

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
AUG 14 2013
RECEIVED

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

WELL API NO. 30-005-29154
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rock Queen Unit
8. Well Number 309
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4404'

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 [X]
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 P : 660 feet from the South line and 510 feet from the East line. Section 23 Township 13S Range 31E NMPM County Chaves
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4404'

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 [X] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: []

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.

6/21-6/24/13 - NDWH & NUBOP. Release 5 1/2" AD-1 packer. TIH, laying down 2 3/8" IPC tubing with packer. Perf 5 1/2" csg with 3 1/8" cased gun, 4 SPF, 90 degree phasing, 19.7 gram charges from 3076' to 3080'; 5' & 20 holes. TIH w/ 93 jts of 2 7/8" OD 6.5# 8rd EUE J-55 tbg as WS w/ Globe Energy's AS1-X test pkr. Ran and set pkr from 2914' to 2923' w/ seating nipple from 2913-14'. NDBOP & NUWH. Place 10 pts of tension on pkr (tested tbg to 6000 psi w/ no leaks). Load and test tbg & tbg-csg annulus with 550 psi. Held for 15 min with no pressure loss.

7/30/13 - Frac perfs in 5 1/2 csg at 3047'-51', 3054'-68' & 3076'-80' down 2 7/8 tbg with pkr set at 2923' using 28# Linear Gel pre pad 1370 gals, 28# BORATE gel Pad 8298 gals 1# 16/30 white sand 987 gals 2# 16/30 white sand 1120 gals & 3# 16/30 white sand 12, 987 gals, screen out, shut down flush pumps to tank, back flow well to tank, total 12 bbls. Resume pumping on water, flushed to top perf. Average rate 8.4 BPM, avg pressure 2113 psi, ISIP 2110 psi, 5 min 1620 psi, 10 min 1605 psi, 15 min 1590, Flowback iron, open well, 1550 psi 14/64 choke. Total bbls of load water to recover 612 bbls, recovered 95 bbls total (-517 BLWTR). Left well flowing to tank 150 psi 14/64 choke.

* 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 08/12/2013

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 8-15-2013

Conditions of Approval (if any):

AUG 15 2013

Rock Queen Unit #309 – C103 Continued

7/31/13 - Well continued to slightly flow after frac. Disconnect well test facilities. NDWH & NUBOP. Release pkr and TOH w/ 2 7/8" tbg with 5 1/2" treating pkr. TIH w/ 2 7/8" notched collar and RIH on 2 7/8" OD tbg WS. Tag fill at 3055'. RU swivel. C/O fill in 5 1/2" csg from 3055' to 3103', recovering sand with a few ball sealers. Circ hole clean. TOH, LD 2 7/8" tbg WS with notched collar. Start in hole with 5 1/2" Globe Energy's nickel plated 5 1/2" AS1-X pkr with 1.50 "F" profile nipple & 56 jts of 2 3/8" seal lock IPC tbg. Ran to 1860' and SD.

8/1/13 - Finish running 2 3/8" seal lock IPC tbg w/ Globe Energy's 5 1/2" nickel plated pkr w/ 1.50 "F" profile nipple. Set pkr from 3002'-3012'. Release on/off tool & circ hole w/ pkr fluid. Latch back onto pkr, placing 10 pts of compression on same. NDBOP, NUWH & install 2 1/16" 5K full opening tbg valve. Ran 30 min MIT. Starting psi 510#, ending psi 500#. Test is good. Copy of chart is attached. Connect well to injection and begin injecting.

