

HOBBS OCD

OCT 26

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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. 30-005-00857
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 Rock Queen Unit
4. Well Location Unit Letter G : 1980 feet from the N line and 1980 feet from the E line Section 25 Township 13S Range 31E NMPM County Chaves		8. Well Number 57
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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☒
 CASING/CEMENT JOB ☐

OTHER: ☐

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.

10/10 - 10/17/11

TIH w/ PS & BP to 2747'. Circ 60 bbls brine mud. Spot 50 sx Class "C" cmt w/ 2% CaCl₂. Displace w/ 9.6 bbls. WOC 4 hrs. tag cmt @ 2597'. TIH to 1700'. Set pkr & est inj rate of 1.5 BPM @ 500#. Cmt w/ 100 sx Class "C" cmt w/ 2% CaCl₂. Psi dropped to 200# on cmt. Displaced w/ 8.5 bbls. SI psi 500#, waited 15 min, checked flow. Had flow back. Psi dropped to 300#, bumped cmt down to 1885'. SI w/ 400#. Unset pkr & TOH. PU PS & BP. Tag cmt @ 1854'. TOH. RIH w/ 2 1/2" gun, 90 degree phasing & shoot 4 holes @ 1540'. TIH w/ pkr & 2 3/8" WS to 1320'. Set pkr & est inj rate of 1.5 BPM @ 500#. Unset pkr & TOH w/ same. RIH w/ csg gun & shoot 4 holes @ 307'. POH w/ WL. TIH w/ RBP & 2 3/8" WS. Set RBP @ 439' & est inj circ on 8 5/8" csg. TIH w/ AS1-X pkr to 1257'. Circ hole w/ 40 bbls brine mud, set pkr. Squeeze 60 sx Class "C" cmt w/ 2% CaCl₂. Initial psi @ 1.5 BPM 500#, dropped to 200# on cmt. Displaced w/ 7.5 bbls. SI psi 600#. WOC 2 hrs. Unset pkr, had 1/2 bbl back flow. TOH w/ pkr. PU PS & BP. TIH & tag cmt @ 1332'. LD tbg, leave 375' in hole. Pump 180 sx Class "C" cmt w/ 2% CaCl₂. Circ 4 bbls on 8 5/8" annulus. LD tbg, NDBOP & fill 4 1/2" csg w/ cmt. Cap well off. Cut off WH's. Set P&A marker. Reclaim location.

Spud Date:

Rig Release Date:

Approved for plugging or well bore only.
 Liability under bond is retained pending receipt
 of C-103 (Subsequent Report of Well Plugging)
 which may be found at OCD Web Page under
 Forms, www.cmnrd.state.nm.us/oed.

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 10/26/2011

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 Mgr DATE 11-9-2011

Conditions of Approval (if any):

NOV 09 2011