

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88240

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
June 16, 2008

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OCT 04 2010

HOBBSOCD

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,  
PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address CELERO ENERGY II, LP 400 W. Illinois, Suite 1601, Midland, TX 79701		<sup>2</sup> OGRID Number 247128
<sup>3</sup> Property Code 303735		<sup>3</sup> API Number 30-005-29156
<sup>5</sup> Property Name ROCK QUEEN UNIT		<sup>6</sup> Well No. 311
<sup>9</sup> Proposed Pool 1 CAPROCK: QUEEN ✓		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no. P	Section 24	Township 13 S	Range 31 E	Lot Idn	Feet from the 420	North/South line South	Feet from the 930	East/West line East	County Chaves
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<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4405'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 3100'	<sup>18</sup> Formation Queen	<sup>19</sup> Contractor Union Drilling Inc.	<sup>20</sup> Spud Date 9/30/2010

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	350'	135	Surface
7-7/8"	5-1/2"	15.5#	3100'	680	Surface

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Prepare surface location. Move in and rig up drilling rig. Install riser and bell nipple. Spud well.
2. Drill 11" surface hole to a minimum depth of 350'. Set 8-5/8" casing and cement to surface. Install & test BOP's.
3. Drill 7-7/8" production hole, 3100' TD. Evaluate logs to TD.
4. Set 5-1/2" to TD and cement to surface.
5. Place well on test.

**Permit Expires 2 Years From Approval  
Date Unless Drilling Underway**

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Vickie A. Inman*

Printed name: Vickie A. Inman

Title: Agent

E-mail Address: Vickie A. Inman

Date: 9/22/2010

Phone: 432-682-4559

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: **PETROLEUM ENGINEER**

Approval Date: OCT 06 2010

Expiration Date:

**CONDITION OF APPROVAL FOR APD'S**  
"Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string."

Oct

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OCT 04 2010

DISTRICT I  
1220 S. FRENCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

HOBBSUCD

OIL CONSERVATION DIVISION

Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

DISTRICT IV  
1220 S ST FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-005-29156</b>	Pool Code <b>8559</b>	Pool Name <b>CAPROCK: QUEEN</b>
Property Code <b>303735</b>	Property Name <b>ROCK QUEEN UNIT</b>	
OGRID No. <b>247128</b>	Operator Name <b>CELERO ENERGY II LP</b>	
		Well Number <b>311</b>
		Elevation <b>4384'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST line	County
P	24	13-S	31-E		420	SOUTH	930	EAST	CHAVES

