

DATE IN 09/30/13	SUSPENSE	ENGINEER PG	LOGGED IN 10/10/13	TYPE IPI	APP NO. PPRG1328460320
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☒ IPI ☐ EOR ☐ PPR

[D] Other: Specify WFX-880 / R-1541-A / 1541-B

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ~~X~~ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

Celero
 30-005-29158
 Rock Queen Unit
 # 308

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

MICHAEL W. METZA
 Print or Type Name

Michael W. Metza
 Signature

PRODUCTION ENGR
 Title

10/9/13
 Date

mmetza@celeroenergy.com
 e-mail Address

**CELERO ENERGY II, LP**

400 West Illinois, Suite 1601 Midland, Texas 79701 (432)666-1883

#122

TO: NMOCD
Attn: Mr. Phillip Goetze
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Injection Pressure Increase
Rock Queen Units nos. 308 and 309
Chaves County, NM

30-05-29158

Dear Mr. Goetze

Enclosed are copies of step rate injection tests which were recently completed on Celero Energy's Rock Queen Unit well numbers 308 and 309. Celero is requesting permission to increase the maximum surface injection pressure while injecting produced water to 1250 psi and to 1600 psi while injecting carbon dioxide. Current injection pressures on produced water and carbon dioxide are limited to 800 psi and 1200 psi, respectively. The injection pressure limits of 800 psi and 1200 psi are unit-wide limits which were set by Order No. R-1541-B dated December 13, 2010, which approved Celero's requested surface injection pressure limits ✓ for wells subsequently permitted for injection.

Both wells were drilled and completed in April, 2011. Initially, the producing Queen Formation interval in each well was acidized, and the wells were put on water injection. The water injection rate in each well was inadequate, and the wells were subsequently re-perforated and hydraulically fractured. The #308 was treated with 16,500 gals of gelled water plus 22,300 lbs. of 20/40 sand; the #309 was treated with 24,800 gals of gelled water plus 42,200 lbs. of 20/40 sand. Injection rates increased after the hydraulic fracture treatments but are still too low to displace formation fluids to the offset, producing wells at an adequate rate.

Please contact M. Metza at 432-556-0829 (cell) if any additional information is required. Thank you in advance for your attention to Celero's request.

