

Submit 1 Copy To Appropriate District

Office

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1625 N. French Dr., Hobbs, NM 88240

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District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

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1220 S. St. Francis Dr., Santa Fe, NM

87505

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. 30-005-00820
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 19
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen

**RECEIVED**

**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 Injection ☒

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 J : 1980 feet from the S line and 1980 feet from the E line  
Section 23 Township 13S Range 31E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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: Sidetrack ☒

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.

4/16/13 - Pumped 25 BFW w/ soap down tbg, lower mill back to 3025' & pumped a total of 50 BFW w/ soap in same. Rotate and mill for 15 mins with steady torque. Unable to mill any deeper. TOH w/ tbg WS and BHA. Found the 3 3/4" x 3' cutrite shoe had broken off the bottom jt of 3 3/4" O.D. wash pipe. Had broken in the threaded connection, leaving the cutrite shoe in the hole. Broke and LD DC's, hydraulic jars, BS with 2 jts of wash pipe.

4/17/13 - Ran GR/CBL from 1600' to 3000'. PU 5 1/2" A&M cmt retainer. Ran on WL and set at 2870'. TIH w/ 2 7/8" O.D. tbg WS with cmt retainer stinger. Ran to top of retainer. Circ hole w/ 70 BFW. Stung into retainer and test tbg-csg annulus to 500# and held okay FS to 2870'. Pumped 5 BFW down tbg at 2 BPM at 70#. Mix and pump 100 sx of Class "C" cmt with 2% CaCl2. SD, wash up. Displace cmt at 1 BPM at 0# w/ 11 BFW. SD pumps & cmt kept falling on vacuum @ 1+ BPM. Cmt continued falling. With 1 1/2 bbls of cmt left in tbg, unstung from cmt retainer & reversed out 1 1/2 bbls of cmt. Pull EOT with stinger to 2694'. WOC.

