

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

State of New Mexico  
Energy, Minerals and Natural Resources  
**HOBBS OGD**  
OIL CONSERVATION DIVISION  
FEB 4 2012 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised August 1, 2011

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-005-29181
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <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 <u>B</u> : 500 feet from the <u>N</u> line and 1650 feet from the <u>E</u> line Section 34 Township 13S Range 31E NMPM County Chaves		8. Well Number 312
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: Well completion ☒

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.

12/29/11 - D/O DV tool @ 2341'. Test 5 1/2" csg w/ 1000# & held. Tag float collar @ 2764' (GL). D/O float collar. Test 5 1/2" csg to 1000# & held. Circ hole clean.

12/30/11 - PU new 4 3/4" mill tooth bit, 6 - 3 1/2" DC's & ran on 2 7/8" OD tbg. Ran & tag at 2738' (correction from 12-29-11 report, showing 2773'). Drl cmt from 2738' to guide shoe at 2775'. D/O guide shoe & C/O 7 7/8" OH from 2775' to TD of 3115'. Lost returns at 2914'; C/O w/ out circulation to TD. Lost 175 BPW while cleaning out.

1/3/12 - Pump 30 BPW down tbg & well went on vacuum w/ bit at 2170'. Lwr bit & tag bridge at 3105'. Turn bit, fell thru to TD of 3115'. Pump another 20 BPW. TOH w/ 2 7/8" OD tbg, LD 20 jts plus 6-3 1/2" DC's & 4 3/4" bit. RU to run 4", 10.8#, UFJ, L-80 csg as liner. Ran 4" Watson Packer's Duplex Shoe. 13 jts of 4" 10.8# UFJ L-80 csg (576'). Set slips & ran 596' of 2 3/8" OD tbg w/ 2 5/8" OD x 8.5" "running tool" & screw into Duplex Shoe. Lwr liner w/ tbg & ran to 3115' (wash down liner 8'). Pumped a total of 30 BPW to wash liner at TD. Liner now set from 2539' to 3115'.

\* Continued on attached sheet

Spud Date: 11/24/2011

Rig Release Date: 12/13/2011

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 01/31/2012

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 Manager DATE 3-29-2012

Conditions of Approval (if any):

MAR 23 2012

**Rock Queen Sand Unit #312** – C103 continued

**1/4/12** - Lwr 4" liner & wash down w/56 BPW to 3115'. Liner set from 2539' to 3115'. Pump 10 BFW, followed w/ 120 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub>, displacing cmt at 1 BPM on vacuum with 16 BFW, leaving 1 bbl of cmt in tbg. Release liner "running tool" & TOH. WOC 3 1/2 hrs. TIH w/ tbg & 5 1/2" AD-1 pkr & well started flowing out annulus. Ran pkr to 2337' & displaced tbg -csg annulus w/ PW. Set pkr at 2337'. Tied onto tbg, pumped tbg & 5 1/2" csg volume below pkr to TOL at 2539'. Ran swab & tag fluid level at 1200' from surface. Load tbg-csg annulus above pkr & placed 500# on same. Pump 10 BFW, followed w/ 130 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> & displaced cmt to 2850' (between 4" liner & 5 1/2" csg annulus) at 1 BPM on vacuum w/ 23.3 BFW.

**1/5/12** - Ran 1 1/4" BHP instrument. Ran to 2528', making gradient stops every 500'. TOH. BHP at 2528' = 708#; BHT at 2528' = 84 degrees F. Fluid level estimated at 800' from surface. Estimated BHP at 3050' = 1000 psi +/- . Release pkr & TOH. TIH w/ Watson's 5 1/2" cmt retainer. Ran and set at 2310'. Load & test tbg-csg annulus to 500# & held ok. Pump through cmt retainer w/ 14 BFW. Pump 150 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub>, SD, wash up & displace cmt w/ 15.6 BFW (leaving top of cmt in 5 1/2" csg at 2405'.) at 1 BPM & 0#. Unstung out cmt retainer & reversed out tbg volume, recovering small amount of cmt colored water. WOC 3 1/2 hrs. Stung back into retainer. Pressure down tbg with 1200#. Held for 10 mins. Unstung from retainer & pumped 3 BFW to make sure cmt retainer stinger was not plugged. Pull EOT to 2184'

**1/6/12** - WOC 14 hours. TOH w/ tbg & cmt retainer stinger. TIH w/ tbg & 4 7/8" x 4.6' cutrite shoe. Tag at 2310'. D/O & rotate on cmt retainer, cmt retainer came loose & fell to 2335'. Drill 2' to 2337' & attempt to swallow cmt retainer inside of shoe. TOH. No recovery. Rotate & drill 5' & fell out of cmt. Ran shoe to 2522' & start drilling cmt. Drl to 2530'. Dry drill & set shoe down on cmt retainer. TOH. Recovered one broken piece. TIH w/ tbg & shoe to 2530'. Set wt on shoe over cmt retainer. TOH. No recovery.

