

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  
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. 30-005-00873
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input checked="" 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 J : 1980 feet from the South line and 1980 feet from the East line Section 26 Township 13S Range 31E NMPM County Chaves		8. Well Number 44
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: Attempt to squeeze 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.

7/30/11 - NDWH & NUBOP. Release pkr, pull & stand back 92 jts of 2 3/8" OD IPC tbg w/ special thread lubricant + 4" AS1-X nickel plated pkr w/ profile nipple & on/off tool. Well flowing intermittently while pulling tbg w/ pkr. TIH w/ 98 jts of 2 3/8" OD tbg WS w/ notched collar. Ran & tag @ 3065' (TD). Circ hole w/ produced wtr w/ 2+ volumes. Circ to steel pit showing gas in circ fluid. Stopped circ. Well continued to flow out tbg-csg annulus for 1 hour & died.

8/1/11 - Lower tbg to 3065'. Pumped 50 bbls of 10# brine wtr. Unable to kill well w/o it flowing intermittently. Unable to spot sand to cover perfs. TOH w/ tbg. Ran GR/CCL from 2000'-2991'. Ran & set Watson pkrs 4" cmt retainer on WL @ 2932'. Ran 2 3/8" tbg WS w/ cmt retainer stinger. Stung into retainer. Pumped the tbg volume + 5 bbls @ 1 1/2 BPM & 300# psi. Load & test tbg-csg annulus to 500# & held okay.

\* 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 09/07/2011

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 Rep DATE 9-7-2011

Conditions of Approval (if any):

SEP 07 2011

**Rock Queen Unit #44** – C103 continued

**8/2/11** - Pump 5 BFW down tbg through retainer @ 400# & 2 BPM. Cmt stage #1: mix & pump 150 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> @ 14.8 ppg. The 1st 100 sx had 3# sand per sx of cmt, followed w/ 50 sx of cmt mixed @ 15.2+ ppg. Displaced cmt to retainer @ 1 BPM & 350# SD psi. Over displaced cmt w/ 5 BFW. WOC 6 hrs. Cmt stage #2: pumped 6 BFW down tbg through retainer @ 1 ½ BPM & 800# psi. Mix & pump 110 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> @ 14.8 ppg. 1st 50 sx had 3# sand per sx of cmt, followed w/ 60 sx of 14.8 ppg cmt. Displaced 1 bbl short of retainer @ 2932'. Staged twice & displaced cmt to retainer @ 830#. Unstung from retainer, reversed out small amount of cmt (1 sx), stung back into retainer. Staged 3 times, pumping a total of 0.1 bbl & psi went to 1500#. Unstung from retainer, LD 1 jt of tbg

**8/3/11** - After WOC 10 hrs, TOH w/ tbg & retrieving head for cmt retainer. TIH w/ tbg & 3 3/8" OD bit. Tag @ 2936' per tally (WL depth = 2932'). Test 4" csg from surface to 2936' w/ 675#. Lost 25# in 15 min. Drl retainer & cmt from 2936'-2940' in 4 ½ hrs. Circ hole clean. Tested 4" csg w/ 550#, losing 25# in 10 min.

**8/4/11** - Tag @ 2940'. Drill cmt to 3000' & fell out of cmt. Well started back flowing slightly. Test 4" csg from surface to 3000'. Pumped 5 BPW @ 1 BPM & 1250# psi. Lower & tag @ 3006'. Drilled 5'-3011', cmt not firm. Pumped 5 BPW @ 1 BPM @ 1200# psi. Pumped 100 BPW @ 1.2 BPM & 1700-1750# psi. ISIP = 1100#, 5 min = 1100#, 10 min = 1100# & 15 min = 1095#.

**8/5/11** - TP this am = 800#; SICP = 750#. Flow well 5 hours & recovered 170 bbls formation fluid. FTP diminished from 800#-210#; FCP went from 750#-200#. Pumped 57 BPW down tbg & kill well. TOH w/ tbg & bit. TIH w/ 83 jts of 2 3/8" tbg WS w/ Watson pkr's 4" SL-4 pkr to 2599'. Load & test tbg-csg annulus to 500# & held okay. Pumped 70 BPW @ 2 BPM @ 200# psi. Mix & pump 50 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> @ 14.8 ppg followed w/ 50 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> @ 15.2 ppg & displaced to 3007' w/ tbg on vacuum. Over displaced cmt w/ 5 BFW. Zone(s) did not build any pressure. WOC 2 hrs. Pumped 5 BFW @ 200# & 1 ½ BPM down tbg & cmt truck broke down. Did not cmt the 2<sup>nd</sup> stage.

**8/9/11** - Pump 5 BFW down tbg through pkr @ 2599' into csg leak @ 3007', perf's & open hole w/ 250# & 1.3 BPM. Pumped 100 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> & displaced w/ 150# psi & ¾ BPM to 2684', 1+ bbl below pkr. SD psi = 75#. CWI.

**8/10/11** - After WOC 14 hrs, TOH w/ tbg & pkr. TIH w/ 2 3/8" tbg WS & 3 3/8" tricone bit. Tag cmt @ 2603'. Circ hole recovering some gas that was trapped in the tbg-csg annulus. Otherwise, no gas was noticed in fluid. Test cmt squeeze job to 600#. Lost 10# in 30 min. Tested twice w/ same results. Pull & LD 2 3/8" OD tbg WS. TIH w/ 2 3/8" OD IPC tbg.

**8/11/11** - LD 2 3/8" IPC tbg. NDBOP & NUWH. Installed 2 3/8" x4' tbg sub w/ collar on btm & 2 1/16" SS valve tbg valve. CWI.