

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  
RECEIVED  
OCT 14 2011

Form C-103  
October 13, 2009

WELL API NO. 30-005-00852	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. 303375	
7. Lease Name or Unit Agreement Name Rock Queen Unit	
8. Well Number 61	
9. OGRID Number 247128	
10. Pool name or Wildcat Caprock; Queen	
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 <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 K : 1980 feet from the South line and 1980 feet from the West line Section 25 Township 13S Range 31E NMPM County Chaves	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4397' GR	

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: Cement squeeze casing leak <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.

9/13/11 -MIRU. POOH w/ production equipment.

9/14/11 -TIH w/ tbg and 3 7/8" O.D. bit. Ran to total depth of 3067'. Circulate hole clean. TOH. TIH w/ tbg and 4 1/2" AD-1 packer. Ran to 2905' and stopped going. Set at 2885' Csg leaked. Made several settings to test tbg-csg annulus. Found top of csg leak from 1505' to 1620'. Test to 420 # & lost 200# in one minute. TOH w/ pkr.

9/15/11 - Reran 2 3/8" tbg with Kenco's 4 1/2" RBP & pkr. Set RBP at 2891'. Raise, reset pkr at 2885'. Test RBP to 750# & held okay. Raise pkr to find csg leak area in 4 1/2" csg. After several settings, located holes in 4 1/2" csg from 1606' to 1668'. Pressured up to 650# and would leak off to 0# in one minute. Unable to get an injection rate. TOH w/ tbg and pkr. Dump one sack of sand down csg, let fall to RBP. Perforate 4 1/2" csg with 4 holes at 1684'. TIH w/ tbg and 4 1/2" AD-1 pkr and set at 1380'. Pumped into perforations at 2 BPM with 10 BPW at 0# pressure. Did not circulate out surface casing annulus.

9/16/11 - Squeeze perms @ 1606-1684' w/ pkr @ 1380' & RBP @ 2885' - press annulus to 400#. Pump 100 BPW - pump 50 bbls salt gel - 2 BPM @ 400#. Pump 150 sks C w/ 2% CC + 3#/sk sand - 2 BPM 200# - Pump 50 sks C w/ 2% CC. SD - wash to cement pit - get on tbg & squeeze @ 1 BPM starting @ 200# up to 400# w/ 6.3 BPW. Hesitated squeeze for 1- 1/2 hr with 1/2 bbl increments - 400# with 8.3 bbls disp - tested for flowback - none - pulled 2 jts re-set pkr & squeezed up to 700#. \*Cont'd 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 10/12/2011

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

OCT 18 2011

Conditions of Approval (if any):

OCT 18 2011

**Rock Queen Unit #61** – C103 Continued

**9/19/11** - Re-test cement squeeze – 500 psi – good. TOC tagged @ 1399' - soft to 1500', hard cmt down to 1705' - drill-out. Circulated well bore clean. Test casing from BOP to 2885' to 400 psi - 0 psi leak-off in 5 min. Trip to RBP @ 2885 and circulated sand off RBP.

**9/20/11** - RIH w/ 97 jts tbg and circulate. RIH w/ FG - XO - Prod Pkr - workstring to set FG tail @ 3060', pkr top @ 2883.92' - btm prod pkr @ 2897.22'. PU and circ csg w/ packer fluid (70 bbls). Test casing w/ rams shut on tbg - 500 psi bleed off 60 psi in 5 min - getting air from BOP re-test after opening BOP and blowing off air - fill w/ pkr fluid and press to 400# - leak off 50 psi in 5 minutes.

**9/21/11** - Retest prod pkr w/ seals set @ 2893.8' - 50 psi loss from 400# in 5 min. Pick up Prod Pkr seals to 2887.8' retest to 400# - 50 psi loss in 5 min. Pick up prod pkr seals to 2884.8', test 50# loss in 5 min. Reset @ 2853.8' - loss 50# / 5 min. Circ well w/ 11.4 ppg CC brine. POH w/ prod pkr and RIH with RBP to test casing integrity. Set RBP @ 2835' - re-circulate w/ 10 ppg brine due to high vol oil getting to surface during runs test @ 400# - leak off 50# / 5 min. POH w/ tbg and pick up pkr - run to 1300' test annulus @ 400# very slight loss in 5 min, tubing 400# - 50# / 5 min. set pkr @ 1824', annulus 400# loss 50# / 5 min tubing - 400# - no loss in 5 min. Reset Pkr @ 1300 ft to test annulus - 400# - 0# loss / 5 min tubing - 400# - 50# / 5 min. Leaks between 1300' and 1824'.

**9/22/11** - RIH 1 std 2-3/8" tbg to 2827' and circulate casing w/ 80 bbls 11.4 ppg CaCl<sub>2</sub> Brine. Latch onto RBP @ 2835' and pump 15 bbls CaCl<sub>2</sub> down well. POH w/ RBP & pkr. RIH with 6 jts 2-3/8" 2500# FG tbg, x-over, 4-1/2" AS1-X nickel plated packer w/ Cap String accessories plus 1 - 2 3/8" x 2' nickel plated tbg sub w/ 1.36 "R" profile nipple w/ blanking plug. Ran on 91 jts 2 3/8" WS. spaced out with one 4' 2-3/8" sub & three 6' 2-3/8" subs - tagged high in open hole @ 3059' w/ FG tailpipe. PU 5', LD 6' sub, and set AS1-X nickel plated pkr from 2870.3' to 2883.6' in tension sub w/ 1.36 "R" profile nipple @ 2878 to 2880'. 2-3/8" 2500# FG tbg @ 2884.54' to **3059.5** [174.96']. Load & Test annulus to 350 psi w/ 11.4 ppg load for 15 mins. Tested good.

**10/5/11** - TIH w/ Globe Packer's top modified assembly (3 3/4" x 1.5' gas buster, w/ 2" O.D. spacer sub & 3 3/4" x 1.5' on/off tool) w/ 2 - 3/8" SS cap strings. Ran & banded to 88 jts of 2 3/8" O.D., 4.7#, 8rd, EUE, J-55 IPC tubing with Hunting's special thread lubricant. Ran to top of 4 1/2" AS1-X packer at 2870'. Pumped through cap strings before latching onto pkr. Both strings are open. Lower BHA and latched onto packer at 2870' and placed 6 points compression on packer. NDBOP & NU, 7 1/16", 3K slip type flange with nickel plating on bottom of flange. Pumped thru cap strings, again. Install stuffing boxes on top flange, installed 2 1/6", 5K, tubing valve and connect well to flowline. Well placed back on production.