Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

WELL API NO.	30-005-00871
5. Indicate Type of Lease	STATE [X] FEE [ ]
6. State Oil & Gas Lease No.	

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.)

7. Lease Name or Unit Agreement Name	Rock Queen Unit
1. Type of Well: Oil Well [ ] Gas Well [ ] Other Injector	8. Well Number 42
2. Name of Operator Celero Energy II, LP	9. OGRID Number 247128
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701	10. Pool name or Wildcat Caprock; Queen

4. Well Location
Unit Letter H : 660 feet from the East line and 1980 feet from the North line
Section 26 Township 13S Range 31E NMPM County Chaves

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
OTHER: [ ]		OTHER: Attempt to repair csg leak [X]	

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.

3/8 - 3/15/11 - MIRU. Release pkr & TOH w/ 2 3/8" OD IPC tbg w/ 4" AS1-X pkr. TIH w/ 2 3/8" tbg WS w/ notched collar. Ran & tag @ 3070'. Spot 3 sx of sand from 3070' back to 3043' (3043' = WL depth). Ran 2 ½" OD dump bailer & tag top of 4 ½" liner @ 3024'. Dump 10' of cmt @ 3024'. Ran & set 4" cast iron cmt retainer @ 2900'. Sting into retainer @ 2912'. Pumped 15 BPW through tbg & cmt retainer @ 2 BPM & 200# pressure. Pumped 15 BFW down tbg through retainer into csg leak @ 3022' @ 2 BPM & 0# pressure. Pump 150 sx of Class "C" cmt w/ 2% CaCl2 + 3# sand per sx of cmt. Pumped cmt down tbg. Displaced cmt w/ 2 ½ BFW & pressure went from 0# to 1200#. Surged 3 times. Each time pressure went back to 1200#. PU 1+'. Reversed out 37 sx of cmt leaving 113 sx below retainer. WOC. Tag cmt @ 2911'. D/O 1' of cmt. Started drlg cmt retainer @ 2912'. Drld 3". TIH w/ tbg WS, DC's & 3 3/8" cone type mill. Ran to 2910'. Mill on cmt retainer @ 2912+'. Milled 2". TOH. Drill cmt retainer & cmt to 2922'. Circ hole clean. Lwer bit & tag @ 2922'. Drill from 2922' - 2930', drlg cmt w/ some metal. Bit stopped drlg. TOH. Cones were missing on bit. Ran 2 ½" OD magnet on sandline, recovering all cones (took 2 runs). TIH w/ tbg WS w/ DC's & 3 3/8" bit. Tag @ 2930'. Drill & made 17' - 2947'. Circ hole clean. Drl cmt to 3010'. Place string wt on PBTD & fell to 3043'. Circ hole clean. Pumped down tbg through leak in csg @ 3022' @ 2.3 BPM & 0# pressure w/ 15 BFW. TOH w/ tbg & bit. TIH w/ 2 3/8" OD tbg WS & Watson pkrs test/squeeze pkr. Ran to 2837'. Load & test tbg-csg annulus to 550# & held okay. * Continued on attached sheet.

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 06/20/2011

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

For State Use Only

APPROVED BY: Maley Brown TITLE Compliance Officer DATE 6/21/2011

Conditions of Approval (if any):

JUN 22 2011

Rock Queen Unit #42 – C-103 Continued

3/17/11 - Pumped 5 BFW down tbg through pkr into top of 4 ½" liner @ 3022' @ 1 ½ BPM & 0# pressure. Pumped 150 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand per sx of cmt & displaced w/ 9 BFW @ 0.9 BPM. SD & well taking cmt on vacuum @ 1 BPM. Over displaced cmt 5 bbls. WOC 2 ¾ hrs. Pumped 200 sx Class "C" cmt w/ 2% CaCl2 & 3# sand per sx of cmt. Displaced w/ 0.9 BPM @ 0# pressure w/ 5 BFW. Stopped pumps. Well taking fluid @ 0.9 BPM. Closed off wtr used for displacement. WOC. Open valve & well still taking fluid @ 0.9 BPM to 8 bbls of displacement. Closed off wtr used for displacement. WOC. Open valve & well still taking fluid @ 0.9 BPM on vacuum. Over displaced w/ 5 BFW. WOC.

