

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 OGD State of New Mexico
Energy, Minerals and Natural Resources
APR 29 2013
RECEIVED
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

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| 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.) | | WELL API NO. 30-005-00820 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input checked="" type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Celero Energy II, LP | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701 | | 7. Lease Name or Unit Agreement Name Rock Queen Unit |
| 4. Well Location Unit Letter J : 1980 feet from the S line and 1980 feet from the E line Section 23 Township 13S Range 31E NMPM County Chaves | | 8. Well Number 19 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | | 9. OGRID Number 247128 |
| | | 10. Pool name or Wildcat Caprock; Queen |

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Unsuccessful attempt to return to injection ☒

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.

4/10/13 - MIRU. Change out WH with 5 1/2" X 2 3/8", 2000# tbg head. Well did not show to have tbg at the surface. Tally tbg, PU & TIH w/ 2 7/8" tbg WS, 5 1/2" csg scraper and 4 3/4" bit. Ran & tag at 3009' per tally. (TOL = 3009'). Rotate tbg & indicates rotating on metal. TOH w/ tbg, csg scraper and bit.

4/11/13 - Ran CIL from 30' to 3012'. TIH w/ tbg WS with A & M's 5 1/2" pkr and RBP. Ran and set RBP at 2989', raised pkr to 2969'. Tested tbg, pkr and RBP w/ 600# and held okay. Test down tbg-csg annulus FS to pkr at 2969' w/ 565#. Tested 15 mins with no pressure loss. Lower pkr, latched onto RBP & TOH w/ tbg & tools. TIH w/ tbg and 3 3/4" bit. Tag at 3015'. Rotate string, indicating rotating on metal. TOH w/ tbg & bit. TIH w/ tbg, 3 1/8" BS & spear with 2 3/8" grapple to catch inside of tbg. Unable to get past 3015'. Spear did not indicate to go inside of tbg. TOH w/ tbg and tools.

4/12/13 - Ran tbg with 3 1/2" O.D. lead impression block. Ran to 3015'. TOH with tbg and block. Had two large indentations on 1 side, 3 1/2" in circular diameter, 1" wide and 1 to 1 1/2" across. Appears to be junk on top of liner. Ran 4 1/2" magnet to 3015'. TOH. No recovery, Ran tbg with 4 1/2" O.D. impression block. *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 Regulatory Analyst DATE 04/16/2013

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

APPROVED BY: [Signature] TITLE Dist. MGR DATE 4-30-2013
Conditions of Approval (if any):

APR 30 2013

Rock Queen Unit #19 – C103 continued

4/12/13 - Tag about 10" higher than the 3 1/2" O.D. block. TOH and had same impression as the smaller 3 1/2" O.D. lead impression block. TIH w/ tbg, 2 - 3 1/8" O.D. DC's and 3 3/4" x 4' cutrite shoe with diamonds and wires. Tag at 3015'. RU swivel. Milled from 3015' to 3017' in 50 minutes with no circulation (lost a total of 115 BPW). TOH. Mill was worn out on bottom, wires and diamonds pushed in (wires and diamonds went up inside of shoe 15 inches). Appears shoe went over fish 25". Did not have any recovery. TIH w/ tbg WS with 2 3/8" O.D. DC's, 3 1/8" O.D. BS & 3 3/4" O.D. short catch overshot w/ 2 3/8" grapple. Tag at 3015'. Unable to catch fish. TOH. End of overshot showed to have rotated to try & catch fish. The 2 3/4" I.D. overshot was too small to go over fish.

4/15/13 - TIH w/ tbg WS, 2 - 3 1/8" DC's, 3 3/4" O.D. hydraulic jars & 3 3/4" overshot with cut lip guide & grapple for 2 3/8" O.D. tbg collar. Ran to 3015'. Unable to get over fish. Set down to try and grap fish. Unable to rotate drill string. TOH. Grapple did not show to get over fish. Ran 4 1/2" lead impression block. One side of same had 1/8" shaved off. Opposite had one gouge with faint circular showing of 2 3/8" O.D. tbg collar. Wait on tools. TIH w/ tbg WS, 2 - 3 1/8" DC's, 3 3/4" O.D. hydraulic jars, 3 1/8" O.D. BS, 4 11/16" O.D. short catch overshot with grapple for 2 3/8" O.D. collar. Ran to 3015'. Made several attempts to catch fish. Finally latched onto same. Jarred 1 hour and 10 minutes with 25 to 42K over string weight. Overshot came loose. Lower same and attempt to latch back onto fish. Could pull 22K over string weight but would slip off. TOH w/ tbg & tools. No recovery. TIH w/ tbg WS, 2 - 3 1/8" DC's, 2 jts of 3 3/4" wash pipe & 3 3/4" O.D. x 3 1/8" I.D. x 3' long cutrite shoe. Ran to 3011'. RU swivel and start milling. Made 12' in 20 minutes & another 2' in 25 minutes. Last 2' showed a lot of torque. Made a total of 14' to 3025'. PU and go over top of fish with no torque. In fact no torque until got to 3025'. Raise mill to 2999', above top of fish & CWI.