

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

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
JUN 21 2011 1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

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.)		WELL API NO. 30-005-00877
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injector <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Celero Energy II, LP		6. State Oil & Gas Lease No.
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name Rock Queen Unit
4. Well Location Unit Letter F : 1980 feet from the North line and 1980 feet from the West line Section 26 Township 13S Range 31E NMPM County Chaves		8. Well Number 40
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 247128
		10. Pool name or Wildcat Caprock; Queen

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Sqze csg leak ☒

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.

3/14 - 3/16/11 - MIRU. NDWH & NU 3K hydraulic BOP. Release pkr & pulled 90 jts of 2 3/8" IPC tbg & on/off tool. Did not recover pkr. PU 2 3/8" tbg WS & TIH w/ tbg on/off tool. Latched onto pkr @ 2039'. TOH. TIH w/ tbg open ended w/ notched collar to 3062'. Spot 3 sx of 20-40 sand from 3062' back to 3022' per tbg tally. TOH w/ tbg. Pumped 50 BPW down csg @ 2 BPM & 2# pressure. Ran sinker bar w/ collar locator. Tag @ 3036'. Dumped 10' of cmt on top of sand @ 3036' for a PBTD of 3026'. WOC. Tag PBTD @ 2977'. Pump 20 BFW @ 2 BPM & 0# pressure. Ran & set 4" cmt retainer @ 2850'. Pump 18 BPW through tbg & retainer @ 2 BPM & no pressure at base of tie back liner @ 2948'. Pump 5 BFW w/ 150 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand per sx of cmt. Displaced to cmt retainer @ 2850' @ 0.7 BPM on vacuum. Over displaced cmt w/ 5 BFW @ 0.8 BPM @ 0# pressure. WOC 2 1/2 hrs. Pump 5 BFW @ 1.5 BPM & 0# pressure followed w/ 150 sx of Class "C" cmt w/ 2% CaCl2 & 3# sand per sx of cmt. Displaced to cmt retainer @ 2850' @ 0.7 BPM on vacuum. Over displaced cmt w/ 5 BFW @ 0.8 BPM @ 0# pressure. Total sx of cmt pumped was 300 sx. WOC. 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.

* 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:

Malay Brown

TITLE

Compliance Officer

DATE

6/21/2011

Conditions of Approval (if any)

JUN 22 2011

Rock Queen Unit #40 -- C-103 Continued

3/17/11 - Pumped 200 sx of Class "C" cmt w/ 2% CaCl₂ & 3# sand per sx mixed @ 14.8 ppg w/ yield of 1.32. Displaced w/ 9 BFW (total displacement = 13 bbls) @ 0.3 BPM & 0# pressure. Stop pumps. WOC 30 min. Open valve & well taking fluid @ 0.5 BPM on vacuum. Over displaced w/ 5 BFW on vacuum. WOC 4 ½ hrs. Pumped 5 BPW @ 1.5 BPM @ 150# pressure. 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. Displaced @ 0.3 – 0.5 BPM w/ 0# pressure w/ 8 BFW. Closed off wtr used to displace cmt for 30 min. Open valve & well still taking fluid @ 0.5 BPM. Over displaced w/ 5 BFW.

3/18/11 - After WOC 14 ½ hrs (displacement to retainer = 11 bbls; to TOL @ 2948' = 13.2 bbls). Pump 150 sx of Class "C" cmt w/ 2% CaCl₂ & 3# sand per sx, mixed @ 14.8 ppg & 1.32 yield. Displaced cmt w/ gravity @ 0.8 – 0.5 BPM to 8 bbls of displacement. Shut off wtr, WOC 15 min. Open valve & displaced to 11 bbls @ 1 BPM & 120# pressure. Unable to get any cmt squeeze pressure. Over displace w/ 5 BFW. WOC 2 hrs. Pumped 150 sx Class "C" cmt w/ 2% CaCl₂ & 3# sand per sx cmt, mixed @ 14.8 ppg w/ yield of 1.32 @ 1 ½ BPM from 190# back to 75#. Displace 5 BFW & stop pumps, taking fluid @ 0.3 BPM on vacuum. Gravity to 8 bbls of displacement. Shut off wtr. WOC 25 min. Open valve & displaced remainder of cmt in tbg @ 1 BPM @ 110#. Unable to get cmt squeeze. Over displace w/ 5 BFW @ 120# & 1 BPM. JC @ 2:15 pm. WOC 2 ¼ hrs. Pumped 100 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 & 190# pressure. Wash up. Displace on gravity w/ 5 BFW & slowly pump @ 0.3 BPM to 8 bbls of displacement, just below pkr. WOC 20 min. Start pumps & pressure went to 200#. Unable to cmt squeeze. Over displace w/ 5 BFW.

