. Displace cmt to obtain a balanced plug. SD and well started back flowing. Displace with a few bbls of 12.5 ppg CaCO₃ mud and put tbg on slight vacuum. Raise tbg to 1655'. WOC 3 1/2 hrs. Lower tbg back to 2910' (no fill w/ cmt). Pumped 15 BPW (no circulation), followed w/ 25 sx of "C" cmt with 2% CaCl₂. Displaced cmt w/ PW & using 7 bbls of 12.5 ppg CaCO₃ mud to place well on slight vacuum, 1 bbl over displacement. WOC.

* Continued on attached sheets

Spud Date:		Rig Release Date:	
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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 03/10/2014

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

For State Use Only

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 3/13/2014
Conditions of Approval (if any):

MAR 17 2014

2/19/14 - WOC 15 1/2 hrs. Lower tbg and tag at 2910'. No fill. Spot 25 sx of "C" cmt w/ 2% CaCl₂ and displace w/ 3 BFW & 5 BPW. Well on slight vacuum. Pull tbg to 1655'. WOC 4 hrs. Lwr tbg and tag at 2910'. No fill. TOH w/ tbg. TIH w/ tbg & 4" SL-4 pkr. Ran & set at 2400'. Load tbg-csg annulus. Pump 19 BFW at 1 BPM at 850#. SD psi = 250#. Pump 200 sx of "C" cmt w/ 2% CaCl₂ at 14.8 ppg. Displace cmt 1 bbl below pkr at 1 BPM with pressures going from 250# to vacuum back to 100# SD psi. Stage cmt in 20 to 30 minutes intervals. Displace to 2600' with SD psi = 225#. WOC.

2/20/14 - WOC 13 1/2 hrs. Release pkr.

2/21/14 - TOH w/ tbg & pkr. TIH w/ tbg WS and tag TOC at 2641'. Perf 4" csg, 4 SPF, 12.5 gram charges at 2468'. TIH w/ tbg WS & 4" SL-4 pkr. Ran to 2140'. Load tbg-csg annulus. Pump 15 BFW down tbg and well circ. Set pkr. Pump 5 BFW thru perfs at 1 BPM & 300#. Pump 100 sx of "C" cmt w/ 2% CaCl₂ & displace 1 bbl below pkr. Staged cmt in 2-30 min and 1-25 min intervals, w/ 1/2 bbl volumes. Over displaced w/ 7 BW. WOC 2 hrs. Pumped 5 BFW at 1 BPM at 200# to establish an inj. rate. Pump 185 sx of "C" cmt w/ 2% CaCl₂ (14.8 ppg) and displaced at 1 BPM w/ 500#. SD pressure = 320#. Displace cmt in 4 stages in 1/4 to 1/2 bbl volumes with SD times between stages from 15 to 30 mins. Max SD psi = 325#, unable to squeeze off perforated interval. Over displaced with 7 BFW at 1 BPM & 500#. SD psi = 400#. WOC.

2/24/14 - WOC 4 hrs. Pump down tbg into perfs at 2468' w/ 5 BFW at 1 BPM & 500#. SD psi = 350#. Pump 150 sx of "C" cmt w/ 2% CaCl₂ (14.8 ppg). Displace cmt at 1 BPM from 50# to 600#, 1 bbl below pkr. SD psi = 340#. Pump cmt in 1/4 to 1/2 bbl stages in 20 to 30 minutes between stages. Max SD pressures ranged from 300# to 340#. Over displaced cmt w/ 7 BFW with a SD psi of 500#. WOC 2 hrs. Pump down tbg into perfs at 2468' w/ 5 BFW at 1/2 BPM & 1000# SD psi = 500#. Pump 150 sx of "C" cmt w/ 2% CaCl₂ (14.8 ppg). Displace cmt at 1 BPM w/ pressures going from 500# down to 100 back up to 500#. SD psi 340#. Pump cmt in 4 - 1/4 to 1/2 bbl stages in 15 to 30 min time frames. Max SD pressures ranged from 280# to 380#. Final SD = 380#. Estimated TOC = 2315'.

