

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

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

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. 30-025-00308 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input checked="" type="checkbox"/> HOBBS OCD		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. 303735
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 <u>F</u> : 1980 feet from the <u>N</u> line and 1980 feet from the <u>W</u> line Section <u>30</u> Township <u>13S</u> Range <u>32E</u> NMPM County <u>Lea</u>		8. Well Number <u>6</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4384'		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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Cement ☒

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.

11/6-11/8/13 - Release pkr & TOH, LD 88 jts of 2 3/8" reg IPC tbg with on/off tool. PU 2 3/8" OD tbg work string with on/off tool. TIH & latch onto pkr at 2501'. TOH w/pkr. TIH w/ 3 3/4 bit, 2 - 3 1/8" OD DC's, 3 7/8" OD string mill, 2 - 3 1/8" OD DC's. Ran on 2 3/8" OD tbg work string to 3094'. No fill. Pump 87 BPW with no circ. TOH w/ tbg & BHA. Ran & set 4 1/2" Kenco comp BP at 3044'. Perf 4 1/2" OD csg with 2" gun, 4 SPF, 90 degree phasing at 3010'. TIH w/tbg & Kenco's 4 1/2" AS1-X pkr. Ran & set at 3018'. Test tbg, pkr & BP w/ 1000 psi & held. Lwr pkr to 2970'. Attempt to reset pkr & circ thru perfs at 3010' back up to csg leak in 4 1/2" csg at 2876'. Pkr would not set. TOH w/ tbg & pkr. TIH w/ 4 1/2" AS1-X pkr & set at 2971'. Pump 50 BFW down tbg thru 3010' perfs at 1 1/2 BPM & 150#. Did not circ to surf out csg leak at 2876'. TOH w/ tbg & pkr. Ran & set Kenco's 4 1/2" comp cmt retainer at 2971'. TIH w/tbg work string & cmt retainer stinger. Stung into retainer at 2971'. Pump 65 BFW down tbg thru csg perfs 3010' back up & out csg leak at 2876' at 2 BPM & 300 psi. Did not circ to surf. Pump 10 BFW at 1 BPM & 100#; pressure to establish inj rate. Follow with 120 sx of Class "C" cmt with 2% CaCl2, mixed at 14.8+ ppg w/ yield of 1.32. Displace cmt at 1 BPM on vacuum within 1/2 bbl above top of cmt retainer. Stung out of same & TOH w/ tbg & cmt retainer stinger. WOC. TIH w/ tbg & bit. Tag at 2969', 2' above cmt retainer. TOH w/ tbg & bit. Ran pkr & set @ 2567'. Pump down tbg at 1 1/2 BPM & 0# w/ 10 BFW, follow w/ 180 sx of "C" cmt w/ 2% CaCl2 at 1 1/2 BPM & 100#. Displace cmt from 1 1/2 BPM to 1/2 BPM on vac to csg leak at 2876'. Over displaced cement w/ 10 BFW. 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 12/10/2013

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

Mark Whitaker

TITLE

Compliance Officer

DATE 12/26/2013

Conditions of Approval (if any):

CONDITION OF APPROVAL: Operator shall give the OCD
District Office 24 hour notice before running the MIT test and chart.

DEC 30 2013

11/11/13 - Release pkr & TOH. TIH w/ tbg, 2 - 3 1/8" DC's & 3 3/4" bit. Tag at 2876'. DO cmt from 2876' to 2881'. Fell out of cmt & tag at 2966'. DO cmt to top of cmt retainer at 2971'. Pump 50 BFW in an attempt to circ WB. Failed to circ. Ran GR/CCL/CBL from 2700' to 2971'. TIH w/ tbg and 4 1/2" AD-1 pkr & ran to 2567'. Pump 20 BFW down tbg at 1 1/2 BPM & 0 psi. Load and test backside to 515 psi. Held ok.

