

HOBBS OCD**MAY 08 2014****RECEIVED****OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-21092

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Wakan Tanka Federal

8. Well Number

4

9. OGRID Number

247128

10. Pool name or Wildcat

Caprock; Queen

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 L : 2080 feet from the S line and 990 feet from the W line

Section 27

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 COMPLETIONS ☐DOWNHOLE COMMINGLE ☐**SUBSEQUENT REPORT OF:**REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐OTHER: Acid job ☒

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.

*Letter of violation is attached. Well is ready for reinspection.

4/30/14 - RU on tubing, pump 20 BFW 1 bpm 780 psi, 2 bpm 1430 psi, pump 200 gals Xylene, 1500 gals 15% HCL follow with 200 gals Xylene flush with 11 BFW. ISIP 625 psi 5 min, 605 psi 10 min, 591 psi 15 min, 582 psi AIR 3 bpm MAX PSI 3130# Avg PSI 1833# SD 30 min. Start back up on pump 50 BFW at 3 bpm 2650 psi ISIP 710 psi, set flowback tank. Left well shut in 1 hour 400 psi open well flowed back 70 bbls tubing pressure 0 psi remove and change out 2 3/8 master valve, removed 3" line plan to replace with 2 7/8 IPC line.

5/1/14 - Replaced injection line with 2 7/8 IPC jt and changed out WH connections, put well back on injection 0 psi 1800 BPD rate.

**SUBJECT TO LIKE
APPROVAL BY BLM**

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 05/06/2014

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

Mark Brown

TITLE

Dist Supervisor

DATE

5/20/2014

Conditions of Approval (if any):

MAY 20 2014

XC: BW
EW

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

Field Inspection Program
"Preserving the Integrity of Our Environment"

15-Apr-14

CELERO ENERGY II, LP
400 WEST ILLINOIS
SUITE 1601
MIDLAND TX 79701

LETTER OF VIOLATION -

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to re-inspect the well and/or facility.

INSPECTION DETAIL SECTION

WAKAN TANKA FEDERAL No.004

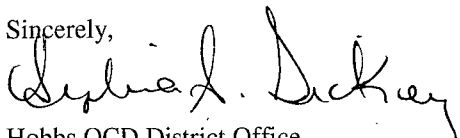
L-27-13S-31E

30-005-21092-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/11/2014	Bradenhead	Sylvia Dickey	Yes	No	7/15/2014	iSAD1410151710
Comments on Inspection: PER BHT 3/24/2014 WELL OVER INJECTION PRESSURE PER SWD 427; APPROVED INJECTION PRESSURE IS 573 PSI. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.5.11 ***ENFORCEABILITY OF PERMITS AND ADMINISTRATIVE ORDERS***						

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,



Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.