3/22/11 - Pump 150 sx of Class "C" cmt w/ 2 % CaCl₂ & 3# sand per/sx of cmt mixed @ 14.8 ppg w/ yield of 1.32 @ 1.5 BPM & 0# psi. SD & wash up. Displace cmt w/ 7 BFW @ 1.0 BPM w/ 0# psi. Shut off wtr. WOC 30 min. Open valve & displaced cmt w/ a total of 9 BFW @ 0.7 BPM & 0# psi. Shut off wtr. WOC 30 min. Open valve & well took BFW (10 bbls) slowly & stopped taking fluid on vacuum. Pumped an additional bbl of displacement to get cmt below cmt retainer. Well pressured up to 1500#. Unable to pump cmt below retainer. Unsting from cmt retainer. Pressured tbg to 1200# & was able to move cmt out of tbg. Reverse pumped down tbg-csg annulus out tbg & reversed out 1 bbl of cmt. Attempt to sting back into cmt retainer. Stinger would not seat & would allow circ down tbg out tbg-csg annulus. TOH w/ tbg & cmt retainer stinger. Seals on stinger were damaged. TIH w/ 3 7/8" OD shoe x 4.53" w/ cutrite on btm, mesh inside (ID = 3 1/16") & slick on the sides w/ 6 3 1/8" DC's & 2 3/8" tbg WS. Ran to 2100' & CWI.

3/23/11 - Finish TIH w/ tbg, DC's & 3 7/8" OD x 4.53' shoe w/ cutrite on btm & mesh inside (ID = 3 1/16"). Tag @ 2849'. Drill 1' of cmt from 2849' – 2850'. Mill on cmt retainer @ 2850'. Milled from 2850' – 2854.5' recovering cmt & metal. TOH w/ shoe recovering several pieces of cmt retainer measuring over 8" in length of the outer part of retainer. Ran 3 ½" magnet 3 times recovering 2 small pieces of retainer. CWI.

3/24/11 - TIH w/ tbg WS & 3 7/8" OD x 4.53' cutrite shoe. Ran & tag @ 2854'. Mill to 2856'. Shoe plugged. TOH. Did not recover any remnants of cmt retainer.

3/25/11 - TIH w/ 2 3/8" tbg WS w/ 3 7/8" x 4.53' cutrite shoe w/ additional wires in shoe & circ sub. Ran to 2854'. Cut over 1' of cmt retainer to 2856'. TOH, no recovery. TIH w/ same btm hole assembly except added a 3 ¾" x 4' extension to shoe. Tag @ 2856'. Cut over cmt retainer to 2860' milling the last foot w/o fluid in effort to cut a cmt core. TOH. Recovered all remaining 19" of cmt retainer.

3/28/11 - TIH w/ tbg WS, DC's & 3 ¾" bit. Tag @ 2858'. Drill cmt from 2854' – 2963'. Lost circ @ 2953' per tbg tally. Pumped into top @ 4 1/2" liner @ 2950+/-' w/ 2 BPM & 0# pressure. TOH, LD 2 3/8" OD tbg WS, DC's & bit. TIH w/ 87 jts (2817") of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg w/ Hunting's special thread lubricant + 4 ½" AS -1 nickel plated 1.5" F profile nipple & on/off tool. Set pkr @ 2817'. CWI.

3/29/11 - Circ pkr fluid. Latch back onto pkr. Pull 14 pts on pkr. Test tbg-csg annulus w/ 500# & held. NDBOP & NUWH. RDMO. CWI for further evaluation.