

Submit 1 Copy To Appropriate District Office  
 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

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised August 1, 2011

**HOEBS OCD**  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**JUL 01 2013**

|   |
|---|
| WELL API NO.<br>30-025-00286  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>Rock Queen Unit   |
| 8. Well Number 2  |
| 9. OGRID Number<br>247128   |
| 10. Pool name or Wildcat<br>Caprock; Queen  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)  |

**RECEIVED**

**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 Monitor

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 I : 1980 feet from the S line and 990 feet from the E line  
 Section 19 Township 13S Range 32E NMPM County Lea

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

|  |   |   |  |
|--|---|---|--|
| <b>NOTICE OF INTENTION TO:</b>                 |   | <b>SUBSEQUENT REPORT OF:</b>                          |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>                | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input type="checkbox"/>      | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>            |  |
| DOWNHOLE COMMINGLE <input type="checkbox"/>    |   |   |  |
| OTHER: <input type="checkbox"/>                |   | OTHER: <b>MIT</b> <input checked="" type="checkbox"/> |  |

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.

6/13 - 6/18/13 - Test tbg-csg annulus w/ 550# and lost 50-500# in 13 min (production pkr set at 2982'). NDWH & NUBOP. Release pkr and TOH w/ 92 jts of 2 3/8" OD. Regular IPC tbg w/ 4 1/2" AD-1 pkr. Found 1 slip on pkr missing. TIH w/ Globe Energy's 4 1/2" RBP & pkr. Ran and set RBP at 3004'. Raise pkr to 3000'. Unable to get pkr & RBP to hold psi. Reset RBP at 2989' w/ pkr at 2974'. Attempt to test tbg, pkr & RBP to 750#. Had small leak. Unset pkr. Test 4 1/2" csg FS to 2989' w/ 510# & lost 70-430# in 5 min. Re-test with 500#, lost 90-410# in 5 min. TOH w/ tbg and pkr. Change out pkr. TIH with 4 1/2" pkr to test csg. Csg passes MIT from 2940' to surf. 30 min test with chart, starting psi = 620# & ending psi = 590#; 30# loss. Csg tested from 2940' to RBP at 2989' indicates a leak. Test to 600# & lost 75# to 525# in 5 min. TOH w/ tbg and pkr. TIH w/ tbg and retrieving tool for RBP & start out of hole with tbg & RBP. Pulled 50 jts. Finish LD 2 3/8" tbg WS. TIH w/ 91 jts of 2 3/8" IPC tbg with 4 1/2" AD-1 plastic coated pkr. With pkr swinging at 2943', circ pkr fluid. When NDBOP, pulled too much tension on pkr and sheared pkr. TOH w/ tbg & pkr. Repaired pkr. Re-ran 91 jts of 2 3/8" OD 4.7# 8rd EUE J-55 regular IPC tbg with 4 1/2" AD-1 pkr. With pkr swinging at 2943', circ pkr fluid, NDBOP & NU 4 1/2" Larkin 2000 psi WP tbg head with 2" full opening Al-Br tbg valve. Set pkr with 20 points of tension. Took 31 min pre-MIT. Start psi = 540# and ending psi = 470#. Called Maxie Brown w/ OCD. Ran MIT, test tbg-csg annulus w/ 520#. Tested 32 min w/ ending psi of 500#. Clean location. RDMO. Well remains a monitor well.

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 06/28/2013

Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883

**For State Use Only**

APPROVED BY [Signature] TITLE Dist MGR DATE 7-3-2013

Conditions of Approval (if any):

JUL 08 2013

