District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
NOV 03 2008
HOBBS OCD

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
CELERO ENERGY II, LP 400 W. Illinois, Ste. 1601 Midland, TX 79701	247128
	[3] API Number 30-005-00840

[3] Property Code	[5] Property Name	[6] Well No.
~~20416~~ 303735	Rock Queen Unit	504

[9] Proposed Pool 1	[10] Proposed Pool 2
Caprock Queen	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	13S	31E		660	South	1980	West	Chaves

[8] Proposed 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

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
E	I	R	S	4407' GL
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	3100'	Queen		When approved

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
100+	1 mile	2000'

Pit: Liner: Synthetic ☐ ____ mils thick Clay ☐ Pit Volume: ____ bbls Drilling Method:

Closed-Loop System ☒ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
	8 5/8"	24#	See attached sheet	See attached sheet	
	5 1/2"	14#	See attached sheet	See attached sheet	

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Old name and # was: Rock Queen Unit 24 #14
New name and # is: Rock Queen Unit #504

See attached sheet.

Permit Expires 2 Years From Approval Date Unless Drilling Underway

WFX-90

Permit Expires 2 Years From Approval Date Unless Drilling Underway
Re-Entry

[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 the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Printed name: Lisa Hunt Lisa Hunt

Title: Regulatory Analyst

E-mail Address: LHunt@celeroenergy.com

Date: 10/30/2008 Phone: (432)686-1883

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: NOV 14 2008 Expiration Date:

Conditions of Approval Attached ☐

157

RECEIVED
NOV 03 2008
HOBBS (OCD)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-005-00840	08559	Caprock Queen

[4] Property Code	[5] Property Name	[6] Well Number
~~20416~~ 303735	Rock Queen Unit	504

[7] OGRID No.	[8] Operator Name	[9] Elevation
247128	CELERO ENERGY II, LP	4407' GL

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	13S	31E		660	South	1980	West	Chaves

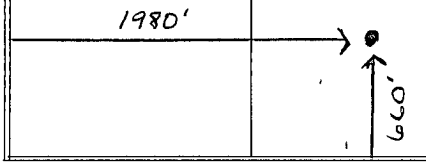
[11] Bottom Hole Location If Different From Surface

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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.

16



[17] OPERATOR CERTIFICATION

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.

Lisa Hunt — 10/16/2008
Signature — Date

Lisa Hunt
Printed Name

[18] SURVEYOR CERTIFICATION

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

Workover Procedure

DATE: *09-22-08*

FIELD: *Caprock* **AREA:** *Chaves County, New Mexico*

LSE/UNIT: *Rock Queen Unit* **WELL NO.:** *504*

Workover Objective: Re-enter P&A'd RQU #24N (State "W" #2). Run and cement new casing string as needed. Clean out/ drill out well to new TD @ 3100' +/-. Run GR/CCL/CN log from TD @ 3100' +/- to 1500' +/-. Verify casing integrity. Acidize Queen interval. Return well to water injection.

Wellbore Sketch: Attached

Well History: Attached

Background Information: This 1955 drill well was converted to water injection 10/1961. Last reported injection was 06/1975, injecting 95 BWPD. This well injected 1218 MBW at an IWR of 0.9 to 3.0. This well is an open hole completion that penetrated the top 3' of the Queen sand interval in an area of the field that should have 8' of net pay. The well was P&A'd 01-76.

PROCEDURE:

1. MIRU PU. Install wellhead and nipple up BOP's.

2. Drill out the surface 10 sx cement plug in the 8 5/8" surface casing and DO the 30 sx cement plug across the 8 5/8" casing shoe from 226' +/- to 338' +/-. DO/CO the wellbore to the top of the cut off 5 1/2"/14# casing at 1,139' +/-. Circulate well clean. Report any signs of pressure or gas to engineering. TOOH w/ workstring and bit.

3. TIH w/ rock bit for 5 ½" casing on workstring. Re-enter cut off 5 ½" casing. Dress off top of cut 5 ½" casing as best as possible to allow for the running of tools and in preparation for tying into 5 ½" casing with new casing to surface. DO/CO well to top of cement plug @ 2753' +/-. Circulate well clean. TOOH w/ workstring and bit.

