

Office

Energy, Minerals and Natural Resources

October 13, 2009

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

HOBBS OGD

OCT 24 2011

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-29183

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Rock Queen Unit

8. Well Number 314

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 ☐ Gas Well ☐ Other Injection

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 F : 2145 feet from the N line and 1980 feet from the W lineSection 26 Township 13S Range 31E NMPM County Chaves11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4411'

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: Well completion ☒

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.

10/7 - 10/10/11 - Ran GR/CCL/CNL from 2000' to 3088'. Ran GR/CCL/CBL from 2000' to 3068'. Perforated 5 1/2" csg w/ 2 3/4" cased gun with 2 SPF, 180 degree phasing from 3048' to 3062'; 15' & 30 holes. TIH w/ tbg and 5 1/2" pkr. Set pkr from 2999' to 3009'. Pump 3 BFW and broke down perf's (3048' to 3062') w/ 2382# pressure. Pumped water away at 1 BPM & 1800# pressure. Open bypass on pkr & start pumping 1500 gal of 7 1/2% acid + 45 - 7/8" ball sealers. Displace to top of pkr, close bypass and flushed acid with 25 BFW, 7 bbls overflush. Pressures: Max = 3000#; Avg = 2200# at 3.8 BPM. Had pressure increases to 3000# with 3 different ball drops, dropping 3 balls every 76 gal of acid. ISIP = 730#; 5 min = 182#; 10 min = 136# & 15 min = 120#; TLTR = 66 bbls. RU to swab. Unable to get past 120' w/ swab. Pulled 180' of tbg. Re-ran swab and got down 200'. Release pkr, knock off ball sealers & reversed out ball sealers. Raise and reset pkr at 2997-3009' and pumped 50 BPW at 2 BPM & 1400# pressure. TOH w/ pkr, LD 2 7/8" O.D. tbg WS. TIH w/ 92 jts of 2 3/8" O.D. 4.7# 8rd EUE J-55 IPC tbg + 5 1/2" nickel plated AS1-X pkr w/ 1.50" profile nipple. Set pkr from 3020' to 3029'. Test tbg-csg annulus to 500# and held for 15 minutes with no pressure loss. Left 10 pt of tension on pkr. NDBOP & NUWH and re-tested annulus to 500# and held okay. Connect to injection. Clean location. RD. Well is shut in until injection permit is approved. Will run MIT at a later date.

Spud Date: 09/08/2011

Rig Release Date: 09/22/2011

WFX-891

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Regulatory Analyst

DATE 10/20/2011

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

TITLE

STATE MEMBER

DATE 10-25-2011

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart.

OCD Hobbs office requires form C-103 with results of the MIT test, the original MIT chart, the C-105 completion report, front & back page and a full set of logs

OCT 25 2011