11/12/13 - Pkr @ 2567' w/ csg leak at 2876'. Pump 10 BFW down tbg at 1 1/2 BPM @ 100 psi. Pump 250 sx of Class "C" cmt w/ 2% CaCl₂ (14.8 ppg w/ 1.32 yield) at 1 1/2 BPM & 100 psi. Displace cmt on vacuum to 2876'. Over displace with 10 BFW. After over displacing cement w/ 2 BFW pressure went up to 150 psi at 1 BPM and shut down, after all of over displacement, at 100#. WOC 4 hours. Cmt Stage # 2: pumped 10 BFW at 100 psi and 1 1/2 BPM to establish rate. Pump 250 sx of Class "C" cmt with 2% CaCl₂. (14.8 ppg & 1.32 yield) at 1 1/2 BPM at 150 psi. Displace cmt with 25 BFW, 10 bbls over displacement (1st 15 bbls was on 1 1/4 BPM vacuum). Release pkr & TOH. Back in hole with 3 3/4" bit, 2 - 3 1/8" OD DC's & 2 stands of tbg.

11/13/13 - TIH w/ tbg, DC's & 3 3/4" OD bit. Tag at 2876'. Drill cmt from 2876' to 2879', ran bit to 2970', pumped 25 BFW w/ no circulation & TOH w/ tbg & BHA. Ran GR/CCL/CBL from 2970' back to 2400'. TIH w/ tbg and 4 1/2" AD-1 pkr. Ran & set at 2567'. Tested backside to 500 psi & held ok.

11/14/13 - RU to re-cement csg leak area at 2876'. Pump 250 sx of Class "C" cmt w/ 2% CaCl₂ (14.8 ppg & 1.32 yield) at 1+ BPM at 0 psi. Displace cmt on vacuum from 1 1/4 to 1 BPM to csg leak area w/ 15 BFW. Over displace cmt w/ 10 BFW at 3/4 BPM & 0 psi. WOC 3 3/4 hrs. Pump 200 sx of Class "C" cmt with 2% CaCl₂ (14.8 ppg & 1.32 yield) at 1+ BPM on vacuum. Displace cmt on vacuum 2 bbls below pkr. Cmt stopped moving. Stage cmt in 2 stages; 1st stage: WOC 25 mins pump 1/2 bbl @ 1/2 BPM with pressure going to 120 psi falling back to 80 psi. 2nd stage: WOC 15 mins, pump 1 bbl at 1/2 BPM; Pressure went to 200 psi; momentarily SD w/ pressure falling back to 80 psi. Finish pumping cmt, over displacing with 10 BFW at 1 BPM & 200 psi. WOC.

11/15/13 - Release pkr & TOH. TIH w/ tbg, DC's & 3 3/4" OD bit. Ran & tag @ 2765'. Install stripper head. DO cmt from 2765-2879'. Fell out of cmt & lower to cmt retainer @ 2970'. TOH w/ tbg & BHA. Ran GR/CCL/CBL from 2970' back to 2400'. TIH w/ tbg & pkr to 2567'.

11/18/13 - Set pkr at 2567'. Pressure up backside w/ 550 psi. Held ok. Pumped 10 BFW at 1 1/2 BPM & 100 psi to establish injection rate into csg leak area at 2876'. Pump 250 sx of Class "C" cmt w/ 2% CaCl₂ (14.8 ppg & 1.32 yield) at 1 1/2 BPM from 0 to 100 psi. Displace cmt 1 BPM on vacuum to csg leak (15 bbls). Over displace with 10 BFW. WOC 4 hrs. Stage 2: Pump 10 BFW at 1 1/2 BPM & 0 psi to establish an inj rate into csg leak area at 2876'. Pump 250 sx of Class "C" cmt w/ 2% CaCl₂ (14.8 ppg & 1.32 yield) at 1 1/2 BPM at 0 psi. Displace cmt 3/4 BPM on vacuum w/ 13 BFW. Pump 2 BFW to csg leak & over displace with 10 BFW. WOC.

