

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

Form C-103  
October 13, 2009

HOBBS OGD

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

JUL 15 2011

WELL API NO.	30-005-00931
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	303375
7. Lease Name or Unit Agreement Name	Rock Queen Unit
8. Well Number	86
9. OGRID Number	247128
10. Pool name or Wildcat	Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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 ☐

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 E : 1980 feet from the N line and 660 feet from the W line  
Section 36 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:

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: Return to production ☒

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.

4/7 - 4/20/11 - MIRU. TIH & tag top of CIBP @ 2999+'. D/O CIBP & pushed to 3040'. TIH w/ 2-7/8" tbg & tag @ 3043'. Mill & rotate from 3043'-3048' TIH & latched onto fish @ 3044'. Jar & pull on fish & grapple came loose. TOH. No recovery. Lost grapple. TIH & tag fish @ 3043' & went over fish to 3046'. Jar & fish came loose. TOH. Recovered 2 7/8" x 4' perf nipple & 2 7/8" x 10" tbg sub. Recovered a total of 14' & 3" of fish. TIH w/ tbg, DC's & 4 3/4" bit. Ran & tag @ 3052'. C/O from 3052' - 3058'. TOH w/ tbg & pkr. Ran CIL from surface to 3025'. Ran GR/CCL/CBL from 2300' - 3058'. Ran 2 7/8" tbg WS w/ pkr & set @ 3000'. Tested 2 7/8" x 5 1/2" annulus w/ 550# & held okay. TOH w/ tbg & pkr. RU to run 4" 9.5# UFJ J-55 liner. Install duplex shoe, 1 jt of 4" bond coated csg (40.07'), 4 jts of 4" csg (173.77') for a total of 5 jts of 4" UFJ csg. Ran on 2 3/8" & 2 7/8" tbg WS to 3058'. Set liner from 2844' - 3058'. Circ hole clean. Pumped 35 sx of Class "C" cmt w/ 2% CaCl2 mixed @ 14.8 ppg w/ yield of 1.32. Displaced cmt @ 300# psi & 1 BPM leaving 1/2 bbl of cmt above duplex shoe. WOC 18 hrs, load & test csg to 600# & held okay. Tag cmt in 5 1/2" csg @ 2509'. D/O cmt from 2509' - 2665' & fell out of cmt. Lower bit to TOL 2844'. Test TOL w/ 600# & lost 160# psi in 30 min. Tag cmt inside of 4" csg @ 2884'. D/O cmt from 2884' - 3057'. Circ hole clean. Ran GR/CCL/CBL from 2490' - 3051'. Ran GR/CCL/CNL from 2000' - 3051'.

\* 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 07/08/2011

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

For State Use Only

APPROVED BY: [Signature] TITLE REGULATORY ANALYST DATE JUL 19 2011

Conditions of Approval (if any):

**Rock Queen Unit #86 – C103 Continued**

**4/25/11** - Mill & cut new hole from 3059' – 3071'.

**4/26/11** - Mill & deepened hole from 3071' – 3076'

**4/28/11** - Ran GR/CCL/CNL from 2000' – 3072'. Perf 4" liner w/ 2 1/2" cased gun, 2 SPF, 120° phasing from 3046' – 3052'; 6' & 12 holes. Ran tbg w/ 4" pkr to 2842'

**4/29/11** - Lower pkr on tbg to 2937'. Set pkr & place 400# on tbg-csg annulus. Treat perfs 3046' – 3051' & open hole from 3051' – 3076'. Start pumping wtr to establish rate & tbg-csg annulus communicated w/ tbg. Reset pkr @ 2906', pulled 25K tension. Resumed pumping wtr to establish rate. Tbg string communicated w/ tbg-csg annulus. TOH w/ tbg & pkr.

