

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

JUL 01 2013

RECEIVED

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

<p>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.)</p>		<p>WELL API NO. 30-005-00868</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>Injector</u></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Celero Energy II, LP</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name Rock Queen Unit</p>
<p>4. Well Location Unit Letter <u>N</u> : 1980 feet from the <u>West</u> line and 660 feet from the <u>South</u> line Section 26 Township 13S Range 31E NMPM County Chaves</p>		<p>8. Well Number 48</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4410' KB</p>		<p>9. OGRID Number 247128</p>
<p>10. Pool name or Wildcat Caprock; Queen</p>		

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: MIT ☒

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.

6/18/13 - NDWH & NU 3K hydraulic BOP. Release pkr and circ hole with PW. Well circ okay. TOH, standing back 2 3/8" IPC tbw w/ TDC and 4" AS1-X pkr. PU 3 3/8" Hinson Hurricane 3 3/8" bit, 4 - 2 7/8" DC's, 3.3" OD string mill, 2 - 2 7/8" DC's. Ran on 2 3/8" OD tbw WS. Ran and tag at 3065'. Pumped 90 BPW and well would not circ. Lower bit to 3074' (TD) while attempting to circ. Pumped another 100 BPW. After 15 bbls well started circ. Circ 20 bbls, circ out gas pocket. Pumped additional 5 BPW after circulating out gas pocket and well stopped circ losing 70 bbls into formation. Raise bit up inside of csg to 3000'.

6/19/13 - Bled off psi, lower bit to 3074'. Pumped 120 bbls of 9.4 ppg water down tbw. Unable to get well to circ. TOH, LD 2 3/8" OD tbw WS w/ string mills, DC's and bit. Ran 92 jts of IPC tbw w/ Globe Energy's 4" nickel coated AS1-X pkr with 1.50 "F" profile nipple. With pkr swinging at 2968', pumped pkr fluid down annulus. Set pkr with 10 pts of compression. NDBOP & NU 7 1/16" slip type flange with 2 1/16", 5K, tbw valve and injection tee assembly. Notified Maxie Brown w/OCD. Ran 31 min MIT. Starting psi = 520# and ending psi = 500#. Test is good. Connect well to injection line and resume injecting water. Copy of chart is attached.

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 06/27/2013

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

7-3-2013

Conditions of Approval (if any):

JUL 08 2013

