

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
AUG 05 2011

WELL API NO.	30-005-00821
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	303735
7. Lease Name or Unit Agreement Name	Rock Queen Unit
8. Well Number	18
9. OGRID Number	247128
10. Pool name or Wildcat	Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

SUNDRY NOTICES/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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 South line and 660 feet from the East line Section 23 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 <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: Convert to monitor well <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.

1/17 - 1/18/11 - TIH w/ 92 jts (2988') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg w/ TDC & 5 1/2" plastic coated model AD-1 pkr. Left pkr swinging @ 2988'. Displace annulus w/ pkr fluid. Set pkr @ 2988'. Load & test to 500#. Would not hold pressure. Lower pkr to 3020'. Test to 550#. Leaked off to 200# in less than 30 seconds. Re-set pkr @ 2927', test w/ same results. Found csg leaking from 586' to 652'. Test to 550#, leaked off 450# in 30 seconds. TOH & LD pkr. TIH w/ 90 jts of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg w/ TDC. Ran open ended to 2923'. CWI.

4/6/11 - Ran 40 arm caliper magnetic CIL from surface to 3050'. Ran GR/CCL/CBL from 1800' - 3050'. TIH w/ 2 3/8" tbg w/ Watson RBP. Ran & set @ 2968'. Spot 2 sx of sand on RBP. Raise EOT to 2612'. Ran pkr to 711'. Test from 711' to RBP @ 2968'. Held 600# okay. Re-check hole(s) in 5 1/2" csg. Locate same from 583' & 615'. Pressure to 600# & leaks off 400# in 45 seconds. Perf 5 1/2" csg @ 606' w/ 2 holes. Tied onto csg & pumped 20 BPW @ 250#. Fluid started circ out 5 1/2" x 8 5/8" annulus after 17 bbls pumped. Ran tbg w/ pkr to 326'. Pumped 10 bbls 10# salt mud to perf, close 5 1/2" x 8 5/8" annulus & displaced mud w/ 8 BFW @ 1 1/2 BPM & 550# psi.

* 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 08/01/2011

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

For State Use Only

APPROVED BY: [Signature] TITLE - STATE REG DATE 8-8-2011

Conditions of Approval (if any):

AUG 08 2011

Rock Queen Unit #18 – C103 continued

4/7 – 4/11/11 - Pump 140 sx Class "C" cmt w/ 2% CaCl₂ mixed @ 14.8 ppg w/ 1.32 yield @ 1 ½ BPM w/ 5 ½" x 8 5/8" annulus open w/ partial circ. Wash up & displace cmt 1 ¼ bbls below pkr. Staged cmt displacing cmt 5 ¼ bbls below pkr (to 540') w/ 950# SD pressure. Cmt did not circ out 5 ½" x 8 5/8" annulus. WOC 16 ½ hrs. TOH w/ tbg & pkr. TIH w/ tbg, DC's & 4 ¾" bit. Tag cmt @ 528'. Test to 500# & held okay. Drill cmt from 528' - 615'. Ran bit to 674' & circ hole clean. Test 5 ½" csg cmt squeeze to 500# & held for 30 min. Tested okay. TOH w/ tbg & pkr. Recovered RBP & TOH, LD 2 3/8" OD tbg WS. TIH w/ 92 jts (2986') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg + 5 ½" plastic coated AD-1 tension pkr. With pkr swinging @ 2991', circ hole w/ pkr fluid. NDBOP & NU 2000# WP Larkin screw type 5 ½" x 2 3/8" tbg head. Set pkr, pulled 15 pts of tension, ran MIT pre-test w/ 550#. Lost 10# in 30 min to 540#. Test is okay. CWI.

6/24/11 - Ran & set 5 ½" Watson RBP from 2071'–2078'. Ran GR/CCL/CBL from 2071'–surface.

6/27/11 - Test 5 ½" csg from surface to 2078' w/ 500# for 30 min, no leaks. Test csg from surface to 2981' w/ 550# for 30 min & held okay. TOH w/ tbg & RBP. TIH w/ 2 3/8" 4.7# 8rd EUE J-55 IPC tbg & 5 ½" Watson AD-1 pkr. Ran to 572', would not go deeper. TOH. Ran 4 ¾" bit to 663'. Did not feel tight spot. TOH. Re-ran pkr & still would not go past 572'. TOH. Found cmt behind slips on pkr. Start in hole w/ tbg, 4 ¾" string mill & 4 ¾" bit. Ran to 257' & service rig broke down.

7/1/11 - Ream from 540'-663'. Ran tbg & 5 ½" AD-1 pkr to 715'. Test csg from surface to 715'. Tested from 550#-530# in 30 min.

7/5/11 - TIH w/ tbg, DC's & 4 ¾" bit. Tag @ 3060'. C/O to 3081'. Drill new 4 ¾" hole from 3081'-3096' w/ good circ. Circ hole clean.

7/6/11 - Lwr bit & tag @ TD of 3096'. Circ hole clean. RU to run 4" 10.8# J-55 8rd TDC. Ran 4" Watson's Duplex shoe, 3 jts of 4" csg w/ bond coat w/ TDC (133.25') & 9 jts of 4" csg w/o bond coat w/ TDC (348.75') for a total of 482'. Lower liner w/ tbg & end of liner stopped @ 1004'. TOL @ 522'. Unable to work liner free.

