

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

**HOBS OCD**  
**RECEIVED**  
**NOV 21 2011**  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

|  |  |
|--|--|
| WELL API NO.<br>30-005-00881   |  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>  |  |
| 6. State Oil & Gas Lease No.<br>303735   |  |
| 7. Lease Name or Unit Agreement Name<br>Rock Queen Unit  |  |
| 8. Well Number 43  |  |
| 9. OGRID Number 247128   |  |
| 10. Pool name or Wildcat<br>Caprock; Queen   |  |
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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.)<br>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> |  |
| 2. Name of Operator<br>Celero Energy II, LP  |  |
| 3. Address of Operator<br>400 W. Illinois, Ste. 1601<br>Midland, TX 79701  |  |
| 4. Well Location<br>Unit Letter <u>I</u> : 1980 feet from the <u>South</u> line and <u>990</u> feet from the <u>East</u> line<br>Section <u>26</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>Chaves</u>  |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>4406' GR   |  |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

|  |   |   |  |
|--|---|---|--|
| <b>NOTICE OF INTENTION TO:</b>                 |   | <b>SUBSEQUENT REPORT OF:</b>                                    |  |
| 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: Cmt squeeze csg 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.

10/27/11 - TIH w/ tbg & 5 1/2" AD-1 pkr & set at 440'. Placed 500# on backside. Cmt squeeze 5 1/2" csg leak from 578' to 642'. Pump 5 BFW @ 1 1/2 BPM & 900 # psi. Pump 50 sx of Class "C" cmt w/ 2% CaCl2 & displaced 1 bbl below pkr w/ a SD psi of 500#. Staged cmt & squeezed csg leak w/ 750# SD psi. WOC.

10/28/11 - Release pkr & TOH. TIH w/ 4 3/4" bit, 6 - 3 1/2" DC's on 2 7/8" tbg. Tag at 562'. Test 5 1/2" csg to 500# & held ok. D/O cmt to 600' & fell out of cmt. Circ hole clean. Pump into cmt squeeze area w/ 600# & leaked off to 400# in 1 min. Cmt sqze did not hold. TIH w/ tbg & 5 1/2" AD-1 pkr. Ran to 692'. Tested 5 1/2" csg from 692' to RBP at 2997' and held 500# ok. Raise pkr to 409'. Pumped into cmt squeezed area at 1 BPM & 900# pressure. Test tbg-csg annulus from surface to 409' w/ 500# and held ok.

10/29/11 - Pumped 5 BFW into csg leak at 1 1/2 BPM & 800# pressure. Re-cmt holes in 5 1/2" csg from 578' to 600' w/ 100 sx of Class "C" cmt with 2% CaCl2 and displaced cmt 1.1 bbls below pkr @ 1 BPM & 800# pressure. SD pressure = 500#. WOC 30 min, pumped 1/2 bbl, pressure went to 600#. WOC. Pumped 1/4 bbl & pressure increased to 800#. WOC. Turned over pumps and pressure went to 1000# & stayed at 1000#. \* 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 11/17/2011

Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883

**For State Use Only**

APPROVED BY: [Signature] TITLE STAFF MGR DATE 11-21-2011

Conditions of Approval (if any):

NOV 21 2011

**Rock Queen Unit #43** – C103 continued

**10/31/11:** WOC 44 hours, TOH. TIH w/ tbg, 6 - 3 1/2" DC's & 4 3/4" bit. Tag @ 500'. Test to 500# & held ok. D/O cmt from 500' to 618", lower bit to 715' & test to 500# & held ok for 30 min. Lower bit to RBP @ 2997', circ off sand. Pump 500 gal of Xylene w/ 15 gal of PN-110 paraffin solvent. Circ hole for 2+ hours, leaving Xylene in btm of hole.

**11/1/11:** Circ hole w/ Xylene w/ PN-110 paraffin solvent, displaced w/ 10 ppg clean lease wtr. Latch onto RBP & TOH w/ tbg & RBP. TIH w/ tbg WS, Globe Packer's 5 1/2", nickel plated AS1-X pkr w/ cap string connections, 1.562 "R" blanking plug plus 2 jts (58') of 2 3/8" O.D. fiberglass tbg w/ mule shoe cut on btm jt. CWI. Prepare to circ pkr fluid, TOH w/ tbg, PU 2 3/8" IPC tbg w/ pkr top assembly & 2 - 3/8" SS cap strings.

**11/2/11:** Release from pkr. Circ hole w/ pkr fluid.

**11/3/11:** Ran 92 jts of 2 3/8" O.D. 4.7# 8rd EUE J-55 IPC tbg w/ 2 - 3/8" SS cap strings + 1 - 10' x 2 3/8" nickel plated tbg sub & pkr top assembly ( gas buster + 4' x 2 3/8" nickel plated spacer tbg sub & SS on/off tool w/ seals for volume tube & pkr profile nipple. Ran & latched onto pkr @ 2992', placing 6 pts of compression on pkr. Tbg set @ 3066'. NDBOP & NU 7 1/16" slip type tbg flange w/ 1" outlets for the cap strings. Tested down the chemical/water line, pumping 10 gal of water at 5000#. Pumped down the gas (CO2) cap string w/ 10 gal wtr @ 4400#. Turn well over to production.