**1/9/12** - Ran 4 1/2" magnet. Recovered metal cuttings. TIH w/ 2 7/8" tbg with 4 7/8" x 4.6' cutrite shoe. Ran to 2530'. Milled over cmt retainer from 2530' to 2532, recovered metal shavings & cmt. Recovered most all of cmt retainer.

**1/10/12** - TIH w/ tbg & 4 3/4" bit. Tag at 3533'. Mill from 2533' to 2534'. Recoved metal shavings & cuttings w/ small amount of cmt. Circ hole clean. TIH w/ tbg & 3 1/4" bit. Tag at 2534'. Drl from TOL 2534' to 2546'. Test liner from 2534' to 3110' to 500#. Lost 50# in 1 min.

**1/11/12** - Test 4" liner to 700# & lost 10# in 15 mins. Ran 2 3/4" GR/CCL/CBL from 2530' to 3108' in 4" liner. TOC = 2560' (liner top = 2530'). Ran CBL in 5 1/2" csg from TOL at 2530' to 1900'. TOC = 2104'. Ran GR/CCL/CNL from 2000' to 3108'. Perforated 4" liner w/ 2 1/2" cased gun w/ 2 shots, 180 degree phasing at 3070'. Ran tbg w/ 4" SL-4 pkr to 2773'. Pump 5 BPW into perfs at 3070' from 800# to 650# at 1 BPM. SD & pressure bled off to 125# in 5 mins.

**1/12/12** - Pkr @ 2773'. Place 500# on tbg-csg annulus. Pump 5 BFW at 700# & 1.1 BPM. Pump down tbg w/ 50 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> w/ 0.2% of 1% fluid loss additive, SD, wash up & displace cmt w/ 16 BFW at 700# & 1 BPM. Hesitate cmt w/ max psi of 1000#. Psi continued to fall back to 600#. Unable to get cmt squeeze. Over displace with 5 BFW. WOC 30 min & re-cmt w/ 50 sx of "C" with 2% CaCl<sub>2</sub> with fluid loss additive. SD, wash up & displace cmt w/ 16 BFW & start hesitating cmt. Displace cmt to 2977' (204' below pkr), leaving 93' of cmt above perforation at 3070'. Displaced at 1 BPM & 350# SD psi.