Very truly yours,


M. W. Metza

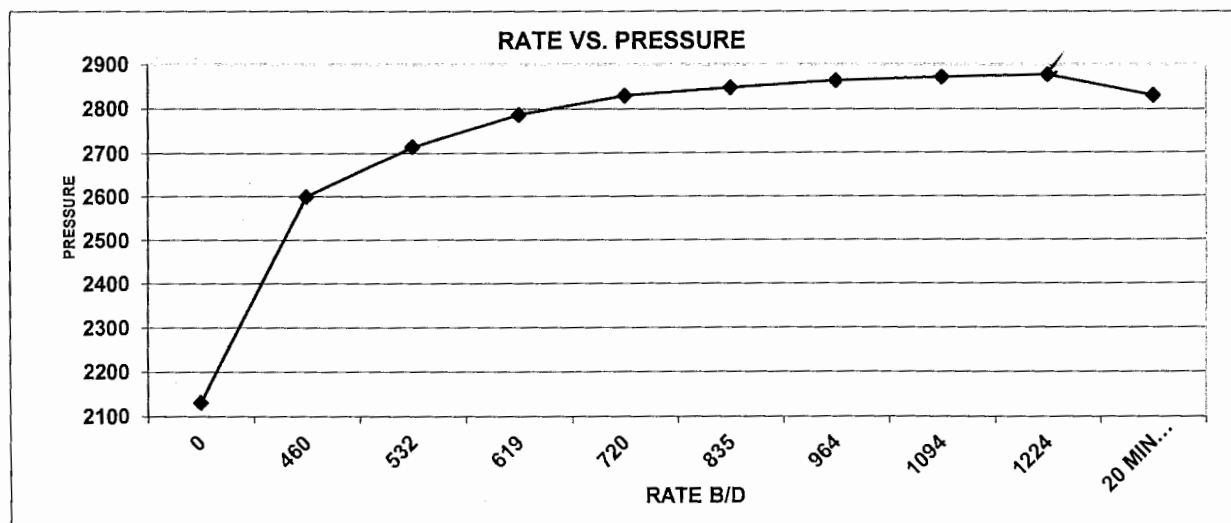
1420 Frac



STEP RATE TEST

graywsi2@aol.com

RATE B/D	Date	Time	BH PRESS	SURF. PRESS	Comments
0	9/17/2013	10:20 AM	2131	580	
460	9/17/2013	10:50 AM	2600	1075	
532	9/17/2013	11:10 AM	2715	1275	
619	9/17/2013	11:30 AM	2787	1325	
720	9/17/2013	11:50 AM	2830	1375	
835	9/17/2013	12:10 PM	2848	1390	
964	9/17/2013	12:30 PM	2864	1420	FRAC
1094	9/17/2013	12:50 PM	2872	1450	
1224	9/17/2013	1:10 PM	2877	1460	
20 MIN FALL OFF	9/17/2013	1:30 PM	2831	1275	
Company: CELERO			Recorded By: T. STANCZAK		
Well: ROCK QUEEN # 308			Witnessed By: WAUHOB		
Field: CAPROCK			Truck Number: 104		
County: CHAVES			District: LEVELLAND		
State: NEW MEXICO			Tool Number:		
Injection: WATER			Test Type: STEP RATE TESTS		
Shut In Time: 1:10:00 PM			FRAC @ 964 B/D		
Total Shut In Time: 20 MIN.			1420 SURFACE PRESSURE		
Tubing Size: 2 3/8			2864 BOTTOM HOLE PRESSURE		
Open Hole: N/A					
Perforations: 3035'-3039', 3042'-3056'					
Plug Back Depth: N/A					



CELERO ENERGY

ROCK QUEEN UNIT # 308

September 17, 2013

JOB INFORMATION SHEET

Company Information	
Company Name:	CELERO ENERGY
Address:	400 WEST ILLINOIS, SUITE 1601 MIDLAND, TX 79701
Well Information	
Well Name:	ROCK QUEEN UNIT # 308
Field – Pool:	CAPROCK
Status:	INJECTION
Test Information	
Type of Test:	STEP RATE TEST
Gauge Depth:	3010'
Production Interval:	3035'-3056'
Production Through:	TUBING
Tubing Pressure:	1460 psi
Casing Pressure:	0 psi
Shut In Time	1:10 PM
Temperature @ Run Depth	89.09 degF
Surface Temperature:	70.00 degF
Comments	
FRAC OCCURRED @ 964 B/D 1420 SURFACE PRESSURE 2864 BOTTOM HOLE PRESSURE	

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

WELL INFORMATION SHEET

Well:	ROCK QUEEN UNIT # 308	Unique Well Identifier:	
Well License:			
Company:	CELERO ENERGY		
Field	CAPROCK		

Location:	County:	CHAVES
Formation:	State:	NM
Purpose:	Country:	USA

Total Depth:	3125'	ID Borehole:	N/A
Packer Depth:	2978'	ID Production Casing:	5"
Depth of whipstock:	N/A	OD Production Tubing:	2.375"
Depth at which casing is landed:	3125'	ID Production Tubing:	2"
Depth at which tubing is landed:	2978'	ID Drill Pipe:	N/A