Bottom Hole Location If Different From Surface

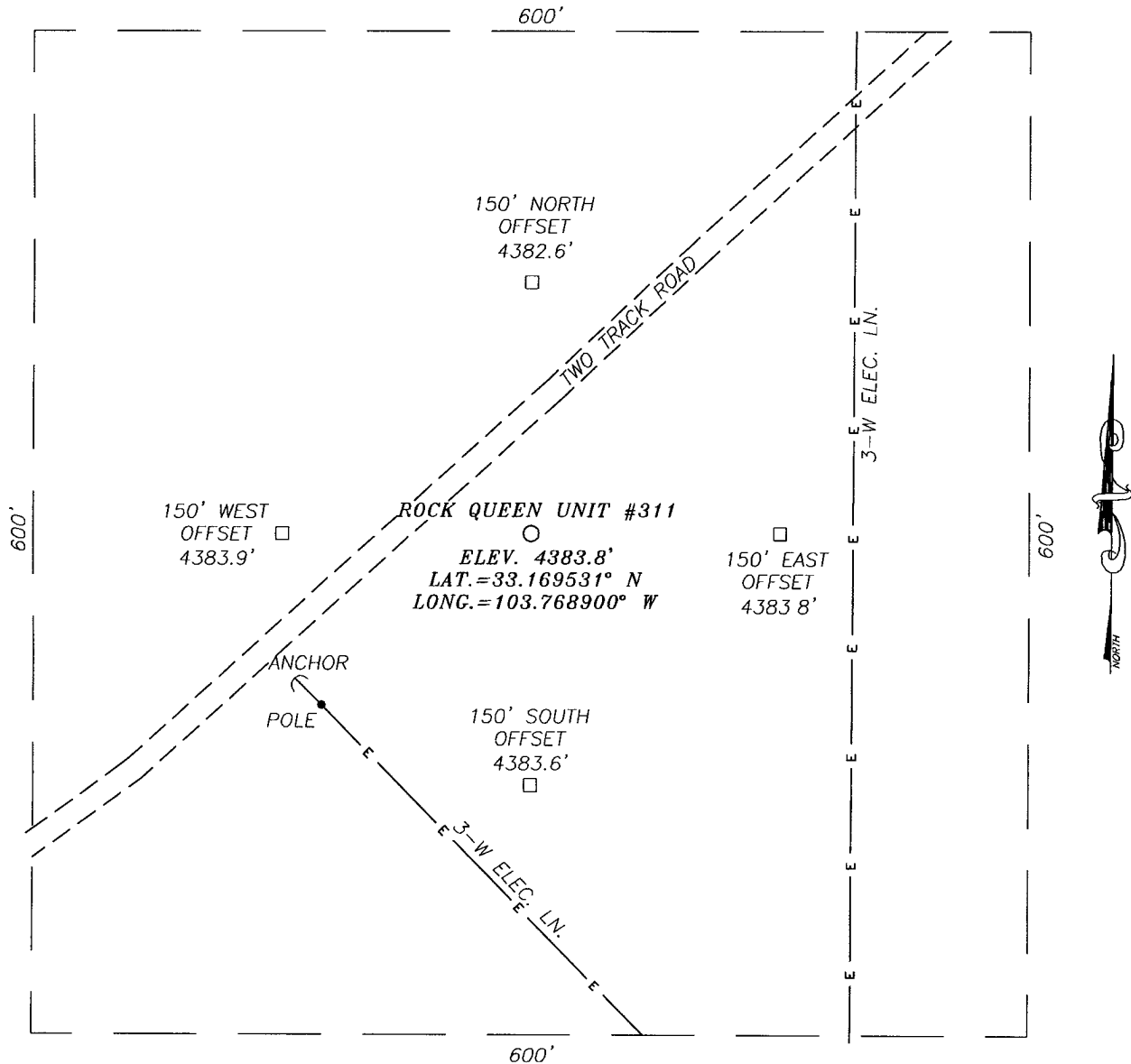
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST line	County

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

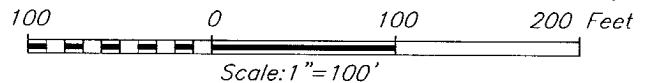
<p>GEODETTIC COORDINATS NAD 27 NME</p> <p>Y=789656.9 N X=672715.4 E</p> <p>LAT.=33.169531° N LONG =103 768900° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Vickie A. Inman</i> 9/23/10 Signature Date</p> <p><i>Vickie A. Inman, Agent</i> Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>
	<p>Date of Survey: 9/15/2010</p> <p>Signature: <i>Ronald J. Eidson</i></p> <p>Professional Surveyor Seal: 3239</p>
	<p>Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239</p>

**SECTION 24, TOWNSHIP 13 SOUTH, RANGE 31 EAST, N.M.P.M.,**  
 CHAVES COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF STATE HWY #172 & PRISCILLA ROAD, GO SOUTH ON ST. HWY #172 APPROX. 3.0 MILES. GO EAST APPROX. 1.7 MILES. TO A "Y" INTERSECTION. GO NORTHEAST APPROX. 0.1 MILE. THE LOCATION STAKE IS APPROX. 70' SOUTH.