\*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 05/07/2013

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*

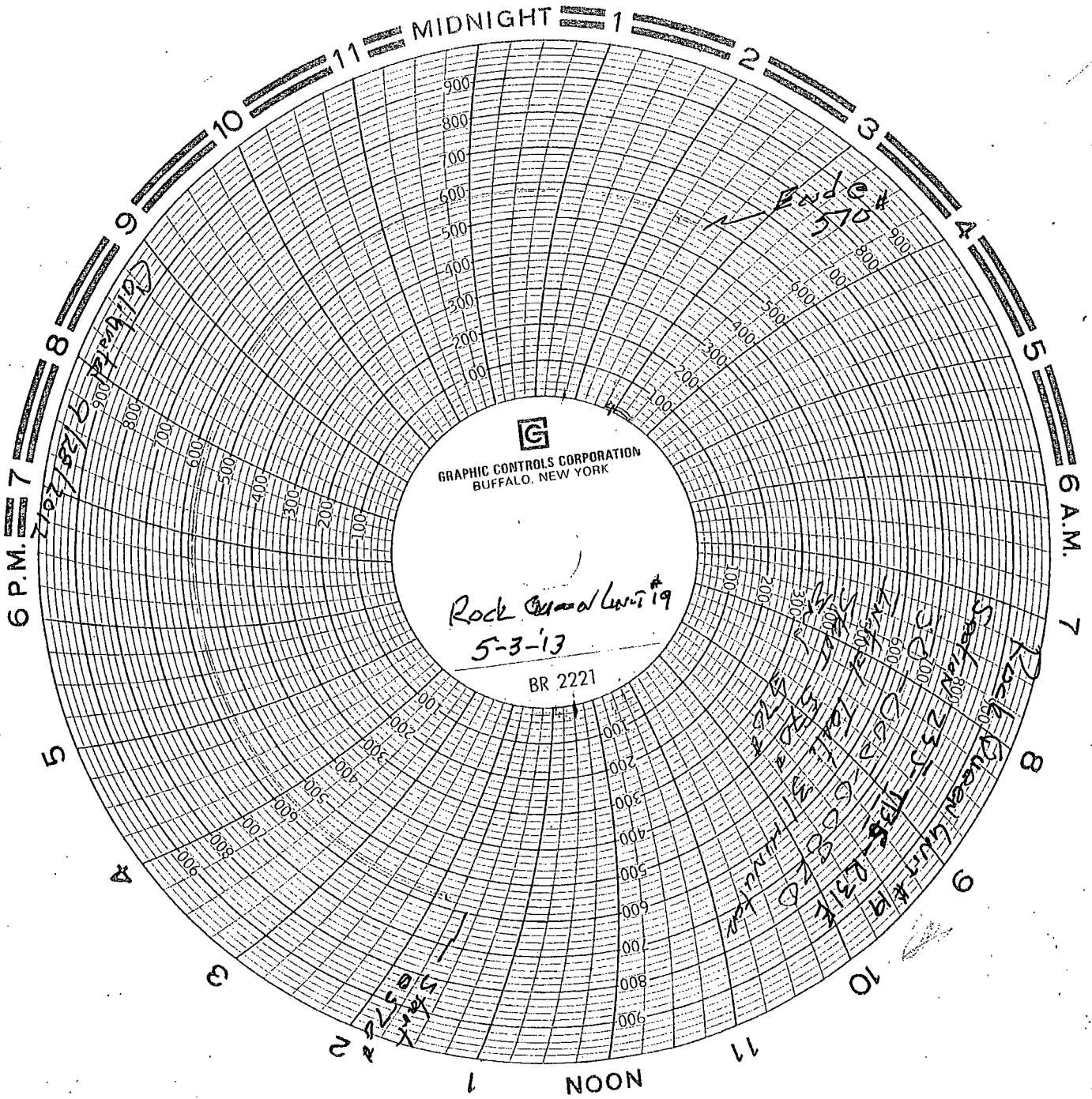
DATE

*5-9-2013*

Conditions of Approval (if any):

MAY 20 2013

*cm*



4/18/13 - TOH w/ 2 7/8" O.D. tbg WS with cmt retainer stinger. RU to run Baker Oil Tool's whipstock and cut window in 5 1/2" csg to side tract bottom part of WB. TIH w/ 4 3/4" window mill, 4 3/4" watermelon mill (spaced out 2+/- feet apart on same tbg stock) with 2 7/8" OD. tbg and ran "gauge run" to TOC retainer at 2872' (per tally) Circ. bottom's up with no recovery of fill. TOH w/ tbg & mills. TIH with Baker's 3 degree pathfinder whipstock for 5 1/2" csg with 4 3/4" window mill & 4 3/4" watermelon mills attached to whipstock, 1 jt of 2 7/8" O.D. tbg (A condition), 6 - 3 1/8" O.D. DC's & ran on 2 7/8" O.D. tbg WS. RU swivel. Set 12 pts of weight on whipstock & sheared mills off whipstock. Set whipstock from 2863.5' to 2869'. Rotate mills & cut window in 5 1/2" csg from 2863.5' to 2869' and milled to T.D. of 2873', making a total of 9.5'. Window mill was run outside of 5 1/2" csg 4' to 2873'. Recovered a lot of metal shavings w/ small amount of formation. PU & lower mills through 5 1/2" csg window 4 times with no drag or torque. Circ hole clean at TD of 2873'. Slowly pulled mills above whipstock and TOH w/ tbg & BHA. Place gauge ring over mills. Bottom window mill was 4 5/8" O.D. (lost 1/8") while the watermelon mill was still in gauge of 4 3/4" O.D.

4/22/13 - Unload and RU Weatherford's 3 3/4" DH motor w/ 1.83 degree bend sub. TIH w/ 4 3/4" cone bit with motors, check valve, x-overs & 12 - 3 1/8" OD DC's. Ran BHA on on 2 7/8" O.D. tbg to top of whipstock at 2863'. Pump through motors at 3.0 BPM & 750# to check operation before drilling side track hole. Lower BHA to 2873' and start drilling at 12:30 P.M. Drilled from 2873' to 2896' in 6.5 hrs w/ 0.5 to 2 points bit weight, rec. red bed & anhydrite, etc. Drill rate = 3.54 ft/per min, pumping 3 BPM at 950# & turning the DH motor 185 RPM. Drilled from 2873' to 2887' & started losing fluid at the rate of 5 bbls every 3 minutes. Lost a total of 105 bbls. Brought in FW & diluted the 10 ppg PW to a 9.2 ppg fluid. Continued drilling to 2893' and well started backflowing and backflowed 45 bbls to the TD of 2896' (flow rate was 1+ BPM). Raise bit off bottom, circulate hole clean, raise bit above top of whipstock to 2864'.

4/23/13 - Lower bit to 2896'. No fill. Resumed drilling side track hole. Slide drill from 2896' to 2990' (94') in 9 1/2 hours, recovering red shale, dolomite, anhydrite & lime. Avg drill rate = 6.1 minutes per foot. PP = 1100#; RPM = 210; Fluid weight = 9.2 ppg. Circulate hole clean & TOH w/ tbg & BHA. Drill bit appears in good condition w/ very little wear, in gauge with cone bearings still firm. Had full circulation throughout, however, did lose 60 bbls fluid while drilling. When drilling stopped, well back flowed 20 bbls. LD 3 3/4" bent motor.

