

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 14 2011

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☐ Gas Well☒ Other

2. Name of Operator

Celero Energy II, LP

3a. Address

400 W. Illinois, Ste. 1601 Midland TX 79701

3b. Phone No. (include area code)

(432)686-1883

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' SOUTH 660' EAST
UL: P, Sec: 27, T: 13S, R: 31E

5. Lease Serial No.

NM-04385

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

ROCK QUEEN UNIT # 34

9. API Well No.

30-005-00887

10. Field and Pool or Exploratory Area

CAPROCK QUEEN

11. Country or Parish, State

CHAVES, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Sidetrack due to junked csg
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

2/14 - 2/18/11 - MIRU. Stand back 91 jts of IPC tbg w/ 5 1/2" ASI-X Arrowset pkr. Replace a segment of 5 1/2" csg @ surface. Ran pkr to 30' & test csg to 500#, held okay. Start in hole w/ 2 3/8" tbg WS. Replaced this WS & ran same w/ 5 1/2" RBP & pkr in hole. Set RBP @ 2943' w/ pkr @ 2923'. Attempt to test RBP, pkr & tbg to 750#. Unable to load hole. Test tbg-csg annulus from surface to 2923' to 500#, held okay. Lwr pkr, latched onto RBP. TIH w/ tbg WS & 4 3/4" bit. Ran to 2972'. Unable to go deeper. C/O below 2972'. Lower tbg & tag @ 2957'. Made 5' in 1 hr to 2963'. TOH. Add 6-3 1/8" OD DC's & TIH. Tag @ 2960'. Drill & rotate @ 2960', bit fell through about 6". Drill & C/O to 2968'. Circ hole clean. TIH w/ tbg WS & 4 1/2" impression block. Ran to 2960'. TOH. Ran CIL from surface to 2960'. Ran & set 5 1/2" cmt retainer @ 2890'. Stung into cmt retainer @ 2890'. Pumped 20 bpw @ 750# @ 2 bpm. Pumped 15 BFW down tbg through cmt retainer @ 2890' @ 1 1/2 bpm & 600# pressure. Pump 150 sx Class C cmt w/2% CaCl2 & 3# sand/sx. Displaced cmt w/ 9.5 BFW, leaving 1 1/2 bbls of cmt in tbg above cmt retainer (2890') @ 800#. SD pressure. Staged cmt in 1/4 to 1/2 bbl increments w/ pressure varying from 600# to a final pressure of 500#. Overdisplaced cmt w/ 5 BFW. WOC 2 hrs & 15 min. Pump 100 sx of Class C cmt w/2% CaCl2 & 3# sand/sx. Displaced cmt w/ 9.0 BFW, leaving 2 bbls of cmt in tbg above cmt retainer. Staged cmt in 1/2 bbls increments w/ pressure going from 800# back down to 500#. Displaced cmt 1/2 bbl below cmt retainer @ 2890'. Unstung from retainer, reversed out, recovering trace of cmt until clean fluid was circulated out. Left cmt retainer stinger unstung from retainer.

* Continued on attached sheet

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 04/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

APR 11 2011

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVED FOR 12 MONTH PERIOD
ENDING MAR 30 2012

Rock Queen Unit #34 – C103 Continued

2/19/11 - WOC 14 hrs. Pumped 13 BPW down tbg through cmt retainer @ 200# & 2 BPM.

2/22/11 - Pumped 15 BFW @ 2 BPM & 350# pressure. Pump 150 sx of Class C cmt w/ CaCl₂ & 2# sand per sack. Displaced cmt leaving 2 bbls of cmt in tbg above cmt retainer (2890'). Pumped 1 ¼ bbls of cmt in 4 stages over a time frame of 1 hr & 45 mins. Pressure increased from 500# & cmt sqz @ 1000#. Unstung from cmt retainer & reversed out 1 bbl (5 sx) of cmt. Raise tbg w/cmt stinger to 2875'. WOC.

2/23/11 - WOC 13 hrs. Tag 1' high to retainer @ 2890'. Test csg to 500# & held okay. TIH w/ 2 3/8" OD tbg WS, 6- 3 ½" DC's, 4 7/8" OD watermelon mill & 4 7/8" OD window mill. Ran to 2890'. TOH. TIH w/ 2 3/8" OD tbg WS, 20- 3 ½" DC's, 1 jt of 2 7/8" DP, 4 7/8" OD starter mill & whipstock. Ran to 2890'.