**5/2/11** - TIH w/ tbg WS, testing to 6000# w/ 4" AS1-X pkr. Set pkr @ 3002'. Load & test tbg-csg annulus to 500# & held pressure. Pump down tbg w/ produced wtr. Tbg-csg annulus & tbg communicated. Reset pkr @ 2970' & 2937', still had communications. Pumped down the tbg-csg annulus @ 1 BPM & 250# & communicated w/ tbg. Lower pkr to the original setting & pumped down tbg-csg annulus @ 1BPM & 250# psi & had communications w/ tbg. TOH w/pkr. TIH w/ 4" RBP & set @ 2988'. Dump 1 sx of sand on RBP.

**5/3/11** - TIH w/ 2 7/8" WS & 5 1/2" AD-1 pkr & ran to 2684'. Load & test tbg, tbg-csg annulus w/ 500#, held okay. Pumped through tbg down liner & liner top w/ 5 BPW @ 0.8 BPM & 650# psi. Pumped 5 BFW down tbg @ 1 BPM & 980# psi. Mixed & pumped 50 sx Class "C" cmt w/ 2% CaCl<sub>2</sub> & displaced w/ 13BFW w/ final pressure of 2900# leaving 2 1/2 bbls of cmt in tbg. Kept 500# on tbg-csg annulus, released pkr & reversed out 4 bbls (17 sx) of cmt using 500# back pspressure while reversing out cmt. Raise pkr 3' & reset same. Pumped 3/4 BFW below pkr in a couple stages & well squeezed w/ 2000# psi. Est, TOC in 5 1/2" csg is 2714'.

**5/4/11** - After WOC 19 hrs, release pkr. Tag cmt @ 2696'. Drill cmt from 2696' – TOL @ 2844'. Tested csg from surface to TOL @ 2844' w/ 550# for 30 min & held okay. Tag @ 2844', drilled 3' of cmt to 2847', ran bit to top of RBP @ 2986', wash off sand. Latched onto RBP @ 2986'. Pulled 4" RBP above TOL.

**5/5/11** - Tag cmt @ TOL @ 2844'. Drill 3' of cmt to 2847', lowered bit & tag @ 3060'. Test csg from surface to 3060' w/ 500# for 30 min & held okay. Drill cmt from 3060' – 3070' & fell through to TD of 3079' (3073'/WL). Circ clean. Test to 500# & lost 200# in 10 min.

**5/6/11** - Ran CBL from 2400' – 3070'. Perf 4" liner w/ 2 1/2" cased gun, 2 SPF, 120° phasing from 3046' – 3059'; 15' & 30 holes. TIH w/ tbg & 4" AS1-X pkr, ran & set @ 2973'. Acids perfs & OH w/ 2000 gal of 7 1/2% NEFE acid & 1350# rock salt (rock salt mixed w/ 3# per gall in 10# brine wtr) in 2 blocking stages & flushed w/ 67 BFW, 50 bbls overflush. Treating pressures: Max = 3000#, Avg psi & rate = 2480# @ 4 BPM. ISIP = 1930#, 5 min = 1492#, 10 min = 1130#, 15 min = 940#, TLTR = 151 bbls. Open to test tank & flowed 34 BLW in 30 min. Swabbed 2 1/2 hrs & recovered 97 BLW + 9 BFW w/ show of oil. SFL = surface; EFL – 1300' FS. Total recovery in 3 hrs = 160 bbls.

**5/9/11** - SITP = 90# after SI 66 hrs. Release pkr, pull & LD tbg WS & pkr. TIH w/ 93 jts (3011') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg + 1- 2 3/8" x 12' & 1- 2 3/8" x 8' plastic coated tbg subs w/ same grade & wt + 4" pkr, plastic coated, SL-4 Watson pkr. With pkr swinging @ 3031', circ pkr fluid, set pkr @ 3031' w/ 15 pts of tension. NDBOP & NU 5 1/2" 2000# WP Larkin type tbg WH w/ 2 3/8" Al-Br tbg valve. Well now ready to use as a producer.