3/18/11 – WOC. Pump 5 BFW @ 1 ½ BPM @ 0# psi. Pump 200 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand/sx of cmt, mixed @ 14.8 ppg w/ 1.32 yield. Displaced @ 1 BPM @ 0# psi w/ 6 BFW. Shut off pumps & gravity to 9 bbls displacement. WOC. Pumped 2 BFW @ 68# psi to 11 bbls displacement. WOC. Pump ¼ bbl from 91# - 68#. Unable to get cmt squeeze. Over displace cmt w/ 5 BFW. WOC. Pump 5 BFW @ 1.5 BPM from 91# - 23#. Pump 150 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand/ sx of cmt @ 14.8 ppg w/ 1.32 yield. Displace cmt @ 0.3 BPM on vacuum w/ 5 BFW. Shut off pumps. Gravity feed from 0.8 BPM – 0.5 BPM to 9 bbls of displacement. WOC. Pump 2 BFW to 11 bbls of displacement @ 0.3 BPM & 68# psi. WOC. Pump 1 BFW @ 0.3 BPM @ 91#. Unable to get cmt squeeze. Over displace cmt w/ 5 BFW @ 5:25 pm. WOC. Pump 5 BFW ahead of the cmt @ 1.5 BPM & 159# psi. Pump 150 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand/ sx of cmt @ 14.8 ppg w/ 1.32 yield. Displace cmt w/ 5 BFW @ ½ - 1 BPM w/ no pressure. SD pumps 10 min. Gravity feed to 8 bbls of displacement & well stopped taking fluid on vacuum. WOC. Pumped 1 BFW @ ½ BPM w/ 91# psi. WOC. Pumped 1 BFW to 10 bbls of displacement @ 0.3 BPM @ 114# psi. WOC 20 min. Pumped 2 BFW to 12 bbls of displacement @ 0.3 BPM @ 159# psi. Unable to get cmt squeeze. Over displace w/ 5 BFW & CWI. WOC.

3/22/11 - Pump 5 BFW @ 1 ½ BPM & 0# psi. Pump 200 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand per/sx of cmt mixed @ 14.8 ppg w/ yield of 1.32 @ 1.5 BPM @ 46# psi. SD & wash up. Displace cmt w/ 7 BFW @ 0.2 BPM. SD pumps. Gravity feed @ 1 BPM to 9 bbls of displacement. Shut off wtr. WOC. Displaced to below pkr (2 bbls) @ 91# psi @ ½ BPM. WOC 30 min. Started displacing w/ 2 BFW@ 0.3 BPM & 137# psi. Over displaced w/ 5 BFW @ 0.6 BPM & 159# psi. WOC. Pump 5 BFW @ 1 ½ BPM & 0# psi. Pumped 150 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand per/sx of cmt mixed @ 14.8 ppg w/ yield of 1.32 @ 1.2 BPM & 0# psi. SD & wash up. Displace w/ 7 BFW. Shut off wtr & WOC. Pumped 2 BFW @ 0.3 BPM & pressure increased to 46#. WOC. Displace below pkr (2 BFW) @ 0.3 BPM & 182# psi. WOC. Pumped 1 BFW @ 0.3 BPM from 205# – 159# psi. Over displaced w/ 5 BFW @ 0.2 BPM w/ pressure from 250# - 205#. WOC. Pumped 5 BFW @ 250# - 205# @ 1.4 BPM. Pumped 120 sx of "C" cmt w/ 2% CaCl2 & 3# sand per/sx @ 1.2 BPM & 205# - 114# psi mixed @ 14.8 ppg w/ yield of 1.32. SD & wash up. Displaced cmt w/ 9 BFW @ 0.6 BPM from 23# - 68#. WOC. Pump 1 BFW @ 0.3 BPMw/ psi from 23# - 114# - 91#. WOC. Pumped 1 BFW @ 0.3 BPM from 182# - 159#. WOC. Pump 1 BFW @ 0.3 BPM w/ psi from 228# - 205#. Over displace w/ 5 BFW @ 1.1 BPM & 228# psi. CWI. WOC. Failed to get a cmt squeeze.