4. MIRU wireline unit Log the 5 ½" casing from the top of the cement plug to the top of the cut off 5 ½" casing with a CBL/casing inspection log. There are no logs to correlate to on this well. RDMO wireline unit. **Consult with engineering the results of the logging.**

5. MIRU casing crew. RIH w/ 5 ½"/14# casing and tie into top of cut off 5 ½" casing @ 1,139' +/-. RDMO casing crew.

6. TIH w/ rock bit for 5 ½" casing on workstring. Drill out 100 sx cement plug from 2753' +/- to TD @ 3066'. Circulate well clean. Report any signs of pressure or gas to engineering.

7. DO well to new TD of 3100' +/-. Circulate well clean. TOOH w/ workstring and bit.

8. TIH with 5 ½" RBP and packer on workstring to check casing integrity of the wellbore. Repair casing as needed.

9. MIRU wireline unit. RU lubricator. Log the 5 ½" casing from the new TD @ 3100' +/- to 1500' +/- with a GR/CCL/CN log. There are no logs to correlate to on this well. RDMO wireline unit. **Consult with engineering and geology the results of the logging.**

10. TIH with injection packer and BHA on 2 3/8" injection tubing. Set packer @ 3000' +/-. Circulate packer fluid up tubing-casing annulus. Pressure test tubing-casing annulus to 600 psi.

11. Acidize the Queen sand interval (3063' – 3071') w/ 1000 gal 7.5% NEFE HCl acid in two stages with 500# rock salt in saturated 10 PPG brine as the diverting agent between each stage. Pump acid treatment @ 4 – 6 BPM not to exceed 3000 psi STP.

12. Flow/swab load back.

13. Nipple down BOP. RDMO PU.

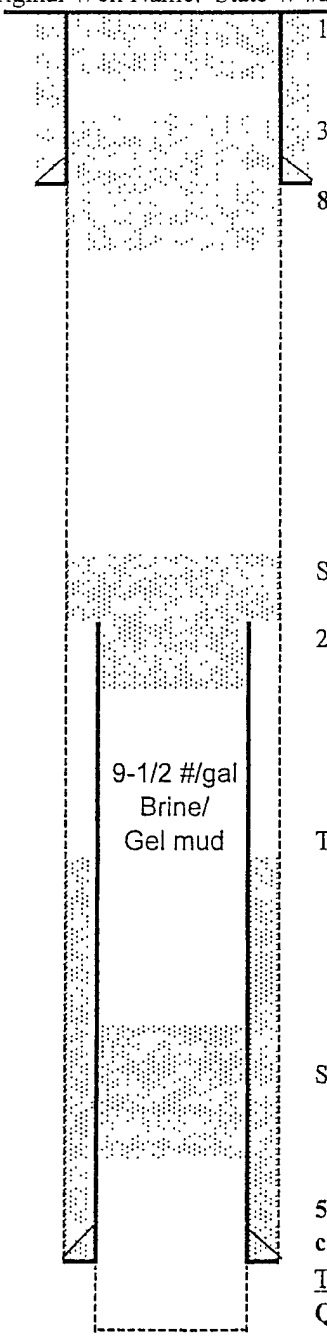
14. Return well to water injection.

CELERO ENERGY

		DATE:	Dec. 7, 2007
FIELD:	Caprock	BY:	GSA
LEASE/UNIT:	Rock Queen	WELL:	~~24N~~ 504
COUNTY:	Chaves	STATE:	New Mexico

Location: 660' FSL & 1980' FWL, Sec 24N, T13S, R31ECM
SPUD: 11/55 COMP: 11/55
CURRENT STATUS: P&A Injector (1-76)
Original Well Name: State W #2

KB = 4416'
GL = 4407'
API = 30-005-00840



10 sx cmt plug @ surface

30 sx cmt plug @ 226' - 338'

8-5/8" 24# @ 298' cmt'd. w/ 200 sx. TOC @ surface (calc).

Shot and Pulled 5-1/2" csg @ 1139'. Attempted cut @ 1305' but pipe not free.

20 sx cmt plug @ 1095' - 1195'

TOC @ 2382' (calc)

Spotted 4-25 sx cmt plugs to obtain successful plug @ 2753' - 3020'

5-1/2" 14# @ 3063'
cmt'd. w/ 100 sx (DNC)
Top of Queen @ 3063':
Queen Open Hole: 3063' - 3066' (11-55)

PBTD - 3066'
TD - 3066'