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1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

Revised August 1, 2011

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

JAN 24 2014

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<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-025-00284</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>Injection</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 &amp; 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> : <u>660</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>W</u> line Section <u>19</u> Township <u>13S</u> Range <u>32E</u> NMPM County <u>Lea</u></p>		<p>8. Well Number <u>106</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

1/2/14 - NDWH & NUBOP. Release 5 1/2", AS1-X packer and TOH, standing back 91 joints of 2 3/8" O.D. IPC tubing. TIH w/ 2 3/8" O.D. tbg work string w/ 4 - 3 1/8" drill collars and 4 3/4" bit. Ran to 3051'. Tag fish per tally at 3052'.

1/3/14 - TIH w/ 2 7/8" tbg work string, 3 3/4" mechanical bailer with 7' stroke, 20 jts of 2 7/8" O.D. tbg as bailer cavity, 2 - 2 7/8" checks, 4 3/4" x 4' cutrite shoe with wires and diamonds. Ran to 3057'. Rotate and stroke bailer. TOH & rec in shoe cement, formation, etc. Recovered 3 + ft of formation, sand, scale up inside of 2 7/8" tubing above the check valves. TIH w/ 2 7/8" tbg work string, 3 3/4" bumper sub & 4 11/16 overshot w/ grapple for 3 1/8" O.D. bit sub. Ran to 3057'. Pump down tubing while slowly turning overshot. TOH w/ tbg & BHA.

1/6/14 - Ran GR/CCL/CNL from 1500' to 3055'. TIH w/ 4 1/2" skirted cut lip guide with 3 1/8" screw in sub on 1 - 3 1/8" drill collar and 2 7/8" tbg. Tag at 3057'. Rotate and pump down tbg string. Dump down casing 70 gallons of pea gravel to fill up bottom of WB.  
\*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 01/23/2014

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

*Mahesh Patel*

TITLE Compliance Officer

DATE 01-27-2014

Conditions of Approval (if any):

JAN 28 2014

*org*

**Rock Queen Unit #106 – C103 Continued**

**1/7/14** - Tag pea gravel at 3034'. Ran GR/CCL log & tag at 3032'. Check tbg depth. Found same 2' deeper than correlated log at 2769'. Dump 75 gal of pea gravel down csg into WB. Tag a 3025'. Dump 250 gal of pea gravel and tag same at 2946'. Wash gravel to 3000' and lost circ. Pump 6 sx of sand down tbg & flushed w/ 25 BPW, pushing sand down and out at 1 1/2 BPM and 350#. Pumped 2 sx of sand down tbg, flushed tbg & pumped sand out and down at 1 BPM from 400# to 450#. Lower tbg and tag sand at 2930'.

**1/8/14** - Pump 25 bbls formation wtr down tbg 1.8 bbls per/min 525 psi ISIP 300 psi 5 min 200 psi. Bled pressure, lower tbg, tag @ 2924', C/O to 2992'. Circ clean, close back side pump 5 bbls 1.5 bpm at 450#. Lwr tbg to 2998', lost circ, pull 3 stands, dump 3 sx of sand, flush tbg, pump 17 bbls down tbg 1.5 bbls BPM 700 psi. Lwr tbg to 2960', pump 17 bbls down tbg 1.5 BPM at 700 psi. Lower tbg, tag at 2970', pump 10 bbls down tbg 1.5 BPM 600 psi. Lwr tbg, C/O to 2992', full returns, circ clean. Lwr tbg to 2996' lost circ, stacked out pick up pulled 20 pts over to pull free. POH. RIH with 4 3/4 mill tooth bit (4) 3 1/8 DCs on 2 7/8 tbg, tag at 2992'. No circ, dry drill 1 hr made 4'. POH. RIH with 4 3/4 Bull Nose mill (1) 3 1/8 DC, 4 3/4 string mill (3) 3 1/8 DCs on 2 7/8 tbg mill, tag at 2992'. Mill 1 hr, milled to 2995'.

**1/9/14** - Cont milling from 2995'-3005'. LD 4 3/4 string mill. RIH w/ 4 5/8 taper mill, (4) 3 1/8 DC's on 2 7/8 tbg @ 3005'. Work mill dry drlg from 3005'-3034'. Clean out to 3038'.

**1/13/14** - PDTT at 3038'. TOH w/ tbg. RU to run 4" O.D., 11#, J-55, ST&C csg as liner with "Turned Down Collars". Ran 4" Globe Energy's Duplex shoe, 2 jts of 4" csg with bond coat plus 4 jts of 4" csg w/o bond coat (241') with seal lube. Ran on 2 3/8" & 2 7/8" tbg, setting 4" liner from 2793' to 3034'. Pumped 50 BPW down tbg to c/o fill in 5 1/2' csg with no circ. Pumped 10 BFW at 2 BPM w/ 100 psi. Pump 200 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> (14.8 ppg & 1.32 yield).

