

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

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

HOBBS OGD
JUL 13 2011

RECEIVED

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. 30-005-00932
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <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 <u>L</u> : 1980 feet from the <u>C</u> line and <u>660</u> feet from the <u>W</u> line Section <u>36</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>Chaves</u>		8. Well Number 91
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: Sidetrack ☒

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.

5/16/11 - TIH w/ tbg WS open ended. Tag @ 2786'. Unable to go to btm of 2940'. TOH. Ran tbg w/ 4 3/4" watermelon mill. Tag @ 2786', milled through tight spot & ran to 2940'. TOH. Re-ran 2 7/8" tbg open ended. Stopped @ 2786'. TOH. Ran 2 3/8" w/ sub mule cut on btm. 4 jts of 2 3/8" tbg & finished out w/ 2 7/8" tbg WS. Ran to 2940'. Rotated through tight spot @ 2786'. Pump 15 sx of Class "C" cmt w/ 2% CaCl2 & spot a balanced plug @ end of tbg @ 2940'.

5/17/11 - After WOC 14 hours, lower tbg & tag @ 2400'. Pumped down tbg & csg. Both held 400#. TOH. TIH w/ tbg, DC's & 4 3/4" bit. Tag @ 2400'. D/O cmt in 5 1/2" csg from 2400' - 2412'. Well started back flowing. Ran bit to tight spot of 2786'. TOH. Set Watson cmt retainer @ 2490'. TIH w/ 2 7/8" tbg w/ cmt retainer stinger. Stung into retainer & retainer slid down hole to 2496'. Test 5 1/2" csg annulus to 560# & held okay. Test tbg to 1540# & held okay.

5/18/11 - Set 5 1/2" cmt retainer & set @ 2480'.

5/19/11 - Recovered all of cmt retainer except the btm 7" of retainer cone. TIH w/ tbg & 5 1/2" A-32 Watson pkr. Ran & set @ 2339'. Pump 300 sx of Class "C" cmt w/ 2% CaCl2 + 3# sand per/sx of cmt. Wash up & displace cmt @ 1 BPM w/ 14.5 BFW w/ a SD psi of 200#. Over displace cmt w/ 20 BFW @ 1 BPM & 500# 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 07/11/2011

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE

[Signature]

DATE

9-1-2011

Conditions of Approval (if any):

SEP 01 2011

Rock Queen Unit #91 – C103 continued

5/20/11 - Release pkr. Set 5 ½" Watson pkr's cmt retainer @ 2480'. Pump 115 sx of Class "C" w/ 2% CaCl₂ cmt & displaced w/ 13.5 BFW cutting displacement 1 bbl above retainer w/ 200# psi. Unstung from retainer & reversed out 1 bbl of cmt on top of retainer. TOH w/ tbq & cmt retainer.

5/23/11 - Set 4 ½" whipstock from 2469' – 2479'. Mill from 2468' – 2474' in 50 min. Circ hole clean. Milled from 2474' to btm of window @ 2476'. Milled new hole to 2480'

5/24/11 - Slide drill new 4 ¾" hole from 2480' – 2511'.

5/25/11 - Slide drill new 4 ¾" hole from 2511'-2605'.

5/26/11 – Dry drill from 2605' – 2658'.

5/27/11 - Drill from 2658' – 2877'.

5/31/11 - Drill to 2962'.

6/1/11 - Drill to 3094'. Reached TD.

6/2/11 - RU csg crew to run 4" 10.5# L-80 UFJ csg. Install Watson pkr's 4" duplex shoe, ran 19 jts of 4" csg (793'). Liner top has 4 ½" turned down collar. Ran tbq, screwed into duplex shoe & ran liner in hole to 3092'. Liner set from 2299'-3092'. Circ through tbq out csg annulus w/ 32 BPW. Had good circ.