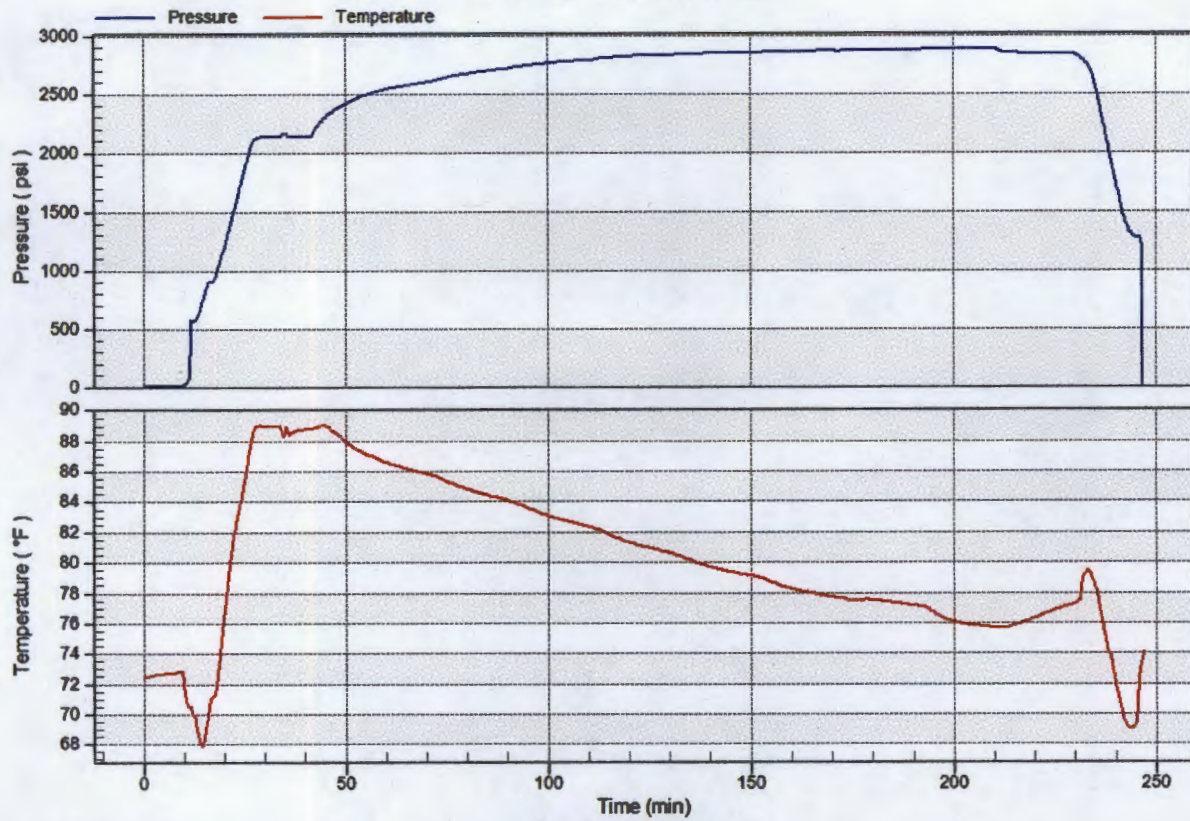
Gradient Data Report

CELERO ENERGY
ROCK QUEEN UNIT # 308

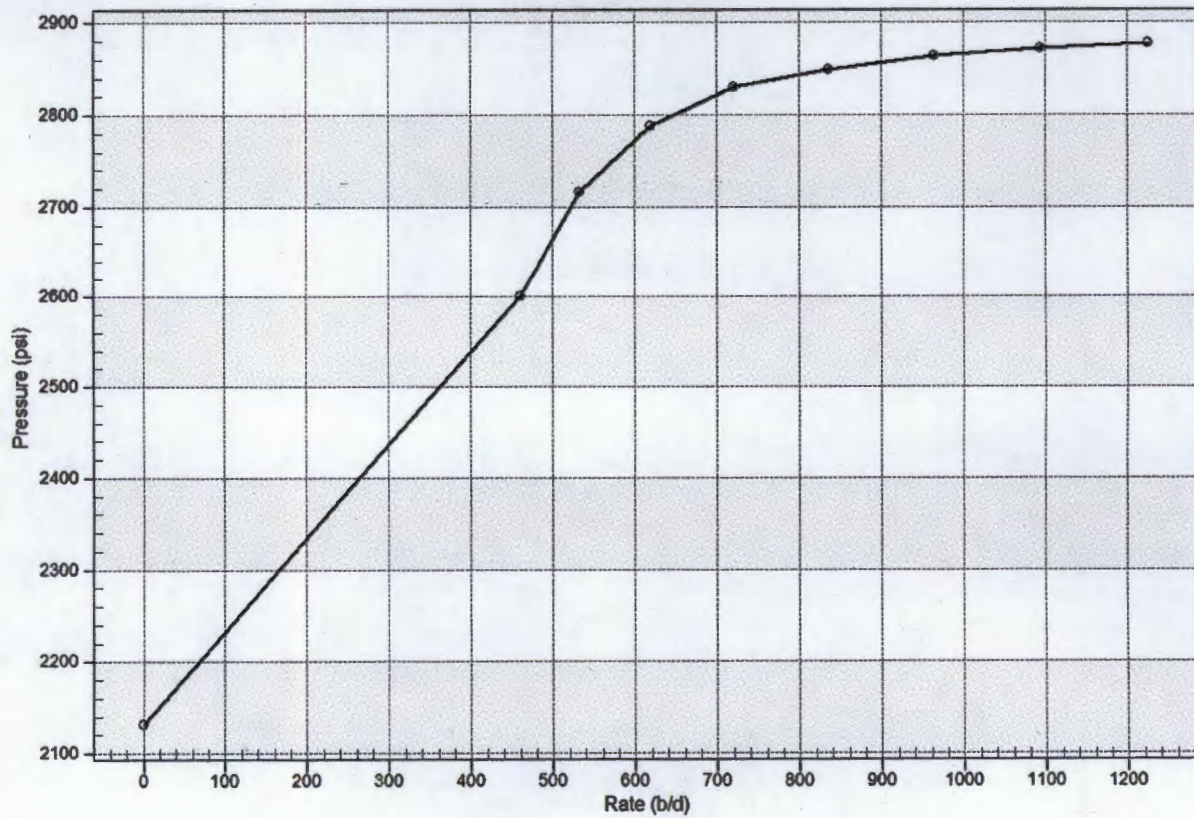
Gradient Data Table

Rate b/d	Pressure psi	Temperature degF	Gradient psi/rate
0.00	2131.23	88.83	0.0000
460.00	2600.12	85.81	1.0193
532.00	2715.72	84.07	1.6056
619.00	2787.47	82.32	0.8247
720.00	2830.39	80.58	0.4250
835.00	2848.36	79.07	0.1562
964.00	2864.03	77.71	0.1215
1094.00	2872.19	77.13	0.0628
1224.00	2877.45	75.66	0.0405

