

Office
District I
1625 N. French Dr., Hobbs, NM 88240District II
1301 W. Grand Ave., Artesia, NM 88210District III
1000 Rio Brazos Rd., Aztec, NM 87410District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505HOBBS OGD
NOV 21 2011OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-005-00881
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	303735
7. Lease Name or Unit Agreement Name	Rock Queen Unit
8. Well Number	43
9. OGRID Number	247128
10. Pool name or Wildcat	Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4406' GR

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 ☐2. Name of Operator
Celero Energy II, LP3. Address of Operator
400 W. Illinois, Ste. 1601
Midland, TX 79701

4. Well Location

Unit Letter I : 1980 feet from the South line and 990 feet from the East line
Section 26 Township 13S Range 31E NMPM County Chaves11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4406' GR

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: Cmt 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.

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 11/17/2011Type 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.