6/3/11 - Pumped 1 BFW, 8 bbls of 11.5 ppg of calcium carbonate mud, 2 BFW, 100 sx of Class "C" cmt, mixed @14.8 ppg w/ 2% CaCl₂ & displaced w/ 7 bbls of 11.5 ppg of calcium carbonate mud & 7 BFW leaving 1.2 bbls in tbq. Circ continue out annulus.

6/6/11 - Ran pkr to 2090'. Pump 10 BPW @ 200# psi & 2 BPM rate followed w/ 200 sx of Class "C" cmt, 2 % CaCl₂, 3# sand per sx. Displaced cmt w/ 14 BPW, 2 bbls below pkr @ 600# & 1.5 BPM. SD psi = 100#. WOC 10 min. Pump 1 BFW @ 400#. SD psi = 100#. Over displaced w/ 16 BFW @ 1.5 BPM & 200# psi. SD psi = 200#.

6/8/11 - Pump 5 BFW @ 100# & 2 BPM to establish rate into TOL @ 2301'. Pump 200 sx of Class "C" cmt w/ 2% CaCl₂ + 3# sand/sx @ 14.8 ppg w/ yield of 1.32. SD. Wash up. Displace cmt @ 1 BPM @ 500# w/ 13.5 BFW, 1.4 bbls below pkr @ 2147' (pkr @ 2090') SD pressure = 200#. WOC 30 min. Pumped 1 BFW w/ pressure going to 500#. SD pressure remained @ 1000#.

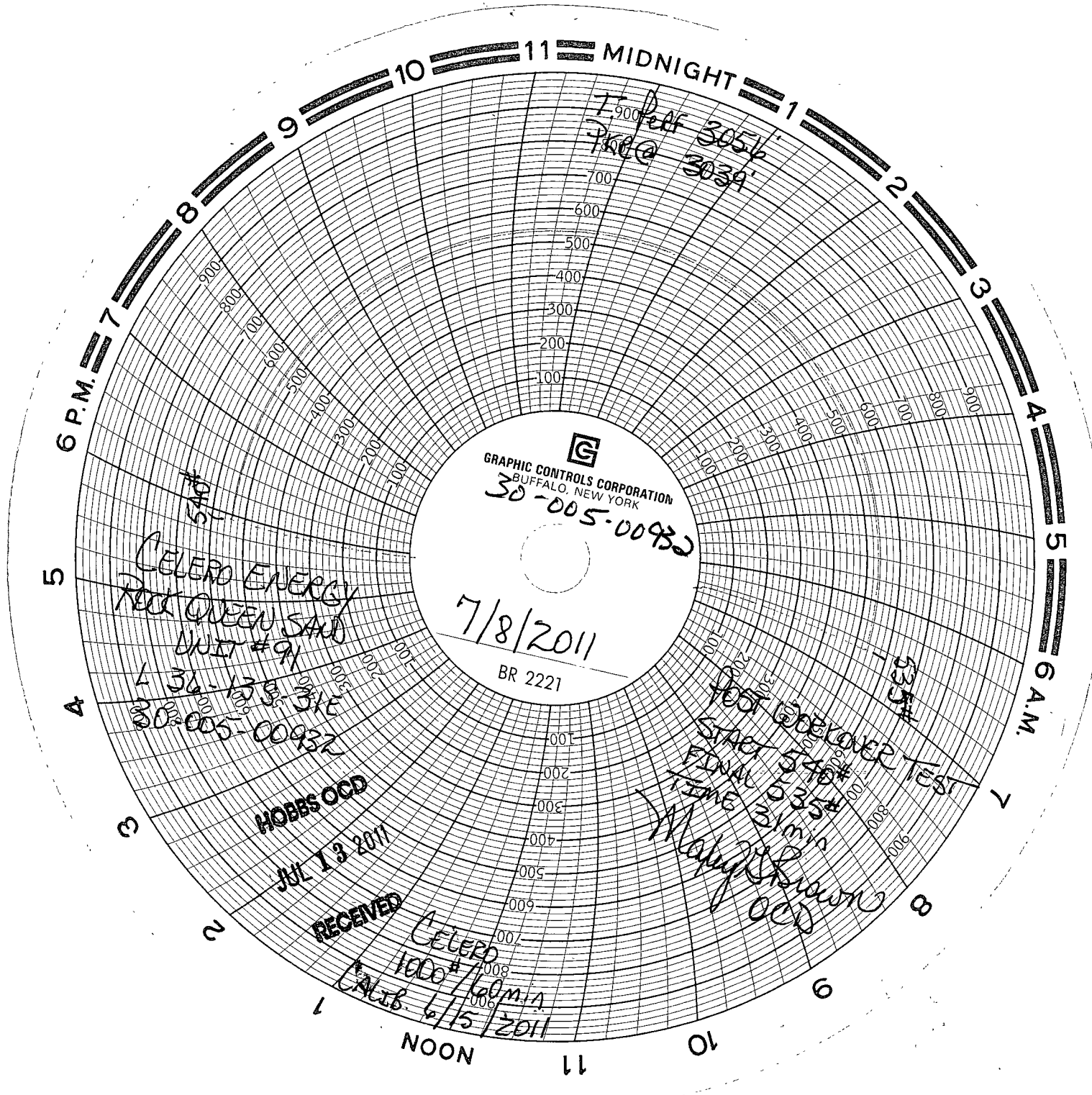
6/9/11 – After WOC release pkr & TOH. Tag cmt @ 2180' (TOL @ 2301'). Drill cmt from 2180'-2301'. Circ clean & tested csg from surface to 2301' w/ 500# & held okay. Drill cmt from 2301'-2303' inside of 4" liner. Test 4" liner & 5 ½" csg w/ 540# & held okay.