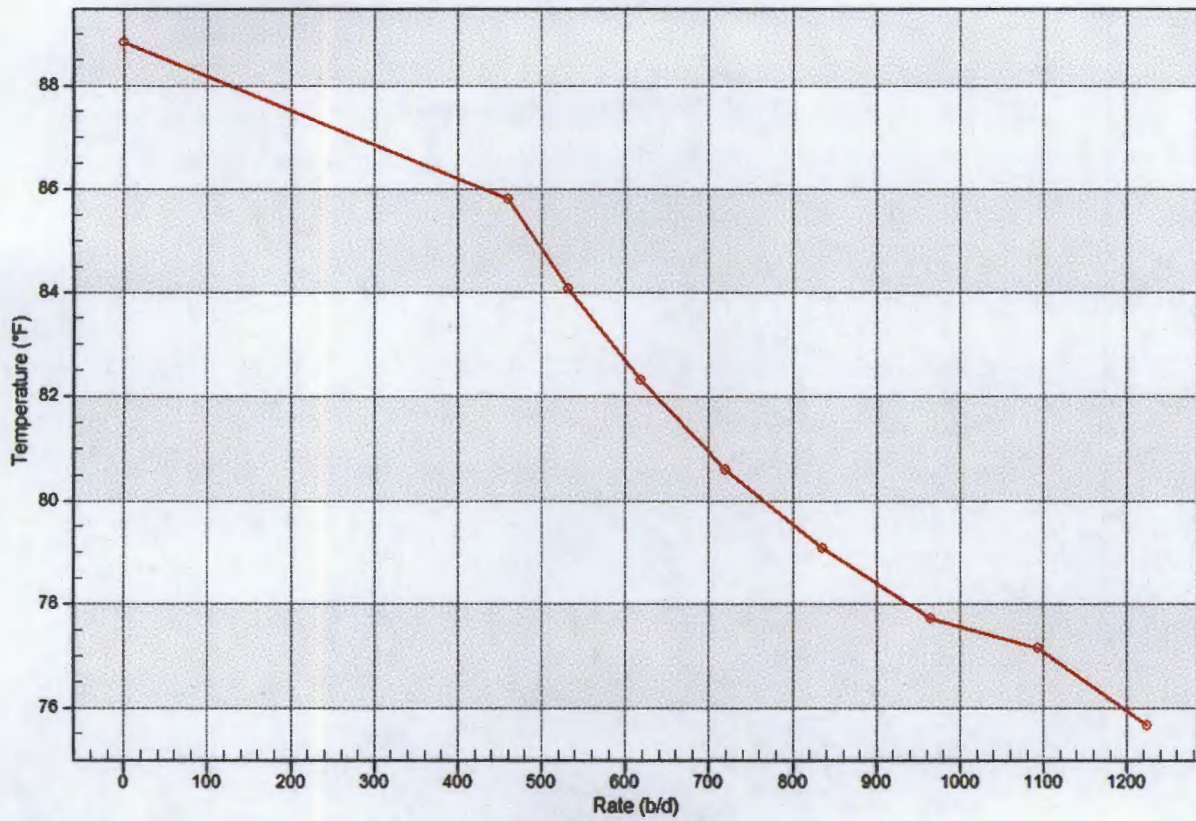
ROCK QUEEN UNIT # 308



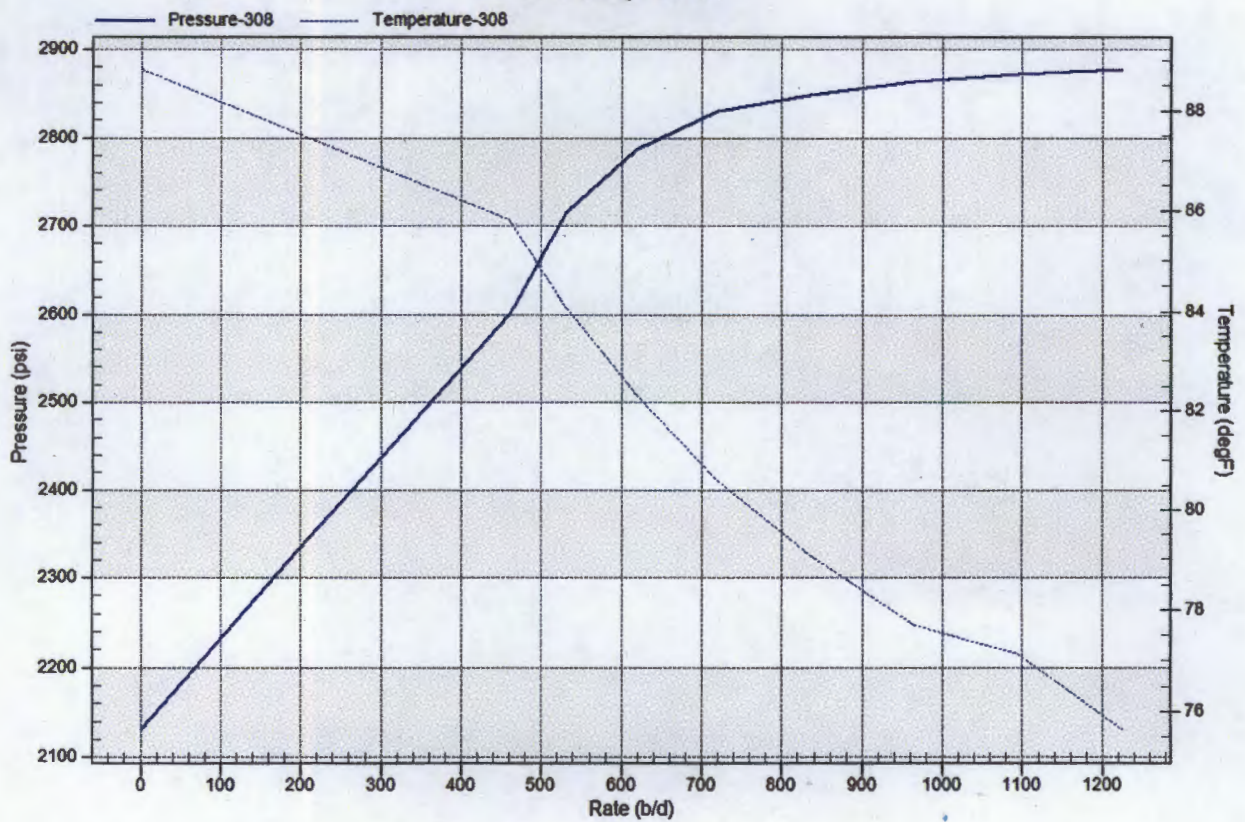
Pressure vs. Rate



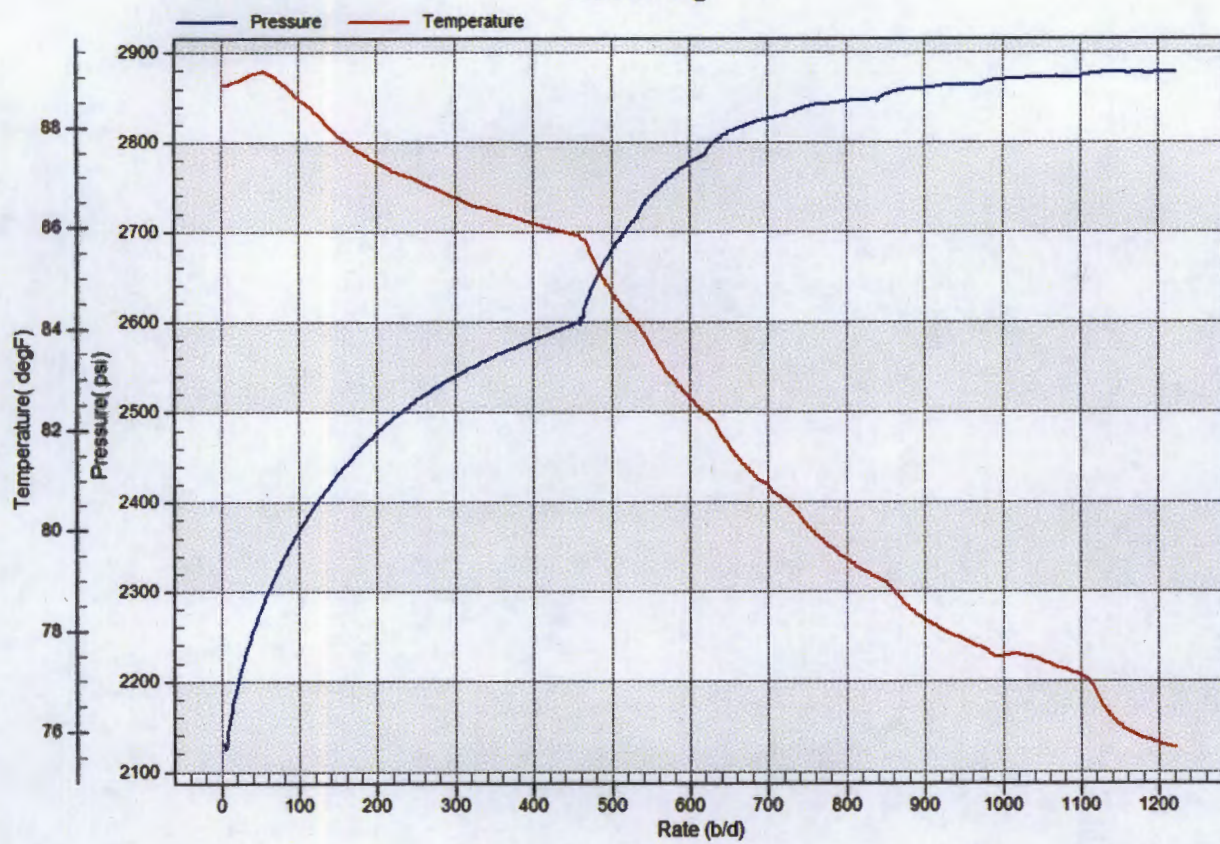
Temperature vs. Rate



Pres/Temp vs Rate



Pressure Log





Rock Queen Unit

Chaves & Lea Counties, NM

