Submit 1 Copy To Appropriate District Office
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

HOBBS OCD
JAN 18 2012
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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-05122

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: Buckley A

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 4

2. Name of Operator: Celero Energy II, LP

9. OGRID Number 247128

3. Address of Operator: 400 W. Illinois, Ste. 1601, Midland, TX 79701

10. Pool name or Wildcat: Denton; Devonian

4. Well Location
Unit Letter N : 330 feet from the S line and 1650 feet from the W line
Section 25 Township 14S Range 37E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3803' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: Squeeze casing 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.

11/30-12/10/11
Set RBP w/ 367 jts @ 11,800' & pull 1 jt. Set pkr, pressure up on tbg and RBP to 1500#. Held ok. Release pkr pulling up the hole testing the csg. Test good from 8040' to 11,800' but hole between 7915' to 8040'. Rate 2 BPM at 600#. Test backside 7915' to surf. Test ok 600 psi. Release pkr. Spot 2 sx of sand on RBP @ 11,800'. Pull & set pkr @ 7915'. Pump out csg leak @ 7915' - 8040', broke circ w/ 24 bbls, circ 410 bbls recovering drilling mud. Release pkr & POH. Set 5 1/2" cmt retainer @ 7751'. Sqze hole in csg 7915' to 8040'. Broke circulation on the 8 5/8", pumped 75 BFW mixed with one drum KCN 1725 packer fluid, 10 bbl FW spacer. Lead cement 530 sx Class C + 4% Bentonite + 0.25% R-38 13.50 wt. 1.72 yield. Tail w/ 75 sx Class C +0.5% C-11 + 0.25% R-38 14.80 wt. 1.33 yield. Had full circulation out the 8 5/8" during the job. Shut 8 5/8 valve. Sqze 10 bbls out & hesitate sqze to 2000 psi. RIH w/ 4 5/8" skirted WO bit, BS, 10) 3 1/2" DC's, x-over, 232 jts + 10'. Tag @ 7731'. Drl cmt to CIBP @ 7751'. Drl cmt to 7818'. Fell out of cmt at 8040'. Test csg to 700# for 30 min with no bleed off. RIH & tag @t 11,790'. Wash sand off RBP @ 11, 800'. POH w/ tbg, LD DC's. RIH w/ CCL/GR/CBL, log from 8400'-5100'. Est TOC 5330'. RIH w/ overshot & HD pkr, 2 3/8" SN, x-over, 242 jts 2 7/8" tbg & set pkr @ 7751'. RIH w/ swab, FL @ 7500', release pkr. RIH & release RBP. POH w/ tbg & tools.
*Cont'd 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 01/12/2012

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

For State Use Only

APPROVED BY: TITLE PETROLEUM ENGINEER DATE JAN 19 2012

Conditions of Approval (if any):

JAN 23 2012

Buckley A #4 – C103 attachment

12/12/11 - RIH w/ Electro BHP tool. Tag at 12,490'. POH making gradient stops, 12400' - 1375 Psi - 183 F, 12200' - 1287 Psi, 12000' - 1201 Psi, 11000' - 773 Psi, 10000' - 345 Psi, 8000' - 25 Psi, 6000' - 23 Psi, 3000' - 20 Psi, 0' - 15 Psi. RIH w/ GR/CCL/CNL, correlate to GR/CCL/CBL dated 2-15-2011, FL at 9270'. Tag at 12,501', log to top of fluid at 9270'. RIH w/ 4 5/8" skirted workover bit, BS, 2) valves, 40) jts 2 7/8" tbg, bailer with drain, 6' tbg sub, 389) jts 2 7/8" tbg. Tag at 12,505' by tbg, start bailing, fell through bridge. RIH and tag at 12,631', bail and drill to TD at 12,687'. POH with 14 jts.

12/14/11 - TIH with 57 jts 2 7/8" PH-6 tbg, total of 129 jts 2 7/8" PH-6 tbg (4046.61'). Set pkr @ 11,795' w/ 30 pts compression. Load csg with 140 BFW, psi test csg to 500# for 10 min with no bleed off. Acidize OH 12,291-12,687' as follows, pump 150 BFW cool down, 7500 gal 90/10 blend 15% NEFE HCL / Xylene in 5 stages using 500# graded rock salt, 500# 100 mesh rock salt, 250# Benzoic acid flakes per stage, flush w/ 130 BFW, ISIP vacuum, Avg Rate 10.0, Max Rate 12.5, Min Rate 6.3, Avg Psi 2600, Max Psi 4855, Min Psi 306, total Load 630 Bbls. Release pkr. POH with 129 jts PH-6 (4046.61'), LD 20 jts 2 7/8" 6.5# L-80 8rd tbg, stand back 222 jts 2 7/8" 6.5# L-80 8rd tbg (7086.13'), LD pkr.

12/15/11 - RIH with GR/CCL/CNL, correlate to GR/CCL/CBL dated 2-15-2011, tag at 12,638', log to 12,000'. POH. RIH with GE sub pump as follows: 1) Smartguard VI, 2) 456 120 Hp motors, 1295-V, 59-A, re-rated to 180 Hp, 1505-V, 79-A, 2) Tr4 98L seals, 1) Mag 2 gas separator, 5) TD3000 pumps - 555 stages, 2 3/8" S.N., x-over, 166 jts 2 7/8" 8rd tbg.

12/16/11 - TIH with 56 jts 2 7/8" 8rd tbg, total of 222 jts 2 7/8" 6.5# L-80 8rd tbg (7086.13'), x-over, 129 jts 2 7/8" Ph-6 tbg (4046.61'). Splice lower pigtail onto #2 flat lead cable, WIR 115,000. Land donut into Seaboard WH, intake at 11,248.78', bottom of Smartguard at 11,327.01'. RDPU, leave well pumping to battery.