New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

HOBBS OCD

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

DEC 03 2013

RECEIVED

5. Lease Serial No. LC-068288-A	
6. If Indian, Allottee or Tribe Name	
7. If Unit of CA/Agreement, Name and/or No. R1541	
1. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other	8. Well Name and No. Rock Queen Unit # 301
2. Name of Operator: Celero Energy II, LP	9. API Well No. 30-005-29192
3a. Address: 400 W. Illinois, Ste. 1601 Midland TX 79701 / 3b. Phone No. *(include area code)*: (432)686-1883	10. Field and Pool or Exploratory Area: Caprock; Queen
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: 660' FNL & 860' FWL (D) Sec 25, T13S, R31E	11. County 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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☒ Well Integrity
☒ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

10/24-10/28/13

Release on/off tool from pkr and circ 90 BPW down tubing out the annulus. Start out hole with 2 3/8" IPC tbg with on/off tool. Pulled 6 jts (208'). Brought in 200 bbls of 14.5 ppg CaCo3 mud. Tied onto tbg. Pumped 85 bbls of mud down tbg out csg (tbg-csg annulus). Kill well. Unable to latch onto packer. Circ out mud with 10 ppg PW to attempt to check out 1.50 "F" blanking plug location. Tbg plugged. Ran 1.62" OD lead impression block, showing top of 1.50 "F" blanking plug centered in the pkr profile nipple. Pulled blanking plug. Able to pump down tubing, circulating fluid to top of profile nipple with on/off tool. Attempt to latch back onto packer. Unable to latch onto same. Ran and reset redressed 1.50. "F" blanking plug in pkr profile nipple at 2940'. Start pumping 14.5 ppg mud down tubing. Took 2+ bbls and tubing pressured up to 1000#. The casing annulus started flowing 10 ppg fluid with CO2 and would not stop flowing. SICP. Tried to pump down tubing again w/ 14.5 ppg mud w/ 1700 psi. Would not take fluid. Ran in w/ equalizing tool and equalized pressures above & below packer. Attempt to pull 1.50 "F" profile nipple. Could not shear off of plug. Pumped 20 bbls,10 ppg BPW down tbg and sheared off of blanking plug. Reran pulling tool for blanking plug. Same results. Unable to pull and sheared off of same. Attempt to latch onto packer w/ on/off tool. Failed. Tied onto tubing & pumped 80 bbls of 14.5 ppg mud down tubing to kill well.

*Continued on attached sheet

ACCEPTED FOR 12 MONTH PERIOD
ENDING NOV 0 1 2014

SUBJECT TO APPROVAL BY NMOCD

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Lisa Hunt — Title: Regulatory Analyst

Signature: Lisa Hunt — Date: 11/11/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: ACCEPTED FOR RECORD /S/ DAVID R. GLASS — Title — Date: NOV 26 2013

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. — Office: ROSWELL FIELD OFFICE

MW/OCD 12/4/2013

DAVID R. GLASS
PETROLEUM ENGINEER

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)