11/19/13 - Pkr at 2567'; Csg leak at 2876'. Pump 10 BFW at 3 BPM & 200 psi to establish inj rate. Pump 250 sx of Thixotropic cmt (13.8 ppg w/ 1.81 yield) plus 250 sx of Class "C" cmt w/ 2% CaCl₂ (14.8 ppg & 1.32 yield) as follows: 1. Pump 100 sx of thixotropic cmt followed w/ 100 sx of Class "C" cmt. 2. Pump 100 sx of thixotropic cmt followed with 50 sx of Class "C" cmt 3. Pump 50 sx of thixotropic cmt followed with 100 sx of Class "C" cmt. Pumped and displaced at 3 BPM with pressures varying from 140 psi to 200 psi. After displacing Class "C" cmt with 7 BFW slowed pumps to 1+ BPM with pressures from 60 psi to 125 psi. Continued displacement with a total of 25 BFW, 10 bbls over displacement. Shut down pressure = 30 psi. WOC.

11/20/13 - Pkr at 2567'; Csg leak at 2876'. Pump 10 BFW @ 3 BPM & 250 # to establish inj rate. Pump 250 sx of Thixotropic cmt followed with 250 sx of Class "C" cmt with 2% CaCl₂ as follows: 1. Pump 75 sx of Thix cmt at 3 BPM with; pressures from 160 psi to 40 psi up to 400 psi on final displacement; 10 BFW over displacement. WOC 35 mins. Note: mixed cmt at 13.6 ppg. 2. Pump 75 sx of Thix cmt at 3 BPM with pressures ranging from 200 to 35 psi up to 400 psi on final displacement, 10 BFW over displacement. WOC 40 mins. Mixed cmt at 13.9 to 14.0 ppg. 3. Pump 100 sx of Thix cmt at 3 BPM w/ pressures ranging from 160 to 50 psi up; to 500 psi on final displacement, 10 BFW over displacement. WOC 1 hr. Mix cmt from 13.8 to 14.0 ppg. 4. Pump 125 sx of Class "C" cmt w/ 2% CaCl₂ at 3 BPM throughout mixing & 7 bbls of displacement w/ an average of 200 psi. Slow pumps down to 1 BPM & 70 psi. SD w/ 2 bbls of cmt in csg. Tubing taking cmt on 1/2 BPM vac. Finish displacement, over displaced w/ 10 BFW at 1.4 BPM & 175 psi. Mixed cmt @ 15.2 ppg. WOC 1 1/2 hrs. Tbg pressure = slight vacuum. 6. Pump 80 sx of Class "C" cmt w/ 2 % CaCl₂ at 3 BPM throughout mixing & 7 bbls of displacement from 200 to 80 psi. Slow pumps to 1.4 BPM. Displaced cmt from 80 psi to 175 psi w/ 10 bbls over displace. SD Pressure = 75 psi. Mix cement @ 14.8 ppg. WOC. .

11/21/13 - WOC 13.5 hrs. Release pkr & TOH. TIH w/ tbg, DC's & 3 3/4" bit. Tag at 2960'. DO cmt to 2970' fell out of cmt & ran bit to 2968'. Pumped 25 BFW w/ no circ. TOH w/ tbg & BHA. Ran GR/CCL/CBL from 2966' to 2400'. TIH w/ tbg and Kenco's 4 1/2" AD-1 pkr. Set at 2567'. Pump 5 BFW down tbg at 2.1 BPM & 180 psi. Pump 250 sx of Thixotropic cmt plus 250 sx of Class "C" cmt w/ 2% CaCl₂ as follows: 1. Pump 75 sx of Thix. cmt at 3 BPM & over displaced cmt with 10 BFW w/ final pressure of 335 psi. SD pressure = 50 psi. Cmt mixed at 14.3 ppg. WOC 40 mins. 2. Pump 75 sx of Thix. cmt at 3 BPM & over displaced cmt w/ 10 BFW w/ final pressure of 400 psi. SD pressure = 80 psi. Cmt mixed at 14 ppg. WOC. 3. Pump 100 sx of Thix. cmt at 3.0 BPM & over displaced cmt w/ 10 BFW a/ final pressure of 400 psi. SD pressure = 100 psi. Cmt mixed at 13.8 ppg. WOC 2+ hrs. 4. Pump 125 sx