2/25/14 - WOC 14 hours. Load and test down tbg with 1000#. Held ok for 30 mins. Bled off pressure with no flow back. Release pkr and TOH. Ran tbg with 2 3/8" BPPN and tag at 2225'. TOH w/ tbg. Perf 4" csg, 4 - 12.5 gram charges at 2223'. Perf 4" csg at 1500'. TIH w/ tbg and 4" SL-4 packer. Ran and set at 1890'. Attempt to pump into perfs at 2223'. Pressured to 1500# and would not take fluid. TOH w/ tbg & pkr. Ran tbg with 2 3/8" BPPN to 2222'. While circulating, fluid started coming out of the 4" x 5 1/2" annulus thru perfs at 1500'. Circ both strings with same density fluid. Spot 25 sx of "C" cmt w/ 2% CaCl₂ at 2222'. TOH w/ tbg.

2/26/14 - WOC 16 hrs. TIH & tag TOC at 1874'. TOH w/ tbg and BPPN. TIH w/ tbg & pkr. Ran & set at 1134'. Circ hole, both 2 3/8" x 4" annulus and 4" x 5 1/2" annulus with 10 ppg PW. Closed off 4" x 5 1/2" annulus, pumped 5 BPW down tbg to 700# thru perfs at 1500' at 1/2 BPM. SD psi = 400#. Pumped down 4" x 5 1/2" annulus with tbg closed. Pressured to 1000# with no rate. SD & bled off to 400#. Raise pkr to 788'. Pump 40 sx of "C" cmt w/ 2% CaCl₂ and displaced at 1 BPM & 500# to 1200', (4" x 5 1/2" annulus was closed on displacement), SD psi = 260#. WOC 30 mins. Pump an additional bbl of displacement fluid at 1/2 BPM & 500#. Displaced to 1300' FS. SD psi = 300#. WOC 2 3/4 hrs. No flow out tbg and 4" x 5 1/2" annulus. TOH.

2/27/14 - WOC 15 hrs, TIH w/ tbg and tag TOC at 1197' (perf @ 1500'). TOH w/ tbg. NDBOP, remove slips out of WH & NU pull nipple. Jet cut 4" csg at 1178'. TOH w/ 38 jts plus one 10' piece of 4", 9.5# UFJ, J-55 casing. NUBOP, TIH with tbg and spot 25 sx of "C" cmt w/ 2% CaCl₂ at 1197'. TOH w/ tbg.

2/28/14 - Tag TOC at 1071'. TOH w/ tbg. Perf 5 1/2" csg at 400'. TIH w/ tbg and pkr. Pkr stopped at 120'. Raise to 118'. Pumped down tbg to establish circ. Pumped 5 BPW at 300# & 1 BPM. Unable to circ out 5 1/2 X 8 5/8 annulus. TOH w/ tbg & pkr. Ran tbg OE to 472' & spot 20 sx of "C" cmt w/ 2% CaCl₂. WOC 4 hrs. TIH & tag at 425'. Attempt to pump into WB. Pumped 5 BPW and pressure went to 500#. TOH w/ tbg. Perf at 320'. TIH w/ tbg OE to 355'. Unable to go deeper. Pump down tbg w/ 5 BFW at 1 BPM, 200# and had circ out 5 1/2" x 8 5/8" annulus. Pump 80 sx of "C" cement w/ 2% CaCl₂. Cement started circulating out 5 1/2 x 8 5/8" annulus & out around 8 5/8" WH. Circulate out 5 sx. Unable to get circulation out the 2 3/8" x 5 1/2" annulus.

3/3/14 - WOC 61 hrs. TIH w/ tbg OE and tag at 254'. Circ hole with FW. Test 5 1/2" csg to 200# and held okay. Pump 30 sx of "C" cmt with 2% CaCl₂ and circ cmt down 2 3/8" O.D. tbg out into 5 1/2" annulus. Fill up WB. TOH, LD tbg. NDBOP & remove 5 1/2 WH. Finish filling up 5 1/2" csg. Both 8 5/8" X 5 1/2" annulus & 5 1/2" csg are filled with cmt.

3/4/14 - Dug out cellar. Remove WH's. Weld plate on 8 5/8" & 5 1/2" casings and install dry hole marker. Clean location. Well P&A.

