

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBES CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
NOV 06 2013

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. 30-005-00923
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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. 303733
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name DRICKEY QUEEN SAND UNIT
4. Well Location Unit Letter <u>B</u> : 660' feet from the <u>NORTH</u> line and 1980' feet from the <u>EAST</u> line Section <u>35</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>CHAVES</u>		8. Well Number <u>2</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4414' KB		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: Repair communication between tbg & csg ☒

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.

10/7-10/11/13

TIH w/ Globe Energy's 5 1/2" pkr to locate holes in 5 1/2" csg. Set RBP at 2929', test and held ok at 500 psi. Found csg leak from 695' to 758'. Test to 550 psi and leaks back to 50 psi in 30 seconds. Ran GR/CCVL/CNL from 3072' to 2000'. TIH w/ tbg to 2950'. Spot 600 # of 20-40 sand at end of tbg. Let sand settle to bottom of hole at 3080'. Ran GR/CCL log and tagged at 3076'. Dumped 3/8" pea gravel and 10-20 mesh sand down 5 1/2" csg to fill up OH section from 3038' to 3076'. Alternately dump 55 gal of 3/8" pea gravel and 400 # of sand down csg. Let settle for 30 mins. Tag at 3020'. RU swivel and C/O to 3022' recovering sand and gravel. Ran 3 1/2" O.D. collar locator & tag fill at 3033'. Ran 1 11/16" O.D. GR/CCL & tag at same spot of 3033'. Ran GR/CCL log and tag fill at 3033'. Tied tbg depth with logs. Circ out pea gravel and circ hole clean. Fill at 3041'. Dump sand down tbg and let settle. Tag fill at 3039'. Dump 6' of cmt on top of fill, giving a PBTD of 3035'. WOC. TIH w/ tbg & Globe Energy's 32A, 5 1/2" pkr. Ran to 2995. Set pkr at 2823'. Load tbg-csg annulus. Pump 5 BFW at 1 1/2 BPM & 250 psi to establish rate in csg leak area below 2823'. Pump 125 sx of Class "C" cmt w/ 2% CaCl2 at 1 1/2 BPM from 250 psi to 60 psi. Cmt mixed @ 14.8 ppg w/ 1.33 yield. Displace cmt at 3/4 BPM, 1 bbls below pkr with pressures going from 60 psi to 600 psi. SD pressure = 500 psi. Stage cmt over the next 1 1/2 hrs. Well squeezed with 900 psi. Displace cmt 80 +/- feet below pkr to 2903'. 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 11/01/2013

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY

[Signature]

TITLE

[Signature]

DATE

11-6-2013

Conditions of Approval (if any):

NOV 06 2013

Drickey Queen Sand Unit #2 – C103 continued

10/14/13 - WOC. Test down tbg with 525 psi. Ok. Release pkr & TOH. TIH w/ 4 3/4" bit, 2 - 3 1/8" O.D. drill collars. Ran on tubing and tag top of cement at 2892'. D/O cement from 2892' to 3038'. Circ hole clean. TOH w/ tbg and BHA. TIH w/ tbg & pkr, ran to 887' & tested down tbg to check cmt squeeze job. Could slowly pump into csg leak area at 400 psi. TOH w/ tbg & pkr. TIH w/ tbg and notched collar. Dump 1-100# sx of sand. TOH. TIH with pkr to 887'. Pump down tbg into csg leak area at 1/2 BPM & 450 psi. TOH w/ tbg & pkr. TIH with tbg w/ notched collar. Tag fill at 3042' (4' below csg shoe).

10/15/13 - TIH w/ tbg and Globe Energy's 5 1/2", 32A pkr. Ran and set at 2823'. Load tbg-csg annulus. Pump 10 BFW at 1 1/2 BPM & 650 psi down tbg into csg leak area. Pump 125 sx of class "C" cmt with 2% CaCl₂ (15.1 to 14.8 ppg w/ 1.32 yield).

10/16/13 – WOC. Test cmt squeeze down tbg with 525 psi & held okay. Release pkr and TOH. TIH w/ tbg, drill collars and 4 3/4" O.D. bit. Tag cmt at 2890'. Drill cmt from 2890' to 3036', recovering cmt. Circ hole clean. TOH w/ tbg & BHA. Ran tbg with pkr. Set pkr at 887' & 1513' & pump down tbg to test cmt squeeze. Tested to 500 psi and leaked off 200 psi, to 300 psi in 5 mins. Leaked off the same at both pkr settings. Attempt to circ down 2 7/8" x 5 1/2" csg annulus out 5 1/2" x 8 5/8" annulus. Pressured to 500 psi. Unable to get circulation. Pull & lay down 2 7/8" O.D. tbg work string with pkr.