of Class "C" cmt w/ 2% CaCl₂ & displaced with 8 BFW at 3 BPM & 200 psi; Slow pumps to 1 1/2 BPM, over displacing w/ 10 BFW; Final pressure = 200 psi. SD pressure was 120 psi. Cmt mixed at 14.8 ppg. WOC 1 1/2 hrs. 5. Pump 125 sx of Class "C" cement w/ 2% CaCl₂, displacing cement w/ 8 BFW at 300 psi; slowed pumps down to 1 1/2 BPM, over displacing cmt w/ 10 BFW; Final pressure = 200 psi. SD Press = 120 psi. Cmt mixed at 14.8 ppg.

11/26/13 - Cement casing leak at 2876'. Pump 5 BFW at 2 BPM & 0 psi. Stage # 1: Pump 75 sx of Thixotropic cmt (14 ppg) and displaced with 25 BFW, 10 bbls overflush. Pump cmt and displacement at 3 BPM with pressures increasing from vacuum to 100 psi after 11 bbls of displacement. After 25 bbls; pressure went to 250 psi. SD pressure = 1 BPM vacuum. Wash up and packer jumped up hole. Unable to set. TOH. Pkr sheared. Ran 4 1/2" AD-1 pkr, set at 2567', filled back side and packer sheared & J-Slot on pkr malfunctioned. Reran another pkr. Set at 2537'. Load backside w/ 500 psi and held okay. WOC 3 hrs. Stage # 2: Pump 75 sx of Thixotropic cement (13.8 ppg) and displaced with 25 BFW, 10 bbls overflush. Mixed & displacement at 3 BPM with pressures increasing from 0# to 300 # on final displacement. Shut down pressure - 3/4 BPM vacuum. WOC 30 mins. Stage # 3: Pump 100 sx of Thix cement (13.9 ppg) & displaced with 25 BFW, 10 bbls overflush. Pumped away at 3 BPM w/ pressures going from 100# to 400#. SD pressure = slight vacuum. WOC 1 hr & 20 mins. Stage # 4: Pump 125 sx of Class "C" cmt w/ 2% CaCl₂ (14.8 ppg) @ 3 BPM until 8 bbls of displacement (total casing DP = 15 bbls); slowed pumps down to 1 1/2 BPM. Over displaced cmt w/ 10 BFW with pressures @ 150 psi. Final SD pressure = slight vacuum. WOC 1 1/4 hrs. Stage # 5: Pump 125 sx of "C" cmt w/ 2% CaCl₂ (14.8 ppg) @ 3 BPM until 7 bbls of displacement in tbg at 100 psi; slowed pumps down to 1 BPM & over displaced cement w/10 BFW at 150 psi. SD Press = 80 psi. 15 min later = slight vac.