2/24/11 - Whipstock f/ 2880' to 2890'. Start milling window in 5 ½" csg. Cut from 2880' to 2881' in 30 min cir 2.5 BPM @ 900# pressure. Circ hole clean.

2/25/11 - TOH. TIH w/ 2 3/8" OD tbg, 20- 3 ½" OD DC's, 4 7/8" OD watermelon & 4 7/8" OD window mills. Tag @ 2881'. Mill f/ 2881' to 2893' cutting window in 5 ½" csg from 2880' to 2886' & milling pilot hole 7' outside of 5 ½" csg. Circ hole clean. TOH.

2/28/11 - PU 4 ¾" OD bit, 1 ½" degree Bend Motor (3 11/16" x 17.40') & float sub w/ float (3 11/16" x 2.71'), 3 ½" OD DC's & 2 3/8" OD tbg. Ran & tag @ 2893'. Drl 7' to 2900'.

3/2/11 - Slide drl f/2900' to 2993'. Circ hole clean. TOH w/ tbg & BHA. TIH w/ new 4 ¾" tricone bit, 3 11/16" OD x 17.30' straight motor, 3 11/16" OD x 2.71' float sub w/ float, 20- 3 ½" OD DC's & 2 jts of 2 3/8" OD tbg. Ran to 694'.

3/3/11 - TIH. Tag @ 2991'. CO 2' of fill. Drl new 4 ¾" OD hole w/ straight motor from 2993' to 3092' w/ good circ. Circ hole clean.

3/4/11 - Weld on Duplex shoe & ran 10 jts of 4" 9.5# J-55 UFJ csg (392'), the 1st 5 jts were bond coated (196') & the remaining 5 jts w/o bond coat (196') leaving 4" slip type collar looking up on top jt of 4" liner. Ran 2 3/8" OD tbg w/ Watson Packers tool on btm of tbg & screwed into Duplex shoe w/ left hand thread. Lower liner w/ 2 3/8" tbg & tag TD w/ liner @ 3092'. Circ hole clean, 4" liner set from 2700' to 3092'. Ran end of liner up 1'.

3/7/11 - Pumped 30 BPW & circ down tbg through 4" liner. Pump 70 sx Class "C" cmt w/ 2% CaCl₂ & displaced w/ 10.5 BFW leaving 1.5 bbls of cmt in tbg. Release setting tool from Duplex shoe leaving 6.4sx of cmt in btm of 4" 9.5# J-55 liner. Good circ.

3/8/11 - TIH w/ tbg & 4 ¾" bit. Tag TOL @ 2700'. Test TOL w/ produced wtr. Pumped down TOL w/ 7 BPW @ 300# & 1 ½ BPM. TOH w/ tbg & bit. TIH w/ 2 3/8" OD tbg WS & 5 ½" pkr to 2555'.

3/9/11 - Pump 10 BPW @ 2 BPM & 100# pressure down tbg through pkr @ 2555'. Pump 150 sx of Class "C" cmt w/ 2% CaCl₂ & 3# sand per sx of cmt. Displaced cmt 1 bbl below pkr (2555') w/ 700# SD pressure. Staged cmt, displacing cmt to 2626'. Liner top squeezed off w/ 1100# SD pressure. WOC.

3/10/11 - TIH w/ tbg WS & 4 ¾" bit. Tag @ 2644'. DO cmt from 2644' to TOL @ 2700'. Test TOL w/ 500# for 30 min, held okay. TOH. TIH w/ tbg & 3 3/8" bit. Tag @ 2700'. DO to 2722' & fell out of cmt. Ran bit to 3090' (TD = 3092'). Circ hole clean. TIH w/ 2 3/8" tbg WS, 4.5' x 3 3/8" string mill, 1' x 2 3/8" seating nipple & 2.5' x 3 3/8" bull nose mill. Run through TOL @ 2700' down to 2772'. Mills ran free through TOL @ 2700'. Raise mills to 2689'.

3/11/11 - Lwr mills & work 3 3/8" bull nose & string mills through the TOL @ 2700' several times. Ran GR/CCL/CBL from 2680' to 3091'. Ran GR/CCL/CNL from 2000' to 3090'.