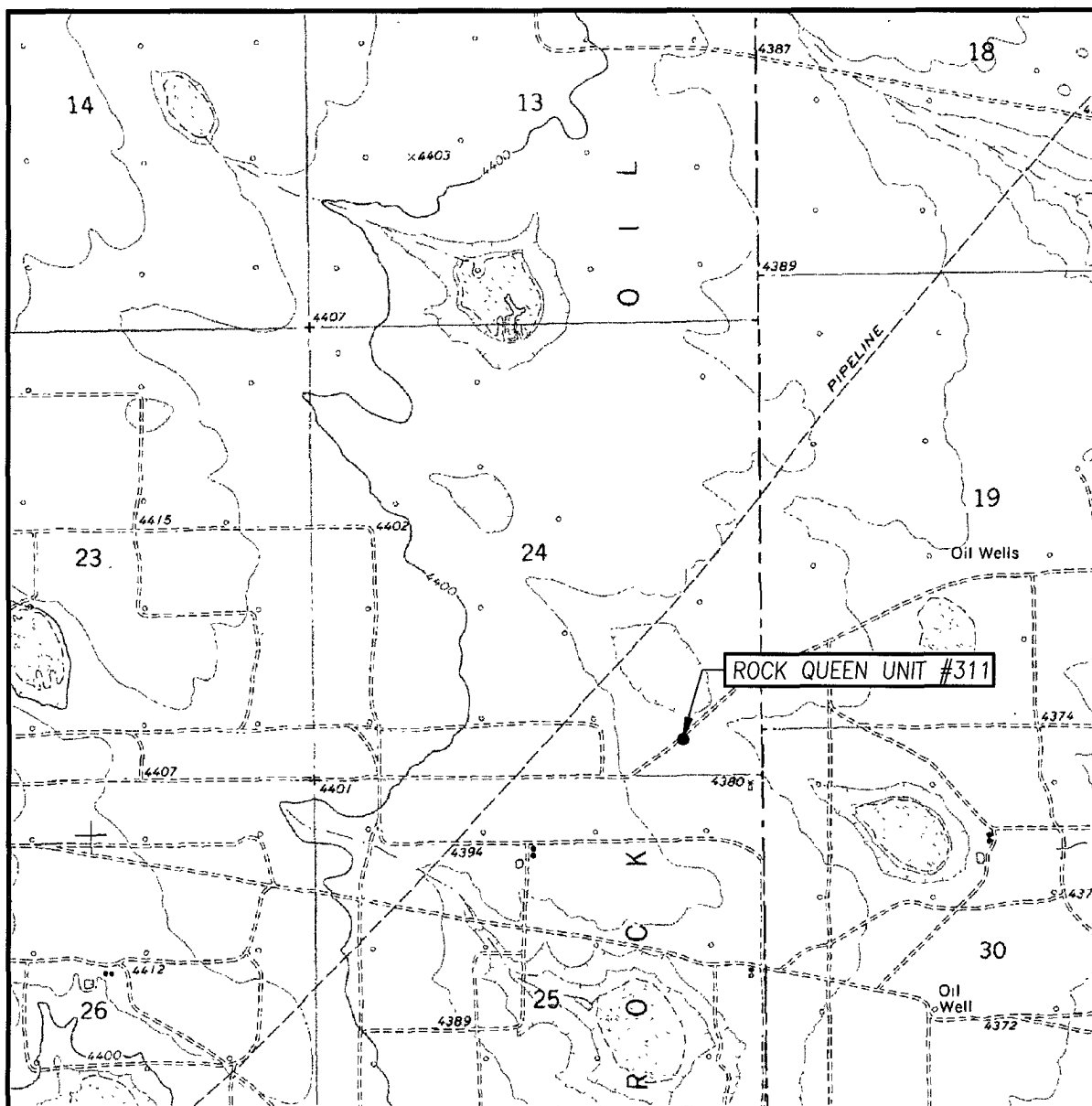
**CELERO ENERGY II LP**

ROCK QUEEN UNIT #311 WELL  
 LOCATED 420 FEET FROM THE SOUTH LINE  
 AND 930 FEET FROM THE EAST LINE OF SECTION 24,  
 TOWNSHIP 13 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 9/2/10	Sheet 1 of 1 Sheets	
W.O. Number. 10.11.1306	Dr By. LA	Rev 1:N/A
Date: 9/10/10	10111306	Scale: 1" = 100'

PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
CAUDILL RANCH, N.M. - 10'

SEC. 24 TWP. 13-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO


DESCRIPTION 420' FSL & 930' FEL

ELEVATION 4384'

OPERATOR CELERO ENERGY II LP

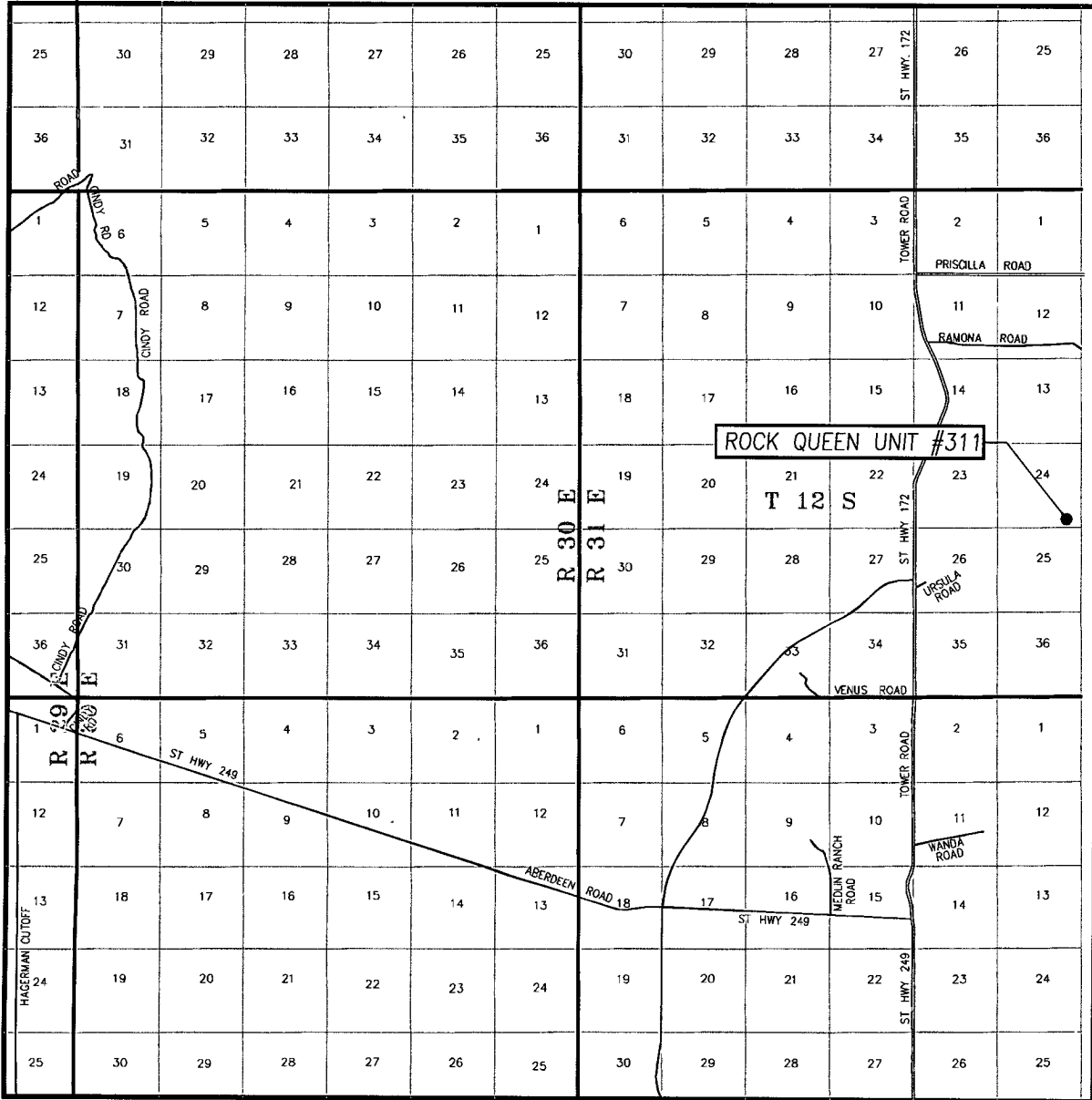
LEASE ROCK QUEEN UNIT

U.S.G.S. TOPOGRAPHIC MAP  
CAUDILL RANCH, N.M.




PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

# VICINITY MAP



SCALE - 1"=2 MILES

SEC. 24 TWP. 13-S RGE. 31-E  
 SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_  
 COUNTY CHAVES STATE NEW MEXICO  
 DESCRIPTION 420' FSL & 930' FEL  
 ELEVATION \_\_\_\_\_ 4384' \_\_\_\_\_  
 OPERATOR CELERO ENERGY II LP  
 LEASE ROCK QUEEN UNIT