11/27/13 - WOC 12 hrs. Pump 5 BFW at 2 BPM & 100 # pressure to establish an injection rate. STAGE # 1: Mix & pump 75 sx of Thixotropic cement (13.6 ppg) at 3 BPM, over displacing cement w/ 10 BFW w/ final pump pressure = 350 #. SD pressure = 0 psi. Taking fluid at 1/2 BPM on Vac. WOC 45 minutes. STAGE # 2: Mix & pump 75 sx of Thixotropic cement (13.6 ppg) at 3 BPM over displacing cement w/ 10 BFW w/ final pump pressure of 400#. SD pressure = 0 psi. Taking fluid at 1/4 BPM, on vac. WOC 1 hour. STAGE # 3: Mix & pump 100 sx of Thix cement (13.9 ppg) at 3 BPM & 450# final pressure, over displacing cement w/ 10 BFW. Shut down pressure = 0#. Taking fluid at 1/4 BPM, on vac. WOC 45 minutes. STAGE # 4: Mix & pump 125 sx of Class "C" cement w/ 2% CaCl₂ @ 3 BPM. Displaced cmt w/ 7 BFW, slowed pumps to 1 1/2 BPM. Over displaced cement w/ 10 BFW at 100 psi final pressure. Shut down pressure = 0#. Went on 1/16 BPM vac. WOC 1 1/2 hours. STAGE # 5: Mix & pump 125 sx of Class "C" cement w/ 2% CaCl₂ at 3 BPM. Displaced cmt w/ 7 BFW, slowed pumps to 1 1/2 BPM. Over displaced cement 10 BFW w/ final pressure of 200#. Shut down pressure = 50#. Well not on vacuum.

12/2/13 - SITP = slight vacuum. 1. Pumped into casing leak area at 3 BPM @ 350 psi with 5 BFW. Cement Stage #1: Mix & pump 75 sx of Thixotropic cement (13.5 ppg) at 3 BPM. Displaced w/ 25 BFW, 10 bbls over displaced with 350#. Shut down = 3/4 BPM vacuum. Wash up. WOC 45 minutes. Cement Stage #2: Mix & pump 75 sx of Thixotropic cement (13.5 ppg) at 3 BPM. Displaced w/ 25 BFW, 10 bbls over displaced with 400#. Shut down = 1/2 BPM vacuum. Wash up. WOC 45 minutes. Cement Stage #3: Mix & pump 100 sx of Thixotropic cement (14.3 ppg) at 3 BPM. Displace w/ 25 BFW, 10 bbls over displaced w/ 400#. Shut down = 1/4 BPM vacuum. Wash up. WOC 1 hour. Cement Stage #4: Mix & pump 125 sx of Class "C" cement w/ 2% CaCl₂ (14.8 ppg) at 3 BPM until 8 BFW of tubing displacement; slowed pumps to 1 1/2 BP @ 200# w/ 10 bbls over displacement. SD pressure = 1/4 BPM on vacuum. WOC 1 1/2 hours. Cement Stage #5: Mix & pump 125 sx of Class "C" cement w/ 2% CaCl₂ (15.0 ppg) at 3 BPM. Displaced tbg w/ 8 BFW & slowed pumps to 1 1/2 BPM. Displaced w/ a total of 15 BFW at 150 psi. SD pressure = 100#.

12/3/13 - Release packer and TOH, after WOC 16 hrs. TIH w/ tbg work string, 4 - 3 1/8" OD drill collars and 3 3/4" bit. Tag cement at 2840'. D/O cement from 2840' to 2845'. Fell out of cement and ran bit to 2968'. Drill out 2' of cement on top of cement retainer, D/O cement retainer @ 2970' (1 3/4 hrs), lower bit to and drilled cement to composite bridge plug at 3045'. Circulate hole clean. Did not lose circulation and/or any fluid during circulation. TOH w/ tbg & BHA. Ran GR/CCL/CBL from 2400' to 3043'. TIH w/ tbg & pkr. Set packer at 2981' and tied onto tubing to pump into perforations @ 3010'. Pumped into perfs # 1/2 BPM at 100 #; 3/4 BPM at 125 # & 1 BPM at 200 #. Pumped a total of 5 BFW. Shut down and pressure fell to 50 # in 15 seconds. Raise packer to 2846'.

12/4/13 - TOH w/ 2 3/8" O.D., 4.7#, 8rd EUE, J-55 tbg / pkr. Change out packers. Ran 2 3/8" O.DS. Tbg w/ 4 1/2" AD-1 pkr to 2846'. Set pkr w/ 10 points of tension. NDBOP & NUWH w/ tbg valve, etc. CWI. Clean location. Shut down operations until a later date to evaluate well.