Ratio Scale = 1 : 24,000



POSTED WELL DATA

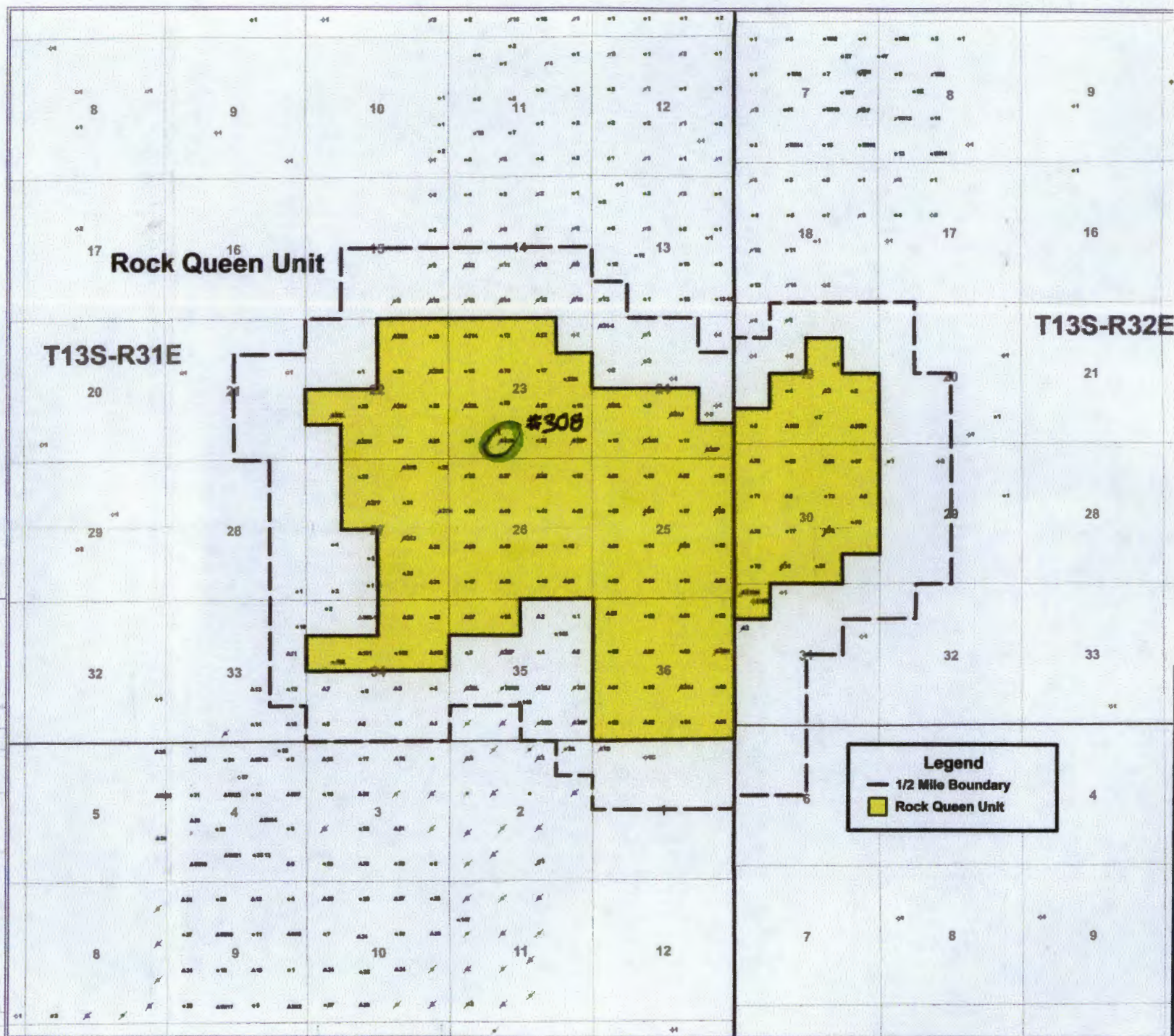
● Well Label

WELL SYMBOLS

- Oil Well
- Gas Well
- Dry Hole
- △ Injection Well
- △ Service Well
- △ Jailed
- Plugged & Abandoned Oil Well
- Dry Hole, With Show of Oil
- Dry Hole, With Show of Gas
- Suspended Oil Well
- Inactive Oil Well
- Oil Well Plugged and Abandoned
- ▲ Water Injection Well
- ▲ Inactive Water Injection Well
- ▲ Plugged and Abandoned Water Injection Well

By: J. Baker

February 18, 2005



Legend

- 1/2 Mile Boundary
- Rock Queen Unit