Submit 1 Copy To Appropriate District Office
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

HOBBS OCD
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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO.	30-005-00928
5. Indicate Type of Lease	STATE [X] FEE [ ]
6. State Oil & Gas Lease No.	303735
7. Lease Name or Unit Agreement Name	ROCK QUEEN UNIT
8. Well Number	96
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 [X] 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 C : 660' feet from the N line and 1980' feet from the W line
Section 35 Township 13S Range 31E NMPM County CHAVES
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 4410' KB

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [X]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
OTHER: [ ]		OTHER: [ ]	

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.

6/11/12 - Perf 4 tbg punch holes in 2 7/8 " OD tbg at 2903'.
6/12/12 - Ran CIL from surface to 2965'. Ran GR/CCL/ CBL from 18' to 2965'.
6/13/12 - Found small leak in top collar. Left pin looking up at 32'. Ran 1 jt (45.90') of 5 1/2" 15.5# LT&C J-55 csg & tied into backed off csg at 32'. Set slips & pulled 25K tension on 5 1/2" csg. Cut off csg, weld on bell nipple, NUWH & BOP. Ran pkr on tbg to 64' & tested backed off area at 32' w/ 550# & held okay. Lower pkr to 886' to re-affirm 5 1/2" csg leaks. Found csg leaking from 512' to 886'. Tested csg from 576' to 886' with 550#, losing from 100# to 200# in 1 minute. Made several settings over the 576' to 886' interval. Tested csg from 512' to 576' & was able to pump into csg leak(s) at 1.1 BPM & 450#. TOH w/ tbg & pkr.
6/14/12 - Ran 2 7/8" OD tbg OE to 896'. Circ hole with FW. Spot 30 sx of Class "C' cmt with 2% CaCl2 from 896' back to 588' covering the area of small csg leak seepage. Mixed cmt at 14.2 ppg. TOH w/ tbg. TIH w/ tbg and 5 1/2" AD-1 pkr, ran and set at 256'. Place 500# on tbg-csg annulus. Pump 100 sx of Class "C" cmt with 2% CaCl2 at 14.8 ppg w/ 1.32 yield. SD & wash up. Displace cmt 2 bbls below pkr at 1 BPM & 450#. Stage cmt in 1/4 to 1/2 bbl increments, displacing cmt to 480' with a SD psi of 525#.
* Continued on attached sheet

Spud Date: Rig Release Date:

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

SIGNATURE Lisa Hunt TITLE Operations Tech DATE 07/23/2012

Type or print name Haylie Urias E-mail address: hurias@celeroenergy.com PHONE: (432)686-1883

For State Use Only

APPROVED BY: TITLE Dist. Mgr DATE 7-30-2012

Conditions of Approval (if any):

JUL 30 2012

Rock Queen Unit #96 – C103 continued

6/15/12 - WOC 21 hrs, test down tbg with 650#; lost 75# in 5 min. Release pkr & TOH. TIH w/ 4 7/8" bit, 6-3 1/8" DC's & ran on 2 7/8" tbg. Tag at 524'. RU swivel. Drill cmt from 524' to 604' in 45 min. Circ hole clean. Test well bore FS to 604' w/ 500# & lost 60# in 5 min. TOH w/ tbg & BHA. TIH w/ tbg & pkr. Made the following tests: 1) Down tbg; (TD @ 604') test at 590', 576', 543' & 512' w/ 500#. Lost 50# in 5 min @ each setting. 2) Test tbg/csg annulus FS to 512' w/ 525#; lost 50# in 5 min. TOH with tbg, change out pkrs & set at 512'. 1) Test down tbg to 500# & lost 50# in 5 min from 512' to 604'. 2) Test tbg/csg annulus FS to 512' to 500# & lost 50# in 5 min. 3) Placed 500# on tbg & tbg/csg annulus w/ pkr set. Tbg lost 50# in 5 min. Tbg-csg annulus did not lose any psi. 4) Release pkr & placed 500# on well bore. Lost 50# in 5 min and 60# in 10 min.