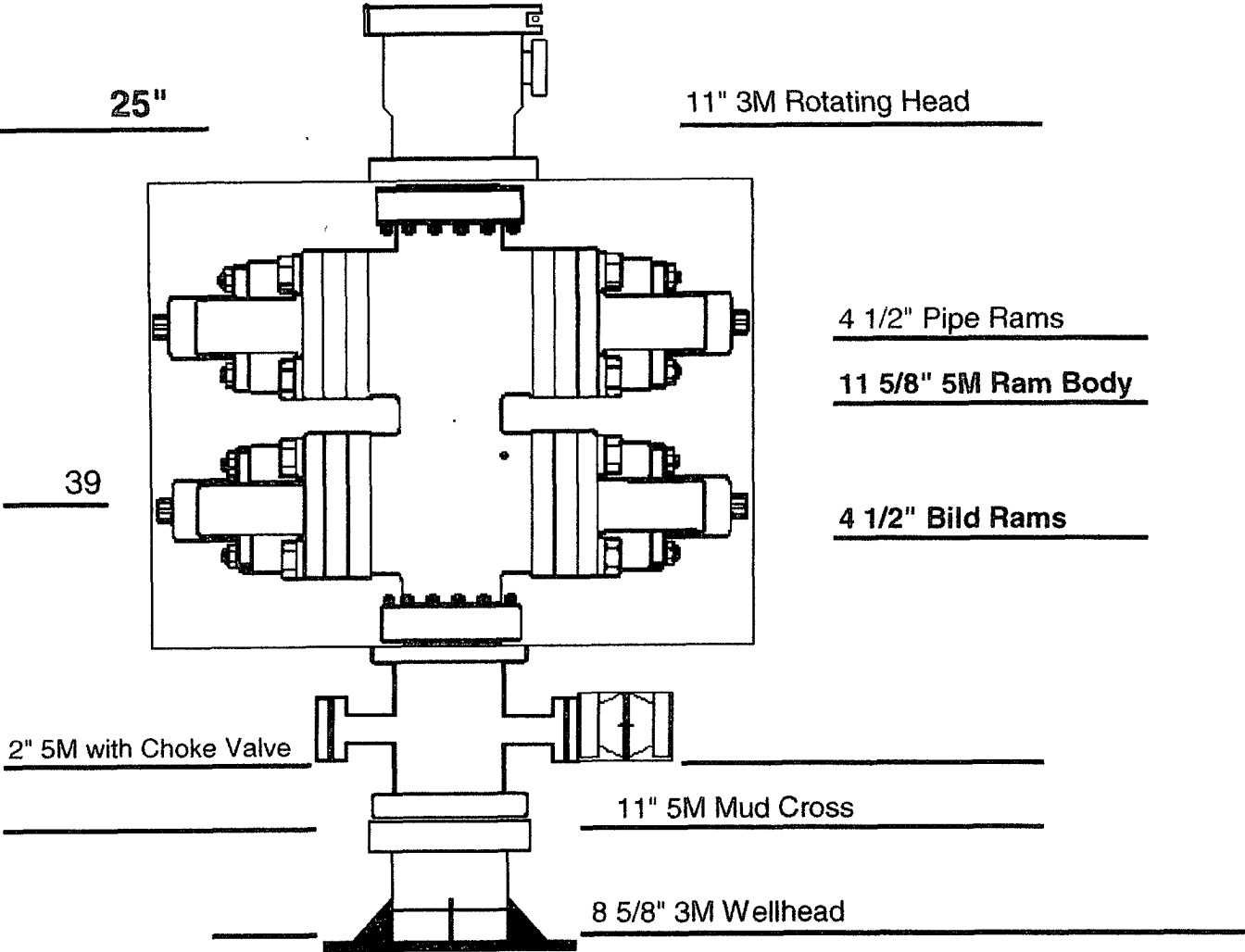


PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

# UDI RIG 201 Surface - BOP

Length

Description



There is a 4" valve out of the mud cross flowing to gas buster

July 29, 2010  
 CELERO ENERGY  
 ROCK QUEEN PROJECT  
 Job Type: 5 1/2" CASING INSIDE OF 7 7/8" HOLE

Stephen W. Butts  
 Office: (575) 391-0091  
 Fax: (575) 391-0094  
 Cell: (575) 631-3151

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**SACKS**
**CEMENT AND ADDITIVES**

Lead 545 sks

Class C 50/50 + 10% Bentonite + 0.25% R-38 + 5% Salt (BWOW)

175% Excess

Tall 135 sks

Class C 50/50 + 2% Bentonite + 0.25% R-38 + 5% Salt (BWOW)

100% Excess

	<u>Lead</u>	<u>Tall</u>
Density:	12.00 #/gal.	14.20 #/gal.
Yield:	2.30 cu.ft/sk	1.30 cu.ft/sk
Mixing Water:	13.01 gal/sk	5.91 gal/sk
Total Water Mix:	77.46 Bbls	9.85 Bbls
Slurry Volume:	102.46 Bbls	16.15 Bbls

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Total Sacks: 680

Total Ft3: 1429

Total H2O: 187.8 Bbls

Hole Size: 7 7/8"

Total Depth: 3100'

Casing Size: 5 1/2"

Casing Depth: 3100'

Type of Plug: TRP

Size of Plug: 5 1/2"

July 29, 2010  
CELERO ENERGY  
ROCK QUEEN PROJECT  
Job Type: 8 5/8" CASING INSIDE OF 11" HOLE

Stephen W. Butts  
Office: (575) 391-0091  
Fax: (575) 391-0094  
Cell: (575) 631-3151

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**SACKS**

Lead 135 sks

100% Excess

**CEMENT AND ADDITIVES**

Class C + 2% CACL2 + 0.125# Cello-flake + 0.25% R-38

	<u>Lead</u>
Density:	14.80 #/gal.
Yield:	1.35 cu.ft/sk
Mixing Water:	6.33 gal/sk
Total Water Mix:	20.36 Bbls
Slurry Volume:	32.37 Bbls

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Total Sacks: 135      Total Ft3: 181.78      Total H2O: 20.36 Bbls

Hole Size: 11"      Total Depth: 350'

Casing Size: 8 5/8"      Casing Depth: 350'      Type of Plug: TRP  
Size of Plug: 8 5/8"