3/14/11 - Perf 2 holes in 4" liner 2977', 180° phasing. TIH w/ tbg WS & Watson Packers 4" test pkr. Set @ 2757'. Pumped 5 BFW @ 350# & 1 ½ BPM. Pump @ 1.5 BPM, 156 sx of Class "C" cmt w/ 2% CaCl₂ & 2# sand per sx of cmt. Displace cmt @ 1 BPM, 1.3 bbls below pkr @ 1100# SD pressure. Staged cmt displacing cmt to 2897' w/ 1500# squeeze pressure.

3/15/11 - WOC, release pkr & tag cmt @ 2856'. Test csg back to surface w/ 560# & held okay. Drl cmt from 2856' to 3000'. Test cmt squeezed perfs @ 2977' Held 565# for 30 min. Lwr bit to 3090'. Circ hole clean. Ran GR/CCL/CBL from 2300' to 3093'.

3/16/11 - Perf 4" liner w/ 2 shots, 180° phasing @ 3006'. TIH w/ tbg WS w/ Watson Packer's 4" Crest III pkr & set @ 2996'. Pumped into perfs 3006' w/ 12 BPW @ 500# & 1.5 BPM. Raise pkr to 2822', load & test-csg annulus to 550# & held okay.

3/17/11 - Pump 10 BPW down tbg through pkr into perfs @ 3006' @ 1.5 BPM & 350#. Pumped 150 sx Class "C" cmt w/ 2% CaCl₂ & 2# sand per sx. Mixed @ 14.8 ppg w/ yield of 1.32 w/ 12 BFW (1.1 bbls below pkr @ 2837') w/ 1050# pressure @ 1 BPM. SD 30 min & pressure fell to 850#. Pumped 1/8 BFW & pressure fell to 750#. WOC 30 min. Turned over pumps & pressure went to 1500# & stayed. Well squeezed. WOC.

3/18/11 - TIH w/ tbg WS & 3 3/8" bit. Drl cmt f/ 2904' - 3012'. Test cmt squeeze perfs @ 3006' w/ 550# for 30 min, held okay. Ran bit to 3092', circ hole clean & TOH. Ran GR/CCL/CBL from 2300' - 3092'. Perf 4" liner from 3024' - 3037' (14' & 28 holes) w/ 2 1/2" cased gun, 2 SPF & 120° phasing. TIH w/ tbg & 4" Watson SL pkr. Ran to 3013'.

3/21/11 - Swab stopped @ 448'. Pulled tbg & pkr to tight spot in tbg. Remove jt & re-ran tbg w/ 4" SL pkr & set pkr @ 3012'. Swab 2 hrs & recovered 24 BLW. SFL = 200' from surface; EFL = 2600' from surface. Pumped 16 BFW down tbg into perfs @ 1000# & 2.5 BPM. Acdz 4" csg perfs 3024' - 3037' w/ 1500 gal on 7 1/2% NEFE acid + 40- 7/8" ball sealers. Flushed w/ 12.5 BFW, no over flush. Treating pressures: Max = 5000# (balled out); Min = 1000#; & Avg = 1525#; Avg rate = 3.5 BPM; ISIP = 1455#; 5 Min = 929#; 10 Min = 801#; 15 Min = 674#; TLTR = 71 bbls. JC @ 3:15 pm. Flow well to test tank for 1/2 hr & recovered 6 BLW. RU & swabbed 3+ hrs. Recovered 59 BLW w/ no show. SFL = surface, EFL = 2400' FS. Total rec = 65 BLW. Lack 6 BLW to recover.

3/22/11 - Sswab for 3/4 hrs. Rec 8 BF, 6 BLW & 2 BFW. SFL=1300' FS. End fluid level=2000' FS.

3/23/11 - TIH w/ 10 jts (324') of 2 3/8" OD tbg 4.7# 8rd EUE J-55 IPC tbg w/ turned down collars + 81 jts (2608') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg w/ reg collars & 4" AS1-X nickel plated pkr w/ 1.5" F profile nipple & on/off tool. Set pkr @ 2938'. Circ hole w/ pkr fluid & latch back onto pkr. NDBOP & NUWH. Pulled 10 pts on pkr. Connect well for wtr injection.

3/30/11 - Ran OCD required MIT test. Tested for 31 min to 510#. Lost 10# - 500#. Test okay. Witnessed by Maxey Brown w/ OCD. Original chart is attached.

