

HOBBS OCD

OIL CONSERVATION DIVISION

02 2011 220 South St. Francis Dr.

Santa Fe, NM 87505

DEC 02 2011

RECEIVED

WELL API NO.

30-005-29185

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Rock Queen Unit

8. Well Number 316

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, LP3. Address of Operator 400 W. Illinois, Ste. 1601
Midland, TX 79701

4. Well Location

Unit Letter J : 2080 feet from the S line and 1830 feet from the E line
Section 26 Township 13S Range 31E NMPM County Chaves11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4405' GL

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐OTHER: Well completion ☒

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.

11/3/11 - Ran GR/CCL/CNL from 2000' to 3100'. Perf 5 1/2" csg w/ 3 1/8" cased gun, 2 SPF, 180 degree phasing from 3039' to 3054'; 15' & 30 holes. Swab 3 hours & recovered 28 BFW; SFL = Surface & EFL = 2000' FS.

11/4/11 - Pump 5 BFW @ 2170# & 3.0 BPM. No breakdown. Well started taking fluid. Acidized w/ 1500 gal of 7 1/2% NE-FE acid & 45 ball sealers. Flushed w/ 30 BFW. Treating pressures: Max = 3500#; Average = 2200# at 4.0 BPM ISIP = 1850#; 5 min = 1609#; 10 min = 1412#; 15 min = 1240#; TLTR = 86 bbls. Swab 2 1/2 hrs & recovered 35 BLW, lack 51 BLW to recover, unable to go deeper than 1900'. SFL = Surface; EFL = 1900' FS. Well swabbed down. Release pkr, TOH, LD tbg WS w/ pkr. Ran 92 jts of 2 3/8" O.D. 4.7# 8rd EUE J-55 IPC tbg w/ special thread lubricant + 1-8' x 2 3/8" IPC tbg sub plus 5 1/2" nickel plated AS1-X pkr w/ 1.50" "F" profile nipple. Release on/off tool & circ hole w/ pkr fluid. Latch back onto pkr & pulled 8 pts of tension on pkr. Set pkr from 2998' to 3006'. NDBOP & NU 7 1/16", 3K, slip type tbg flange w/ donut and 2 1/16", 5K tbg valve. Test tbg-csg annulus w/ 540# pressure & held okay for 15 min. Well now ready for wtr injection as per Order No. WFX-891.

11/30/11 - Ran MIT. Tested 32 mins from 500# to 475#. Witnessed by Maxey Brown w/OCD & approved. Original chart is attached.

Spud Date: 10/09/2011

Rig Release Date: 10/15/2011

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

SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 11/30/2011Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883

For State Use Only

APPROVED BY: [Signature] TITLE RETALIUM BARBER DATE DEC 07 2011

Conditions of Approval (If any):

DEC 07 2011

MIDNIGHT

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

11/30/2011

BR 2221

TFH
1000#/min
CALIB 6/30/2011

CELERO ENERGY
ROCKAWAY UNIT
#316
J 26-13-316
30-005-29185

INITIAL TEST
START 500#
FINAL 475#
TIME 32 min

Mary Brown
OCD

PKE@
3006
TEEF@
3039

6 P.M.

6 A.M.

NOON