

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

DEC 22 2011

RECEIVED

WELL API NO. 30-005-01063
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Drickey Queen Sand Unit
8. Well Number 44
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

<p>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.)</p>	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input checked="" 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 D : 660 feet from the N line and 660 feet from the W line Section 15 Township 14S Range 31E NMPM County Chaves	

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: ☐

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. **PREVIOUS WORK ON C-103 DATED 11/30/2011. M&B.**

11/29/11 - RU outside back-off shot & RIH to 1682'. Back-off fish @ 1534'. POH w/ WL & TOH w/ fish, recovered 2 jts. Top jt plugged, btm jt clear. PU 2 3/8" screw in sub & x-over. TIH w/ 2 7/8" WS, check each break going in. Work over & screw into fish. Try to pump through tbq. Pressured up to 1500#, did not bleed off. RIH w/ 1 1/2" wt bar & collar locator. Went down to 2249'. POH w/ WL & try to pump down tbq, unsuccessful. RIH w/ 1 1/4" freepoint tool, tool failed. POH w/ tool. Repaired rope socket. PU freepoint tool & RIH. Tag @ 2249'. Btm of tbq @ 2198'. Pipe free @ 1840'.

11/30/11 - Shoot 4 SPF in 2 3/8" tbq @ 1960'. Could not pump down tbq. Held 1700#. RIH w/ 1 9/16" gun & shot 4 SPF through tbq & csg. POH w/ WL, pump down tbq. Started pumping @ 1 BPM @ 900#, psi started coming up, slowed to .69 BPM @ 1500#. Pumped total of 8 bbls, psi went to 1700# & would not bleed off. RU swab, swabbed fluid level to 1400'. Recovered 16 bbls, wait 30 mins & gained 100' of fluid. Swabbed back to 1400'. Pumped 25 bbls down tbq @ 1.1 BPM 1700#, psi held @ 1000#. Leaked off @ 100# in 3 min. Swab well back down to 1400'.

* Continued on attached sheet

Spud Date:

Rig Release Date:

Approved for plugging of 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.emnrd.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 12/21/2011

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

Mary Brown

TITLE

Compliance Officer

DATE 12/23/2011

Conditions of Approval (if any)

Drickey Queen Sand Unit #44 – C103 continued

12/1/11 - Cut tbg @ 1842'. Pipe still stuck. POH & RIH w/ chem cutter & cut 2 3/8" tbg @ 1835'. Pipe still stuck. RIH w/ free point tool. Showed pipe free @ 1800'. POH & RIH w/ string shot & back tbg off @ 1780'. Recovered 8 jts (244') 2 3/8" IPC tbg. TIH w/ 5 1/2" pkr & set @ 1536'. Load 5 1/2" csg, but it would not hold psi. Pump 5 bbl FW spacer & 40 sx Class "C" cmt w/ 2% CaCl₂. Initial psi 1300 @ 1 BPM. 1 1/2 bbls into displacement psi went to 2200# @ .2 BPM. Stalled & psi dropped to 1400#. Continued disp @ .28 BPM, displaced w/ 12 bbls. SWI w/ 2500#.

12/2/11 - Unseat pkr & TOH. TIH w/ 3 1/2" DC's & LD same. PU PS & bit. TIH & tag cmt @ 1667'. TOH. RIH w/ 2 1/2" gun & perf 4 SPF @ 1308'. TIH w/ 5 1/2" AS1-X pkr & set @ 1057'. Establish inj rate of 2.2 BPM @ 1000#. Unseat pkr & circ brine mud. .

12/7/11 - Pump 50 sx Class "C" cmt w/ 2% CaCl₂ into perfs @ 1308'. Pkr set @ 1054'. Displace w/ 8.5 bbls. WOC 4 hrs. Unseat pkr & TOH. TIH w/ PS & BP. Tag @ 1150'. TOH. Shoot 4 SPF @ 225'. RIH w/ pkr to 250'. Pumped 30 bbls down csg. Did not circ. Pumped down tbg & pressured up, held 600#. Pulled pkr up to 33' & set pkr. Pump 30 sx Class "C" cmt w/ 2% CaCl₂. Displace w/ 2.5 bbls. SWI w/ 150#.

12/8/11 - Unseat pkr & TOH. PU PS & BP. TIH & tag cmt @ 114'. Shoot 4 SPF @ 60'. Close BOP & pump into perfs @ 1.5 BPM @ 50#. Pumped 25 bbls, did not circ. Pump 25 sx Class "C" cmt w/ 2% CaCl₂. Displace w/ 3/4 bbl. No psi @ SI. WOC for 4 hrs. TIH w/ PS & BP, did not tag cmt. Ran tbg into 90', filled 5 1/2" csg & 3 1/2' in 6x6 tin horn on outside of csg w/ 35 sx Class "C" cmt w/ 2% CaCl₂. NDBOP & NUWH. *Holds Pressure.*

12/9/11 – RD. Clean pits. Set P&A marker & reclaim location.