DEC 09 2013

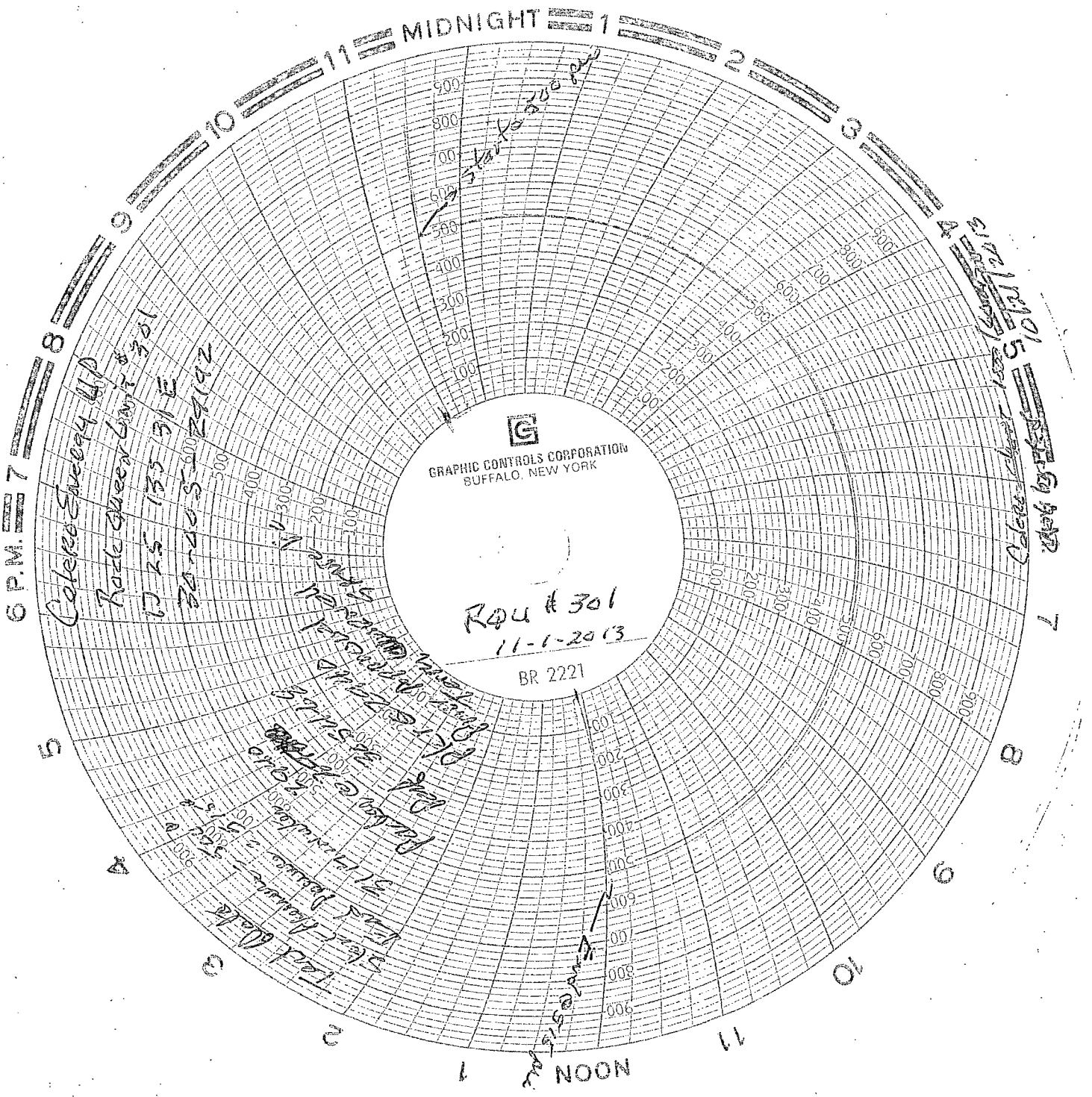
Rock Queen Unit #301 – C103 Continued

10/29/13 - Brought in 11.5 ppg CaCo3 mud and mixed with 14.5 ppg mud resulting in 12.5 ppg mud mix. Ran 1.77" OD gauge ring. Attempt to run 1 3/4 OD perforating gun to perf tbg. Stopped at 17'. Displace 14.5 ppg mud in tubing with 10 BFW. Attempt to re-run perforating gun after displacing mud with 10 BFW. Stopped again at 17'. Displace water with 12.5 ppg mud. SD with tbg on slight vacuum. Pump 65 bbls of 12.5 ppg mud down tbg-csg annulus. Starting pressure = 900 psi. Ending pressure = 0 psi. Pumped mud back down tbg to establish circulation out casing. Would not circ. TOH w/ IPC tubing & the on/off tool with 1.50" "F" profile nipple with blanking plug in same. Left packer in hole with top of packer looking up with 2 1/16", 10 rd coupling (continued slowly pumping mud down annulus to keep well killed). Pickup 2 3/8" OD tbg work string with 2 1/6", 10 rd pin looking down. Ran and screwed into top of packer at 2940'. Release packer and start out hole. Tbg started running over. Pumped 10 bbls of mud down tubing and killed flow. Finish TOH w/ tbg and 4" AS1-X packer with 2 joints of 2 3/8" OD fiberglass tubing (had to pump 25 bbls of mud down casing when packer reached the top of well head. Mud started flowing out casing). TIH w/ 2 joints of 2 3/8" OD fiberglass tbg with mule shoe cut on bottom, Globe Energy's 4" AS1-X nickel plated packer with 1.50" "F" profile nipple & blanking plug in place & 2 3/8" x 4' perforated nipple. Ran on 2 3/8" tbg work string and set packer from 2940' to 2946' w/ 2 3/8" OD fiberglass tubing from 2946' to 3005'.

10/30/13 - Release on/off tool from packer, pull and stand back 2 3/8" OD tbg work string. TIH w/ w/ on/off tool for 4" AS1-X packer, 2 3/8" OD x 4' perforated nipple & 6 - 2 7/8" O.D. drill collars. Ran on 2 3/8" IPC tubing. Latch onto packer using drill collars to re-pack off packer. Release from packer, circulate hole with 10 ppg produced water, circulating out 12.6 ppg mud. Pull and lay down 2 3/8" IPC tubing. TIH with 2 3/8" OD tbg work string with 2 3/8" seating nipple, 2 3/8" x 4' perforated nipple and on/off tool for packer. Ran to 2730' w/ seating at 2725'. Swabbed 2 1/2 hours recovering 40+ bbls of load fluid. SFL = 200' FS; EFL = 1500' FS. No gas recovery in fluid.

10/31/13 - Ran swab and tag fluid at 1500' from surface. No fluid entry or pressure increase. TOH, laying down 2 3/8" OD tbg work string.

11/1/13 - Start testing 2 3/8" O.D., 4.7#, 8rd, EUE, J-55 seal lube IPC tubing in hole with Nitrogen. (90 jts; 18 w/ TDC & 72 w/ regular collars & 2 - 2 3/8" x 2'& 2 3/8" x 8' IPC subs w/ Globe Energy's nickel plated on/off tool). Ran Globe Energy's on/off tool, 17 jts of 2 3/8" IPC tbg w/ TDC, 72 jts of IPC tubing with regular collars, 1 jt w/ TDC plus 2 3/8" X 2' & 2 3/8" x 8' IPC tbg subs. Ran to top of pkr at 2940' & circulate packer fluid. Latch onto packer at 2940'. NDBOP & NU 7 1/16", 3K, slip type tubing flange & install 2 1/6", 5K full opening tubing valve. Pkr at 2940'-46' & Fiberglass tbg from 2946' to 3005'. EOT @ 3005'. Ran MIT; Tested 31 minutes with pressures; start at 500# & end at 515#. Copy of chart is attached. Pulled 1.50 "F blanking plug. SITP = 400 #. Well connected to injection.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