**1/14/14** - TIH w/ tbg and 4 3/4" O.D. bit. Tag TOL at 2793'. TOH w/ tbg and bit. TIH w/ 2 7/8" tbg and 5 1/2" AD-1 pkr. Ran to 2769'. Pumped 30 BPW down tubing at 2 BPM & 0#. Raise packer to 2584' to prepare to cement TOL. Placed 500# on tbg - csg annulus. Pumped 10 BFW at 2 BPM & 0 psi. Mix and pump 300 sx of Class "C" cement w/ 2% CaCl<sub>2</sub> at 2 BPM & 100#. Displace cement 1 bbl below packer at 1 1/2 BPM with pressures going from 0# to 100# SD pressure. Stage cement in 4 stages with pressures ranging from 100# to 800# with SD psi of 50#. Over displaced cement w/ 10 BFW at 1 1/2 BPM, from 75# to 300#. SD psi = 75#. WOC 2 hours. Pumped 10 BFW down tbg at 2 BPM & 300#. Mix and pump 300 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> at 2 BPM from 100# to 300# to 0# SD psi. Displace 1 bbl below packer at 1 1/2 BPM with psi from 0# to 300# with SD psi of 100#. Staged cement in 25 min to 10 mins intervals displacing cmt in 1 barrel to very small displacement intervals. Psi went from 100# to 1500#. Well squeezed with 1500# with no pressure loss in 20 mins. Displaced cement to 2666' (TOL @ 2793'). WOC.

**1/15/14** - WOC 16 hours. Release pkr and TOH. TIH w/ tbg, DCs and 4 3/4" O.D. bit. Drill cmt from 2665' to TOL at 2793', recovering fair to good firm cement. Circ hole clean. Test csg and TOL w/ 550# for 10 min with no pressure loss. TOH.

**1/16/14** - TIH w/ Globe Energy's 5 1/2" 32-A packer. Ran & set at 2768'. Test annulus to 500# & held okay. TOH w/ tbg and packer. TIH w/ tbg, 6- 2 7/8" drill collars and 3 3/8" O.D. bit. Tag at 2793'. Drill cmt from 2793' to 2820' (27') and fell out cmt. Lower to 2970' and drill cmt to shoe at 3034'. Circ hole clean. Test casing and liner FS to 3034' for 15 mins w/ 525#. No pressure loss. TOH.

**1/17/14** - TIH w/ 2 3/4" O.D. CBL. Unable to get past 2970'. (est TOL at 2800'). TIH w/ tbg, D.C.'s and 3 3/8" cone buster mill. Tag at 2970'. Mill and clean out to end of liner. Recovered a hand full of cement. Trip back in w/ CBL tool. Stopped, again, at 2970'. TOH w/ tools. TIH w/ 3 3/8" cone buster mill, 1 - 3 3/8" string mill, 1 - 2 7/8" O.D. drill collar, 3 3/8" string mill, 3 drill collars. Ran thru spot at 2970'. Rotate and ream thru tight spot from 2950 to bottom of liner. No recovery. Ran CBL from 2000' to 3025'.

**1/20/14** - TIH w/ tbg work string 3 3/8" string mill and 3 3/8" cone buster mill. Ran to 3034'. D/O out cement and duplex shoe from 3034' to 3037'. Lost circulation after D/O shoe. Continued milling & cleaning to 3040. TIH in hole with tbg work string with 3 3/8" O.D. cone bit. Tag at 3040', drilled to 3043' in 3/4 hour w/o circulation. TOH w/ tbg BHA & bit.

**1/21/14** - TIH w/ tbg work string, TFH's 3 1/8" O.D. bailer w/ check valves & notched collar with wires in same. Ran to 3043', stroked bailer several times and TOH. TIH w/ tbg, drill collars & 3 3/8" cone buster mill. Ran to 3043'. Mill down to 3054' in 30 mins. Pumped over 100 BPW w/ no circulation. Milled back down from 3054' to 3057'. LD tbg.

**1/22/14** - TIH w/ tbg work string, 3 1/8" mechanical bailer, 2 - check valves with 3 3/8" watermelon mill. Ran to 3057. Stroked bailer several times & made 2' to 3059'. Pull up 50', SD 30 min. LD tbg with bailer and mill. TIH w/ Globe Energy's 4" nickel plated ASI-X packer with on/off tool and 1.50 "F" profile nipple. Ran on 93 jts of 2 3/8" O.D., 4.7#, 8rd, EUE seal lube IPC tbg. NDBOP & NU 5 1/2" screw bottom X 7 1/16, 3K, flange tbg head. Flanged up 7 1/16", 3K, slip type flange for 2 3/8" O.D tbg and 2 1/16", 5K, full opening tbg valve. With pkr swinging from 2986' to 2993' (EOT), displace hole with pkr fluid. Set tbg slips and finish connecting up WH equipment for inj. Ran MIT. Starting pressure = 540# w/ ending pressure of 550#. Test is good. Copy of chart is attached. Well is ready to start water injection.

# CELERO ENERGY

FIELD: Caprock  
LEASE/UNIT: Rock Queen  
COUNTY: Lea

DATE: 27-Jan-14  
BY: MWM  
WELL: 106  
STATE: New Mexico

Location: 660' FSL & 1980' FWL, Sec 19N, T13S, R32E  
SPUD: 2/55 COMP: 3/55  
CURRENT STATUS: Active WIW  
Original Well Name: Amerada Petrol. Corp. State Caprock 'A' #1

KB = 4369' DF  
GL =  
API = 30-025-00284

12-1/4" 8-5/8" 24# @ 190' w/100 sx-circ'd 6 sx

T-Anhy @ 1422'  
T-Salt @ 1488'  
T-Yates @ 2285'  
B-Yates @ 2422'  
T-Queen pay @ 3048'

7-7/8"

2-3/8" J-55 8R 4.7#/ft J-55 IPC (93 jts)

TOC @ 1680' (TS)

TOL at 2798'; squeezed w/600 sx.

AS-1X packer at 2986'-93'

4" 11# L-80 UFJ 3038'-2798' w/200 sx

5-1/2" 15.5# @ 3048' w/300 sx

Top of Queen @ 3048';

Queen Open Hole: 3048' - 3058' (3-55)

4-3/4"

PBTD - 3057'  
TD - 3058'

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