4/24/13 - Change out Weatherford's 3 3/4" DH motor with bent sub with 3 3/4" O.D. x 21', Model ME7867 straight hole DH motor assembly. TIH w/ 4 3/4" Varel mill tooth bit, motor, float sub, 12 - 3 1/8" collars & ran on 2 7/8" O.D. tbg. Check operational pressure of DH motor above top of whipstock at 2863' with 3 BPM showing 825#. Lower BHA to 2990' (had 7' of fill). Resume drilling 4 3/4" side tract hole from 2990' to 3085'. Made 95' in 7 hours. Pump psi = 1000# at 3 BPM. Bit weight ranged from 4 to 8 points, DH motor turning 210 RPM with drill string RPM ranging from 30 to 60. Recovered red clay (shale), anhydrite, dolomite and lime. Average drill rate = 4.4 minutes per/foot. Reached TD of 3085', circulate hole, raise bit above whipstock at 2863', SD 1 hour, lower bit to check for fill. No fill. TOH with BHA and drill string. LD DH motor, float sub and DC's.

4/25/13 - RU to run 4", 10.7#, L-80 UFJ csg as liner. Install Watson Packer's Duplex shoe, ran 5 joints of 4" UFJ csg with rough coat (221.77') & 5 joints of 4" UFJ csg (222.36) for a total of 444.13'. Set slips and ran 2 3/8" tbg (467') inside of 4" csg with Watson Packer's stinger tool and screwed into Duplex Shoe. Install x-over & finish running liner in well bore on 2 7/8" O.D. tbg WS. Ran bottom of liner to 3070'. RU pump and washed liner down to 3077', sweeping hole with MF-55 viscosifer. Raise end of liner up 1' and

4/26/13 - Pumped 10 BFW down tbg at 260 psi & 2 BPM. Mix and pump 100 sx of "C" cement w/ 2% CaCl<sub>2</sub> at 14.8 ppg & 1.32 yield at 2 BPM from 23 psi to 260 psi w/ circulation. Shut down. Wash up. Displace cement with 4 BFW and pressure increased from 40# to 3000#. Reciprocate liner with pressure going from 2850 psi to 3000 psi. Unable to finish displacing cement. Left 12 bbls of cement in tubing. Release stinger from Duplex shoe. (well had heavy back flow out tbg-csg annulus.) Had circulation through out cement job & liner was free & would move up & down. TOH w/ tbg and stinger. Tubing was free of cement. WOC 4 hours. TIH w/ 4 3/4" bit, 4- 3 1/8" drill collars and ran same on 2 7/8" O.D. tbg. Ran & tag at 2630'. RU swivel & drilled one foot and tag TOL. Pressure test TOL & pumped 10 BFW at 1.7 BPM at 175 psi. Liner top leaking. TOH w/ tbg & bit. Ran tbg with 5 1/2" pkr to 2623'. Re-test TOL. Pumped 15 BFW at 1.5 BPM with pressure going from 16 psi to 350psi. Raise packer to 2465'. Place

500 psi on tbg-csg annulus. Mix & pump 200 sx of class "C" cement with 2% CaCl<sub>2</sub> at 14.8 ppg with yield of 1.32. Shut down, wash up. Displace cement at 1 BPM, one bbl below packer w/ SD pressure of 155 psi. Staged cement in three (3) 15 to 20 minutes stages. SD pressures after each stage went from 178 psi to 203 psi. Unable to get a cement squeeze. Over displace w/ 10 BFW. SD pressure = 310 psi.

4/29/13 - WOC 58 hrs. Pumped down tubing into top of 4" liner with 11 BFW at 1.5 BPM & 220 psi to establish injection rate. Mix and pump 300 sx of Class "C" cement with 2% CaCl<sub>2</sub> (14.8 ppg & 1.32 yield), at 1.5 BPM w/ pressure ranging from 120 psi to 0 psi. SD and wash up. Displace cement with 15.2 BFW at 1 BPM w/ pressures climbing to 300#. SD pressure = 60 #. Displaced one (1) barrel below packer. WOC 30 mins, pumped 1/4 barrel and pressure went from 20# to 1000#. SD pressure = 950#. WOC 10 mins, turned over pumps and pressure went from 950# to 1030 #. Continue to stage cement by turning over pumps (very little volume) and pressure would go to 1070+/- back to 940 +/- . Pumped to 1070# after 3 hours and shut in well. WOC 4 hrs. Release packer and TOH. TIH w/ 2 7/8" tbg, 6 - 3 1/8" drill collars and Varel 4 3/4" L2K mill tooth bit. Ran and tag cement at 2465'. RU swivel, broke circulation and test casing to 535#. Held okay. Drilled cement from 2465' to 2619' (154'). Cement soft. Drilled within 11' of 4" liner top @ 2630'. Circulate hole clean & tested to 550# for 10 minutes with no pressure loss.