7/7/11 - TIH w/ spear to catch 4" 10.8# TDC liner w/ BS, jars, DC's & tbg WS. Ran spear to 529' (TOL @ 522'), set spear & jar 4" liner loose. LD all of the 4" TDC liner (482'). TIH w/ tbg WS, 4 7/8" string mill & 4 7/8" tapered mill. Ream out tight spots @ 540' & 645'. Ran mills to 1550'. TOH. TIH w/ same 4" Watson's Duplex shoe, 4 jts of 4" 10.8# L-80 UFJ csg (157') w/ bond coat + 8 jts of 4" UFJ 10.8# L-80 csg (342') w/o bond coat for a total of 499'. Ran 2 3/8" OD tbg w/ Duplex shoe setting tool & screwed into Duplex shoe. Lower liner w/ tbg & tag @ 3096'. No fill. Raise end of liner to 3041' w/ TOL @ 2542' & pumped the tbg capacity w/ produced wtr.

7/8/11 - Cmt 4" liner from 2597'-3096'. Pump 50 sx Class "C" cmt w/ 2% CaCl₂, SD, wash up & displace cmt down 2 3/8" tbg w/ 10.5 BFW w/ SD psi of 200#. WOC.

7/9/11 - Tag cmt inside of 5 ½" csg @ (147' above TOL). Drl out cmt from 2450'-2597' recovering firm cmt. Test 5 ½" csg to 500#. Lost 25# in 5 min. Tested the same before started drlg cmt. Circ hole clean. TOH. PU 3 ¾" bit, 6- 2 7/8" OD DC's & RIH on 2 3/8" OD tbg. Tag top of 4" liner @ 2597'. Drl cmt through top of 4" liner to 2964'. Ran out of cmt & lower bit to 3096' (TD). Circ hole clean. Tested to 500# & lost 40# in 15 min. Leaking the same as above.

7/11/11 - Ran GR/CCL/CBL from 2500'-3080'. Good bond. Ran GR/CCL/CNL from 2500'-3091'. TIH w/ tbg & 5 ½" AD-1 pkr. Ran to 2559'. Unable to get pkr to hold. Change out pkr's. Ran back to 2559'. Test down tbg, testing liner top & liner to 650#. Tested for 30 min & lost 5# to 645#. Liner is okay.

7/12/11 - Ran 4" aluminum alignment tool, 1 jt of 4" J-55 UFJ 9.5# csg (33.79') + 4" FC (1.36') & 58 jts of 4" J-55 UFJ 10.8# csg (2581.96') for a total of 2617.11'. Tag top of btm 4" liner w/ 4" slip type collar looking up w/ alignment tool. Raise btm of top liner/csg 3' & circ hole w/ produced wtr.

7/13/11 - Pump 5 BFW followed w/ 125 sx Class "C" cmt w/ 2% CaCl₂, displaced cmt w/ 29 BFW @ 950# & 1 BPM. Circ out 25 sx of cmt. Check float & held okay. Did not bump plug. WOC. Set 2 pts wt w/ alignment tool on tie-back liner & tie the top & btm liners together @ 2597'. Drl cmt, FC, alignment tool & run bit to TD testing liner before, during & after drlg cmt & float equipment.

Note: 4" 10.8# J-55 UFJ csg used as tie-back liner in well bore. Lower tie-back liner into btm 4" liner @ 2597' w/ alignment tool. Tie-back liner FC @ 2561'.

7/14/11 - Set 4" slips on 4" liner. NU 4 ½" x 2 3/8" Larkin WH. NUBOP. TIH w/ 3 ¾" bit, 6- 2 7/8" DC's & 2 3/8" tbg WS. Tag @ 2417'. Drl cmt from 2417' to FC @ 2551'. D/O FC & cmt to alignment tool @ 2597'. Test 4" toe-back liner from surface -2597' w/ 600#, held okay. Drl cmt in 4" liner to 2614' & fell out of cmt. Circ clean. Test 4" liner/csg from surface to TD w/ 600#, held okay. TOH. Perf 4" liner w/ 2 ¾" cased gun, 2 SPF, 180 degree phasing from 3060'-3073'; 13' & 26 holes. Ran tbg WS & 4" AD-1 pkr. Ran 2650'.

7/15/11 - Lwr pkr to 2947'. SN = 2944'. Load & test tbg-csg annulus to 550#, held okay. Pumped BPW & broke down perfs 3060'-73' w/ 1610# psi @ 0.5 BPM rate. Acidize down tbg through perfs 3060-73' w/ 1500 gal of 7 ½" NEFE acid & 35- 7/8" ball sealers. Flushed w/ 14 BFW, no overflush. Treating pressures: Max = 3500#, Avg = 2340#, Rate = 3.0 BPM, ISIP = 1890#, 5 min = 1785#, 10 min = 1712#, 15 min = 1650#, TLTR = 68. JC @ 2:20 pm. Flow 10 BLW to pit in 30 min. Swab 2 hrs & recovered 13 BLW; SFL = surface; EFL = SN. Total recovery = 23 bbls, lack 43 BLW to recover.

7/18/11 - TIH w/ 92 jts of 2 3/8" OD 4.7# 8rd J-55 EUE IPC tbg w/ TDC w/ pkr. Ran to 2994'. With SL-4 pkr swinging circ hole w/ pkr fluid. Set pkr @ 2994'. NDBOP & NUWH. Install tbg valve. Clean location.

7/27/11 - Ran OCD required MIT, testing tbg-csg annulus to 580# for 32 min. No pressure loss. Test was witnessed by Maxey Brown. Original chart is attached. Well is now a monitor well as per Order No. R-1541-B.