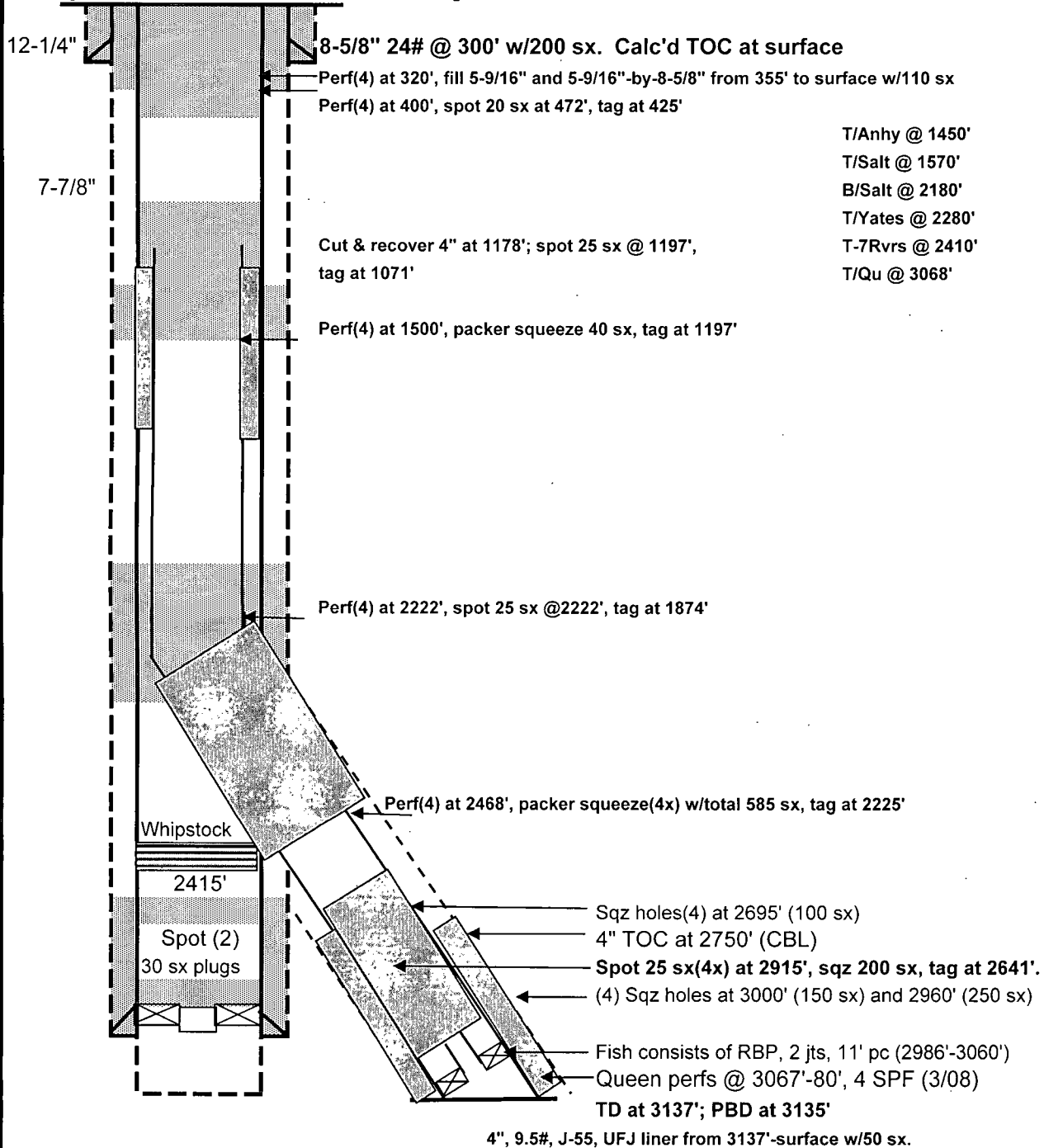
CELERO ENERGY

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

DATE: 5-Mar-14
BY: MWM
WELL: 83
STATE: New Mexico

Location: 660' FNL & 1980' FEL, Sec 36B, T13S, R31E
SPUD: 9/55 COMP: 9/55
CURRENT STATUS: P&A
Original Well Name: Great Western Drilling Co. State 'U' #9

KB = 4395'
GL = 4386'
API = 30-005-00938



Original hole:

PBTD - 3080'
TD - 3080'

Set CIBP on TOC at 2415' after spotting (2) 30 sx plugs at 2790'
HOWCO injection packer at 2800'--unable to recover
5-9/16" 16# @ 3068' w/100 sx; calc'd TOC at 2621' w/enlargement=15%; yld=1.26FT3/sk
Top of Queen @ 3068:
Queen Open Hole: 3068' - 3080' (5-55)