

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

AUG 23 2011

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

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. 30-025-05135
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" 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 Lee Whitman A
4. Well Location Unit Letter G : 1980 feet from the N line and 1980 feet from the E line Section 26 Township 14S Range 37E NMPM County Lea		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3800' GL		9. OGRID Number 247128
		10. Pool name or Wildcat Denton; Devonian

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.

7/7 - 7/15/11

Tag @ 12,175' w/ 371 jts tbg. Drl to 12,180', lost circ, switch to conventional, drill for 45 min to 12,181'. Started moving DH. TIH & tag @ 12,299' w/ 374 jts + 25'. Start pumping down tbg 2 BPM, drill to 12,302'. Drl @ 12,302', drill to 12,315', fell out. RIH & tag w/ 377 jts @ 12,357'. TIH w/ BHA. Tag w/ 377 jts @ 12,357'. Drl to 12,370'. RIH w/ 7 jts of tbg. Tag @ 12,370'. Drl to 12,371', fell out. Tag @ 12,419'. Drl to 12,433'. RIH w/ GR/CCL/CNL. Fluid level @ 7400', tag @ 12,445' w/ 12' KB correction. Log from 12,445'-11,900' & 10,000'-9000'. RIH w/ 40 arm caliper csg inspection tool. Tag @ 12,445'. Correlate to CNL log, log to surface. RIH w/ GR/CCL/CBL. Tag @ 12,445'. Correlate to CNL, log up to 12,000'. RIH w/ 3 1/8" slick guns 180 degree phasing. Perf following interval in 2 runs, 12,324'-12,332'-16 holes, 12,212'-12,226'-28 holes, 12,190'-12,198'-16 holes. RIH w/ 7" TSU RBP, 7" CST pkr, 2 7/8" SN, 377 jts of 2 7/8" tbg, set RBP @ 12,135', set pkr @ 12,113', load tbg w/ 45 bbls, start testing RBP. Tbg went on vacuum. Move RBP to 12,072', set pkr @ 12,042'. Could not test RBP, unset pkr, load csg & test csg/RBP to 400# psi. POH w/ pkr. RIH w/ 7" HD pkr w/ TSU overshot, 2 7/8" SN, 310 jts of 2 7/8" tbg. Set pkr @ 10,004'. Load csg w/ 8 bbls, test pkr to 100# psi. RU swab, IFL 250', made 10 swab runs to SN. Recovered 55 bbls, SD for 1 hour. Tag @ 9950'. Release pkr, raise to 7000'. RU swab, IFL 2600', made 4 swab runs, FFL @ 5100'. Recovered 21 bbls. * 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 08/11/2011

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

AUG 25 2011

Conditions of Approval (if any):

Lee Whitman A #1 – C103 Continued

7/18/11 - RIH w/ swab, FL @ 5100'. Made 6 runs to SN. SD for 1 hour. Tag @ 7000'. Raise pkr to 5702'. RU swab, IFL @ 2465'. Made 3 swab runs, recovered 16 bbls. SD for 1 hour. Tag @ 5700'. Raise pkr to 2998'. RIH w/ swab & tag @ 2998', no fluid. Release pkr.

7/19/11 - RIH w/ swab. Tag SN @ 2998', no fluid entry. POH w/ pkr & overshot. RIH w/ overshot, 2 7/8" SN, 370 jts tbg to 11,950'. RIH w/ swab & tag fluid @ 2500' FS, LD swab. RIH & release RBP. POH w/ RBP. RIH w/ 7" HD pkr, 2 7/8" SN, 372 jts of 2 7/8" tbg, set pkr @ 12,106'.

7/20/11 - Load csg w/ 228 bbls, psi csg to 500#. RU on tbg & pump 100 bbls cool down. Acidize in 5 stages as follows: 2000 gal 90/10 blend 15% HCL/Xylene, 10 bbls FW spacer, 20 bbls scale inhibitor, 150 bbls brine, 10 bbls gelled brine w/ 3 ppg graded rock salt, 10 bbls brine, flush w/ 270 BFW, ISIP vacuum, Max psi 2000, Avg psi 1600, Max rate 6.6, Avg psi 1600. Release pkr.

7/21/11 - LD 80 jts of 2 7/8" tbg, stand back 292 jts of 6.5# L-80 8rd tbg (9422.79'), LD pkr, NDBOP, NUWH. RIH w/ 82 jts new 2 7/8" 7.9# L-80 PH-6 tbg (2582.14'). POH & stand back 41 stands PH-6 tbg. RIH w/ electro BHP tool to 12,302' – 2317.61 psi @ 165.91. POH making gradient stops, 12,202' – 2272.79 psi, 12,000' – 2188.15 psi, 10,000' – 1331.38 psi, 8000' – 437.65 psi, 6000' – 23.74 psi, 4000' – 21.66 psi, 2000' – 20.24 psi, 0' – 20.07 psi.

7/22/11 - PU Wood Group sub pump as follows: 1- welded Smartguard sensor, 1- 540 200 HP 2140V 54A motor, re-rated to 300 HP 2500V 70A, 1- TR5 PFDB seal, 1- TR5 AR L/L HL seal, 1- MAG3 gas separator, 5- TD1750 pumps – 567 stages, 2 3/8" SN, x-over, 176 jts of 2 7/8" 6.5# L-80 8rd tbg. SWI. SDFN.

7/25/11 - Continue w/ sub pump as follows: 1- Welded Smartguard, 1- 540 200 HP 2140V 54A motor, re-rated to 300 HP 2500V 70A, 1- TR5 PFDB seal, 1- TR5 AR LL HL seal, 1- MAG3 gas separator, 5- TD1750 pumps – 567 stages, 2 3/8" SN, x-over, 292 jts of 2 7/8" 6.5# L-80 8rd (new), x-over, 82 jts of 7.9# PH-6 (new). Splice lower pigtail, land donut in seaboard WH, build new WH, connect flow line. The 2-7/8" tbg set @ 12,087'.

7/26/11 - Finish electrical hook up. Start up pumps @ 1:30 pm, load tbg w/ 35 BFW. Well now producing.