6/10/11 - Ran GR/CCL/CNL & GR/CCL/CBL. Ran logs from 2000'-3084'. Perf 4" csg w/ 2 ½" cased gun, 2 SPF, 120 degree phasing from 3056'-3070'; 15' & 30 holes. Set pkr @ 3032'. Load & test annulus. Tested okay @ 500#.

6/13/11 - Change out WH. NUBOP. Installed 5 ½" screw btm x 7 1/16", 3K flange csg WH + 7 1/16" 3K slip type tbq adapter flange w/ 2 3/8" slips. TIH w/ 93 jts (3027') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbq w/ 4" AS1-X nickel plated on/off tool. Ran to top of pkr @ 3032', latched onto same. Test annulus to 550# & held okay. Release on/off tool, circ pkr fluid, latch back onto pkr. NDBOP & NUWH. Pkr set @ 3032'-3039' w/ 15 pts of tension. Connect for wtr inj. RDMO.

PERF @ 3056 - 70

7/8/11 – Ran MIT. Tested for 30 mins from 540# - 535#. Witnessed by Maxey Brown w/OCD. Original chart is attached.



Peak 3054
Pre @ 3039

CELERO ENERGY
ROCK QUEEN SAND
UNIT # 9
L 36-135-315
30-005-00932

HOBBES OCD
JUL 13 2011

RECEIVED
CELERO
1000* / 60 min
CALIB. 6/15/2011

Post Overlook Test
Start 3040
Final 3035
Time 3:03 PM
M. J. Brown
OCD

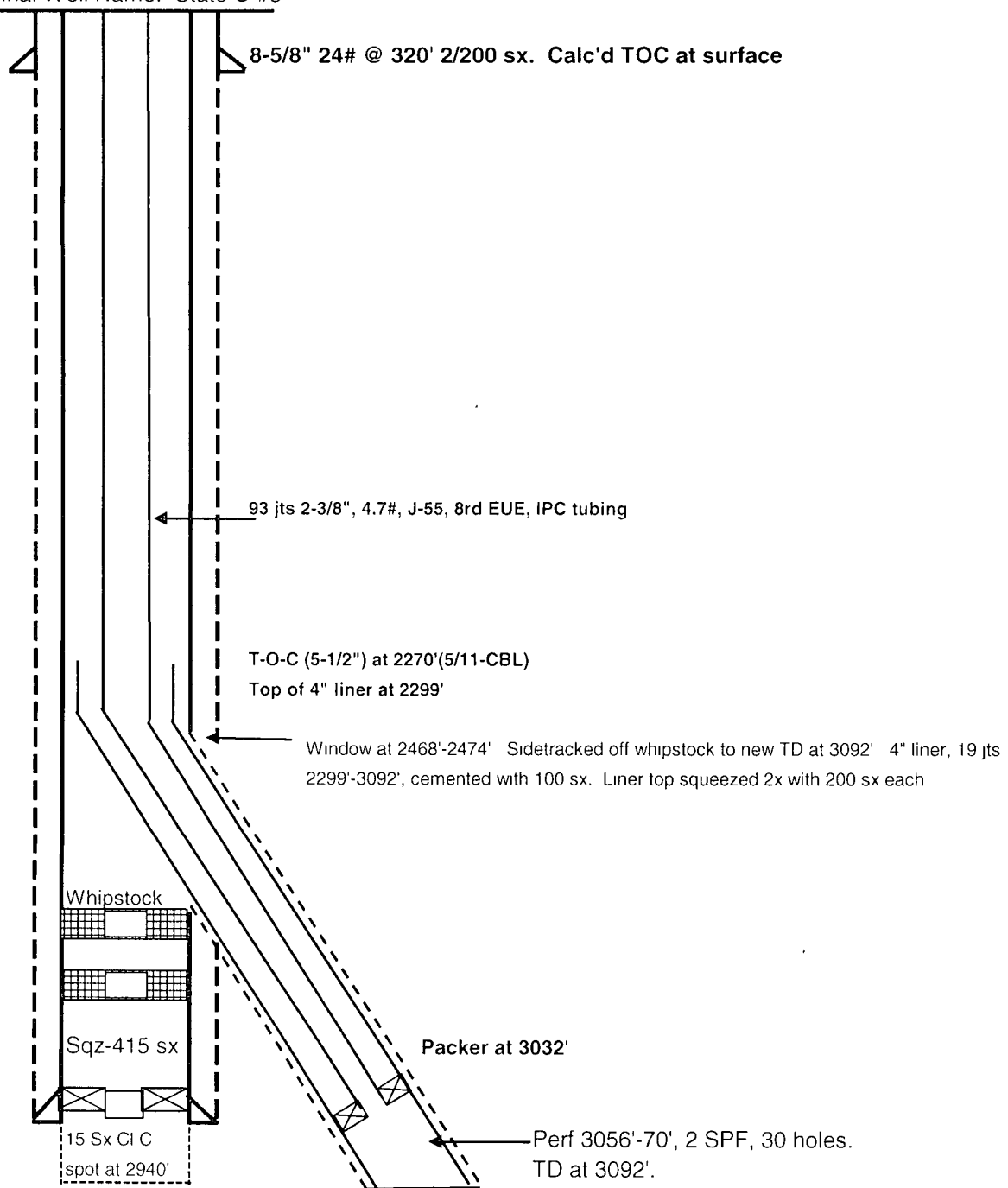
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Rock Queen
COUNTY: Chaves

DATE: Aug. 09, 2011
BY: MWM
WELL: 91
STATE: New Mexico

Location: 1980' FSL & 660' FWL, Sec 36L, T13S, R31ECM
SPUD: 5/55 COMP: 5/55
CURRENT STATUS: Injector
Original Well Name: State U #3

KB = 4393'
GL = 4384'
API = 30-005-00932



Original hole: CICR's at 2490' (failed) and 2480'.

Baker AD-1 w/2 jts tail pipe pushed to 2940' Rec'd part of mandrel, upper slips, top cone

5-1/2" 14# @ 3054' w/100 sx

Top of Queen @ 3053

Queen Open Hole: 3054' - 3069' (5-55)

PBTD - 3069'
TD - 3069'