4/30/13 - After WOC 20 hours. Lower bit and drill out cement in 5 1/2" casing from 2619' to top of 4" liner at 2630'. Circulate hole clean. Test casing and TOL w/ 575 psi for 20 minutes. No pressure loss. TOH w/ tbg, drill collars (laid down collars) & 4 3/4" bit. TIH w/ 3 3/8" Henson bit, 4 - 2 7/8" O.D. drill collars and 2 3/8" plus 2 7/8" tubing. Lower bit to 2630'. Drill out cement from 2630' to 3070' in 6.5 hours recovering fair to good cement with some LCM. Circulate hole clean with clean fluid. Test 4" liner & 5 1/2" casing from surface to TD w/ 550 psi. Held without pressure loss. LD swivel. Pull bit above top of 4" liner to 2592'.

5/1/13 - Finish TOH w/ tbg & BHA. Ran GR/CCL/CNL from 2000' to 3066'; Ran GR/CCL/CBL from 2600' to 3066'. Analyze logs. TIH w/ tbg, drill collars and 3 3/8" cone buster mill. Tag at 3066'. Drilled cement to shoe at 3076'. Circulate hole clean. Test 5 1/2" csg and 4" liner to 575 psi. Held with no pressure loss. TOH w/ tbg & BHA. By BW WL: Perforated 4" liner with 2 1/8" strip gun, loaded 4 spf 0 degree phasing from 3058' to 3072'; 15 ft and 60 holes.

5/2/13 - TIH w/ 2 3/8" O.D. notched collar on joint of 2 3/8" O.D. tbg, 4" AS1-X packer, 13 joints of 2 3/8" O.D. tbg, 2 7/8" x-over with seating nipple plus 79 joints of 2 7/8" O.D. tubing. Set packer at 2907' w/ end of tubing at 2939'. Place 500 psi on tbg-csg annulus. Treat 4" liner perforations 3058' to 3072' w/ 1500 gal of 7 1/2% acid and 75 - 7/8", 1.3 ball sealers. Flushed with 58 BFW, 40 barrels overflush. Treating pressures: Max = 3766 psi; Avg = 1427 psi; Avg inj.rate = 3.5 BPM (max - 4.3 BPM) (balled out after 30, 40 & 50 ball sealers on perf's. Surge off balls and pumped remainder of acid and flush) ISIP = 295#; 5 min = 264#; 10 min = 261#; 15 min = 260#. TLTR = 118 barrels. Flow and swab well. Flow 24 bbls in one hour. Swab 3 1/4 hours and recovered 50 BLW; SFL = surface; EFL = 300' F.S. Recovered 74 BL&TW in 4 1/4 hours. (Had trouble with ball sealers while swabbing..unable to go pass 1500' and sticking swab) Shut down.

5/3/13 - Lower notched collar to 3076'. Reverse clean 4" liner, recovering cement cuttings, ball sealers & perforating debris. TOH, laying down tbg work string with test packer and notched collar. TIH w/ Globe Packer's 4" nickel plated AS1-X packer with T-2 on-off tool and 1 43" "F" profile nipple. Ran and set packer from 3000' to 3007', plus 14 joints of 2 3/8" O.D. seal lock IPC tbg w/ "turned down collars" & 79 joints of 2 3/8" O.D. seal lock IPC tubing w/ regular collars. EOT @ 3005.97'. Set packer and took pre-MIT test to 575# and held okay without pressure loss. Release from packer and circulate packer fluid. Latched back onto packer. NDBOP & NU, 2000# WH's 5 1/2" x 2 3/8" tubing head w/ 2" Al-Br full opening tubing valve. Left 10 points of tension on pkr. Notified Maxey Brown w/ OCD of the MIT. Ran MIT for 31 mins. Starting pressure = 570# & ending pressure = 570#. Test good. Notified Maxie Brown with OCD of the MIT tests and said test was good.