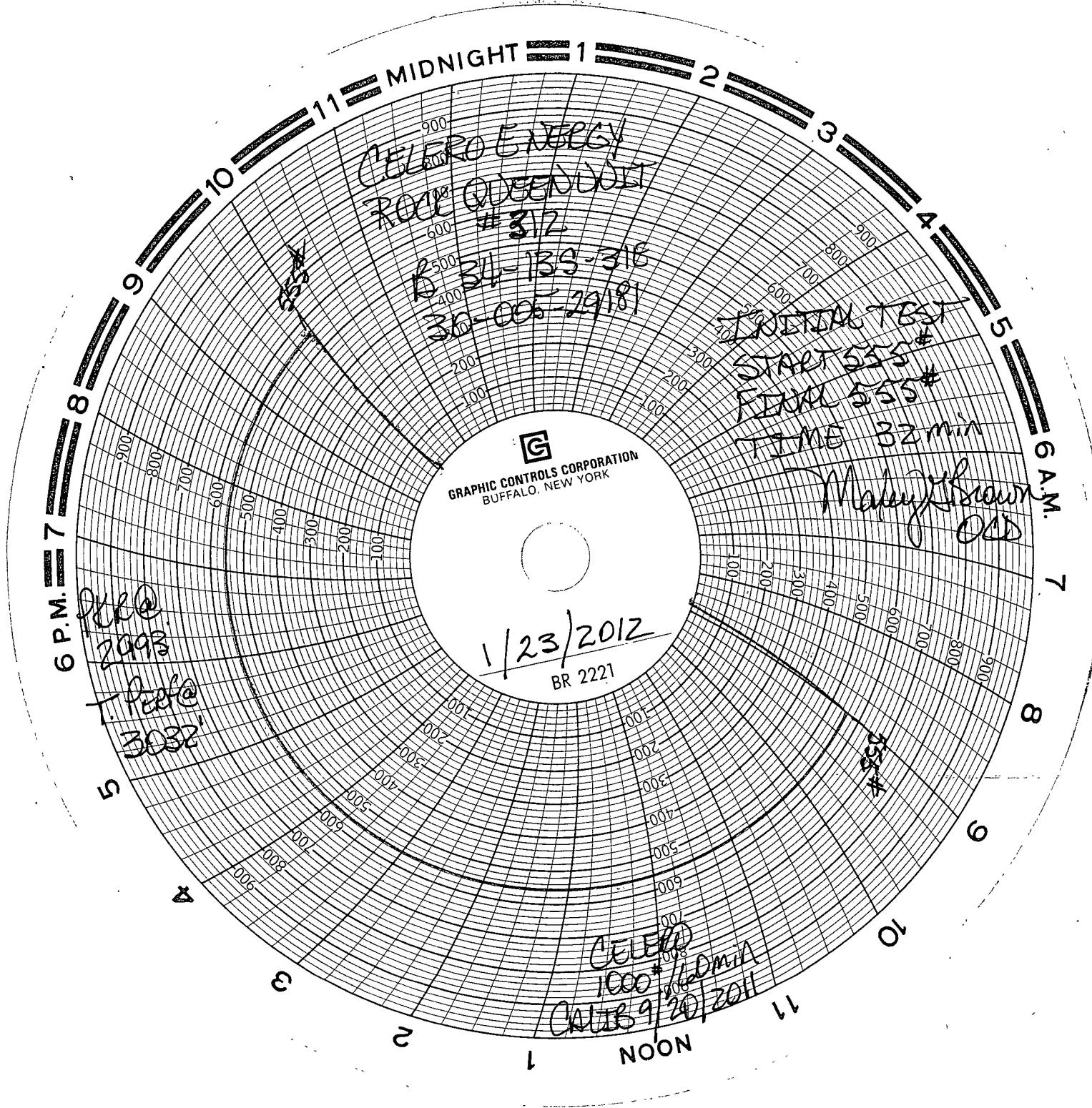
**1/13/12** - After WOC 15 hrs, release pkr & TOH. TIH w/ 3 3/8" bit, 6- 2 7/8" DC's & ran on tbg WS. Tag cmt at 2990'. Test cmt squeeze to 950# & started taking fluid at 1 BPM, pumping 3 BPW. Drl cmt to 3083' & C/O to 3105'. Circ hole clean. TOH w/ tbg & BHA. TIH w/ tbg WS & 4" SL-4 pkr. Ran & set at 2741'. Test tbg-csg annulus to 500# & held okay. Pump 5 BFW at 800# & 1 BPM. Pump 100 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub>, SD, wash up & displace cmt below pkr to 2870' (1.1 bbls) at 700 # & 3/4 BPM.

**1/16/12** - After WOC 62 hours, test down tbg w/ 1000# & held. Release pkr & TOH. TIH w/ tbg w/ DC's & 3 3/8" bit. Tag cmt at 2920'. Drl cmt from 2920' to 3105'. Test cmt squeeze job w/ 1000# & held.

**1/17/12** - Ran GR/CCL/CBL from 2530' to 3101'. Perf 4" liner w/ 2 3/4" cased gun, 2 SPF, 120 degree phasing from 3032' to 3046'; 14' & 28 holes. TIH w/ tbg WS & 4" SL-4 pkr. Ran & set at 2925'. Load & test tbg-csg annulus w/ 500# & held. Acidize 4" csg perfs w/ 1500 gal of 7 1/2% acid + 40 - 7/8" ball sealers & flushed w/ 68 BFW, 50 bbls overflush.

**1/18/12** - Swab 1 1/2 hours and recovered 8 BLW. SFL = 1000' F.S.; EFL = 1850' F.S. (max swab depth = 2300' F.S. due to tbg size change). Release pkr, lower & knock off ball sealers on perfs (3032' to 3246'). TIH w/ 92 jts (2977') of 2 3/8" OD, 4.7# 8rd EUE J-55 IPC tbg with Hunting's special thread lubricant + 4" AS1-X, nickel plated pkr with T-2 on/off tool & 1.50" "F" profile nipple. Set pkr @ 2993', release on/off tool, circ pkr fluid, latch back onto pkr, placing 20 pts on tension on same. NDBOP & NU, 7 1/16", 3K, slip type flange. Install 3K, Al-Br full opening tbg valve. Load and test tbg-csg annulus with 500#. Lost 5# in 15 mins.

**1/23/12** - Ran MIT. Test to 555# for 32 minutes. Held. Test was witnessed & approved by Maxie Brown. Original chart is attached. Well ready for water injection.



CELERO ENERGY  
ROCK QUEEN  
#312  
B 34-135-318  
30-005-29/181

INITIAL TEST  
START 555#  
FINAL 555#  
TIME 32 min

Mahy Brown  
OCD

GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

1/23/2012  
BR 2221

PER@  
2093  
T. PER@  
3032

CELERO  
1000 \* 100 min  
CALIB 9/20/2011