6/18/12 - TOH w/ tbg & pkr. TIH w/ 2 7/8" tbg, 6- 3 1/8" DC's & 4 7/8" OD bit. Ran bit to 604'.RU swivel to resume drlg cmt. Drill 1' of cmt & fell out to 760'. Drill cmt from 760' to 896'. Most of the cmt was fairly firm but very fine. Ran bit to 1029' & circ hole clean. Test well bore to 500# & lost 40# in 5 min & 90# in 15 min. TOH w/ tbg & BHA. TIH with tbg & A&M Packer's 5 1/2" RBP. Ran & set from 585' to 589'. TOH w/ tbg & retrieving head for RBP. TIH w/ 5 1/2" AD-1 pkr & set at 575'. Test tbg-csg annulus to 575# & lost 15# in 15 min. Test down tbg from 575' to 585' to 500# & lost 50# in 15 min. Lwr pkr to 582' & test from 582' to 585' with 525# with no loss in pressure. Appears the interval from 575' to 582' is leaking. Raise RBP to 488' & set from 488' to 492'. Test annulus to 550# with no pressure loss. Lwr RBP to 910' & set from 910-914'. Tested to 560# for 15 min and lost 80# to 480#.

6/19/12 - TOH w/ tbg & retr head for RBP (RBP at 910'). TIH w/ tbg & 5 1/2" AD-1 pkr. Test RBP, tbg & pkr with pkr at 878' to 700# with no psi loss. Test down tbg from 808' to 910' to 550# & lost 150# to 400# in 5 min. Test tbg-csg annulus FS to 808' w/ 550# & lost 90# to 460# in 5 min. TOH w/ tbg & pkr. Ran retr head & recovered RBP at 910'. Ran GR/CCL/CBL FS to 1000'. Ran tbg with 4 3/4" string mill, 2- 3 1/8" OD DC's & 4 7/8" OD tapered mill. Ran FS to 2985' (RBP @ 2990' per tally). RU swivel & rotated from 520' to 1045'. Lower & finish running to 2985'. Recovered about 1 gallon of cuttings, i.e., paraffin, cmt cuttings, specks of red bed & some rust. Circ hole clean. Start out of hole with tbg and BHA.

6/20/12 - RU to run 5 1/2" csg brush to clean out inside 5 1/2" csg. Ran of 2 7/8" OD tbg & 5 1/2" csg brush. Ran FS to 2985' (RBP at 2990'), reciprocating each jt. Circulated hole with 250 gallons of Toluene & recovered an estimated 5 gallons of paraffin with scale & small pieces of cmt. TOH w/ tbg & csg brush. Brush appears to be in good condition & was clean. TIH w/ tbg & retrieving head for RBP. Ran to 2984', washed off 6' of fill & sand to RBP at 2990'. Circulated hole with clean PW, recovering more paraffin with sand & some scale. Raise tbg 3' & CWI.

6/21/12 - Lower retr head, latched onto RBP & TOH w/ RBP. TIH w/ tbg, DC's & 4 7/8" bit. Ran & tag at 3057'. Clean out to TD of 3059', recovered paraffin & formation. TOH w/ tbg, LD BHA. TIH w/ tbg, Globe Energy's 5 1/2" nickel plated AS1-X pkr with cap string fittings, on-off tool w/ 1.56 R profile nipple (with plug in place) & 2 jts of 2 3/8" OD 2500# WP fiberglass tbg w/ mule shoe cut on btm jt. Set pkr from 2980' to 2991' & fiberglass tbg from 2991' to 3048'. Release overshot on on-off tool & circulate hole with packer fluid..

6/22/12 - TOH, LD 2 7/8" OD tbg WS w/ on-off tool for pkr. NDBOP & NU 5 1/2" screw bottom x 7 1/16" 3K flanged top WH. TIH w/ Globe Energy's top assembly (on-off tool w/ cap string connections) & ran on 91 jts of 2 3/8"OD 4.7# 8rd EUE CO2 compatible IPC tbg with 1- 10' x 2 3/8" nickel plated tbg sub, 3- 6" x 2 3/8" IPC tbg subs. Latched onto pkr assembly at 2980'. Banded 2- 3/8" stainless steel cap (tbg) strings while running the 2 3/8" IPC tbg. Place 6 pts of compression on pkr. Tied onto 3/8" cap strings & pumped 10 gal water down CO2 line & 15 gallons of water down the fluid cap string indicating all worked as designed. NU 7 1/6" WH flange with 1- 2 3/8" opening for tbg + 2- 1" openings for cap strings. Installed 1" stuffing boxes for cap strings, capped off cap strings & installed 3K 2 3/8" NP tbg valve.

6/25/12 - Clean location, RDMO.