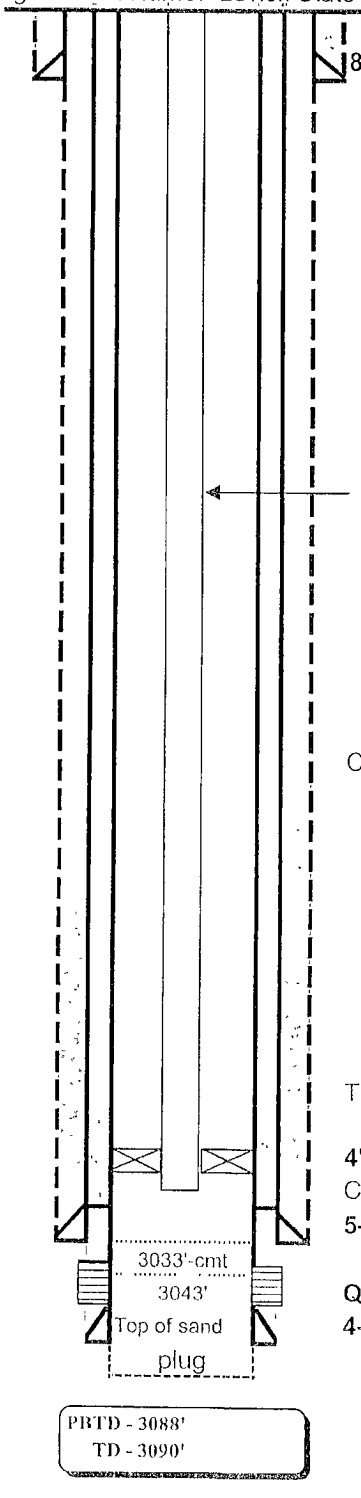
3/23/11 - Release pkr & TOH w/ tbg WS & pkr standing back string. TIH w/ 2 3/8" OD 4.7# 8rd EUE IPC tbg w/ TDC, pulled & LD this IPC tbg string. TIH w/ 2 3/8" OD tbg WS w/ 4" Watson SL plastic coated tension pkr. With pkr swinging @ 2804' circ hole w/ pkr fluid. Set pkr. NDBOP & NUWH pulling 14 pts of tension on pkr. CWI for further evaluation..

CELERO ENERGY

		DATE:	Apr. 24, 2011
FIELD:	Caprock	BY:	MWM
LEASE/UNIT:	Rock Queen	WELL:	42
COUNTY:	Chaves	STATE:	New Mexico

Location: 1990' FNL & 660' FEL, Sec 26H, T13S, R31ECM
SPUD: 4/55 COMP: 4/55
CURRENT STATUS: Active Injector
Original Well Name: Levick State #1

KB = 4418'
GL = 4,408'
API = 30-005-00871



8-5/8" 24# @ 306' w/175 sx-calc'd TOC at surface

T-Anhy @ 1440'
T-Salt @ 1540'
B-Salt @ 2195'
T-Yates @ 2310'
T-Queen at 3060'

2 3/8" 4.7# J-55 IPC injection tubing and AS-1 packer @ 2967'

Calc'd TOC @ 2500'; enlargement = 15%, yield = 1.26 ft3/sk

TOC @ 2800' on 4" liner (CBL, 9/07)

4" 9.5# UFJ liner 3022' - surface w/220 sx
Casing leak at liner top; attempt squeeze w/1470 sx.
5-1/2" 14# @ 3060' w/125 sx

Queen perfs: 3057' - 3061' (05-61)
4-1/2" 9.5# liner 3022' - 3067' w/35 sx