10/17/13 - Run 4" csg inside of 5 1/2", 14# existing csg. Install 4" float shoe, 2 jts of 4" csg with bond coat, 4" float collar, 1 jt of 4" csg with bond coat, 54 jts of 4" csg w/o bond coat, 5 jts of 4" csg with bond coat and finished out with 17 jts of 4" csg w/o bond coat. Ran to PBTD of 3032'. Circ hole with 70 BFW, lowering 4" csg to 3033'. Pumped 10 BFW spacer at 1 1/2 BPM & 160 psi pressure. Pumped 75 sx of 50-50 Pozmix cmt w/ 3% salt (12 ppg w/ yield of 2.25), tailed with 25 sx of Class "C" cmt with 2% CaCl₂ (14.8 ppg & 1.32 yield) at 1 1/2 BPM with pressures going from 160 psi to vacuum. Circ 8 sx of cement out 4" x 5 1/2" annulus. Did not have circulation out the 5 1/2" x 8 5/8" annulus. WOC. Guide Shoe at 3033'; Float Collar @ 2951'; Bond Coat from 2911'-3033'; Bond Coat from 689' to 789'.

10/18/13 - WOC. Cut 4" csg, weld on 4" x 4 1/2" bell nipple, & install 4 1/2" x 2 3/8", Larkin, 2000# W.P. tbg head. Change out 4" rams with 2 3/8" rams on BOP and NU BOP. PU 3 3/8" O.D. bit, 4 - 2 7/8" O.D. DC's and TIH on 2 3/8" O.D., 4.7#, 8rd, EUE, J-55 tbg WS. Ran & tag at 2950'. Test csg to 600 psi; held. Drill wiper rubber, float collar from 2950' to 2952' & C/O 4" shoe jts from 2952' to 3034'. No cmt in shoe jts. Drill float shoe on bottom of 4" csg & drilled cmt to 3038' to to base of 5 1/2" csg shoe. Circ clean.

10/21/13 - TIH w/ tbg & Globe Energy's 4" 32A packer. Ran to 1005'. Tested down tbg, testing 4" csg from 1005' to 3034'. Held 540 psi for 10 mins. No pressure loss. TOH w/ tbg & pkr. Ran GR / CCL / CBL from surface to 1000' and 2500' to 3039'. TIH w/ tbg, 4 - 2 7/8" drill collars and 3 3/8" O.D. cone buster mill.

10/22/13 - Lower mill to 3038', per tbg tally. D/O and C/O from 3038' to 3080'. Circ hole clean. TOH LD 2 3/8" OD tbg work string with drill collars and mill. TIH w/ 2 3/8" IPC tubing in derrick. Pull and lay down IPC tubing. Run 2 3/8" O.D. 4.7# 8rd EUE J-55 tbg with "TDC" and Globe Energy's 4" AS1-X nickel plated packer & 1 jt of 2 3/8" O.D. fiberglass tbg with mull shoe cut on bottom of jt. Ran 91 jts (2975') of 2 3/8" OD regular IPC tbg with TDC & 4" AS1-X pkr & 1 jt of 2 3/8" of 2 3/8" fiberglass tbg with mull shoe cut on bottom of jt. Ran to 2952'. Packer would not go through float collar. Pkr stuck. Came free. TOH w/ tbg & pkr.

10/23/13 - PU 3 3/8" cone buster, 3 3/8" string mill, 3 - 2 7/8" drill collars, ran on 2 3/8" OD tubing WS. Ran and tag float collar at 2952'. Ream out float collar, lower mill and ran to TD. No fill. Circ hole clean. TOH, LD tbg and BHA. TIH with 92 jts (2975') of 2 3/8" OD 4.7# 8rd EUE J-55 TDC IPC tbg plus 1-10 & 1-12' x 2 3/8" O.D. IPC tubing subs plus Globe Energy's 4" nickel plated AS1-X pkr with 1.50 "F" profile nipple & 1 - jt of 2 3/8" O.D. fiberglass tbg with mule shoe cut on bottom. Set pkr from 3003' to 3009' with end of FG tbg at 3038'. Latch back onto packer, NDBOP & NU, 2000 # Larkin tubing head. Pulled 10 pts of tension on pkr & set slips on 2 3/8" tbg. Finish NU & install 2 3/8" Al-Br, 3705 psi WP tubing valve. Ran MIT. Testing from 440 psi to 440 psi. No pressure loss. Copy of chart is attached. Well ready for injection.

