

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

Form C-103
Revised August 1, 2011

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

HOBBS OGD

APR 17 2012

WELL API NO. 30-005-00812
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 27
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 Monitor well ☒

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 O : 660 feet from the South line and 1980 feet from the East line
Section 22 Township 13S 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: Cmt sqz csg leak & run MIT ☒

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.

2/23/12 - RU to check csg integrity. Test tbg-csg annulus with 520#. Lost 100# in 6 min. Raise & reset pkr from 2985' to 2954'. Test to 500# & lost 50# in 1 min. Tested 3 times with same results. Release pkr & TOH w/ 93 jts of 2 3/8" OD IPC tbg w/ 5 1/2" AD-1 pkr. PU 2 3/8" tbg WS & 5 1/2" RBP. Ran & set at 2949'. Load & test csg & RBP to 500#. Had slight leak. TOH w/ tbg & retr head for RBP. TIH w/ tbg, AS1-X pkr & retr head for RBP. Ran & set pkr at 2908'. Test tbg, pkr & RBP to 700#, held ok. Test tbg-csg annulus to 515#. Leaked off 50# in 6 min. Reset pkr at 2622'. Test tbg, pkr & RBP to 540# & held ok. No pressure lost. Test tbg-csg annulus to 525# & leaked off 50# in 6 min.

2/24/12 - Raise pkr from 2622' to 1988' (RBP at 2949'). Test down tbg to 650#. No pressure lost in 10 mins. Test down tbg-csg annulus to 535#, lost 100# in 6 mins. Set pkr at 1103'. Test to 525# down tbg. No pressure lost. Test down tbg-csg w/ 525#, lost 100# in 5 mins. Located 5 1/2" csg leak from surface to 6' (3' below surface casing head). Test to 300# & lost 50# in 30 seconds. Test csg from 6' to RBP w/ 530#, held ok. Dump 1 sx of sand down csg to let fall to RBP.

* 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 04/13/2012

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 4-18-2012

Conditions of Approval (if any):

APR 18 2012

Rock Queen Unit #27 – C103 Continued

2/27/12 - Screw in lift sub and tighten 5 1/2" csg. Put 2000 in-lbs left hand torque on csg. Ran 100 grain string shot adjacent collar at 82' & backed off csg. Pulled & LD 2 full jts of 5 1/2" csg (60') & one 22' piece for a total of 82' of 5 1/2", 14#, ST&C csg. Weld ST&C bell nipple on btm of 2 jts (92') of 5 1/2", 15.5#, J-55, LT&C csg. Screwed onto fish at 82' w/ 2400 in-lbs of torque. Pressure up on csg to 515# & held okay. Cut off csg, pull 25K on csg, set slips and NU 5 1/2", 2000# Larkin type WH. NUBOP. TIH w/ tbg and retrieving head for RBP. Ran to 2940'. Test csg to 550# for 30 mins. Lost 10# to 540#. Lower retrieving head, circulate sand off of RBP at 2949', latch onto same. TOH, LD tbg WS & RBP. TIH w/ 93 jts of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg with 5 1/2" plastic coated AD-1 pkr. Ran to 2985'. Circ pkr fluid. Set pkr with 20 pts of tension. Test to 545# & lost 25# in 14 mins. Reset pkr at 2963'. Test to 540# & lost 22# in 10 mins.

3/11/12 - Ran MIT. Did not pass & witnessed by Maxey Brown w/ OCD. Pressure to 520# & lost to 410#.

3/27/12 - Test tbg-csg annulus w/ 500# and lost 40# in 3 mins. Unable to get an acceptable test on annulus. Release pkr & TOH w/ 92 jts of 2 3/8" OD IPC tbg with pkr.

3/28/12 - TIH w/ 2 3/8" OD tbg WS & ran Kenco's 5 1/2" pkr & RBP. Ran & set RBP at 2977' & set pkr at 2942'. Test pkr, tbg & RBP to 650#. Held with no pressure lost. Test tbg-csg annulus FS to 2942', pressure up to 500# & lost 100# in 1 min to 400#. Made several settings up hole & located csg leak between 2315' to 2376'. Test leak area to 550# & lost 100# in 1 min. Test tbg-csg annulus FS to 2315' w/ 525# & held with no pressure lost. Test from 2376' to RBP at 2977' holds 525# with no pressure lost. Release pkr & TOH w/ tbg & pkr. Dump 1 sx of sand to let settle on RBP.

3/29/12 - TIH w/ tbg, 5 1/2" csg scraper & 4 3/4" bit. Ran to 2962' (RBP @ 2977'). TOH w/ tbg & BHA. Ran GR/CCL/CBL log from 2957' to 2000'. Ran CIL from 2957' to surface. Perf 5 1/2" csg w/ 3 1/8" cased gun w/ 2 SPF, 180 degree phasing at 2355.5'. Ran pkr to 2080', load & test tbg-csg annulus w/ 500#. Pump through csg perfs at 2355.5' at 1000# & 1 BPM rate. Pumped 10 BFW. Release pkr & TOH. TIH w/ 2 3/8" OD tbg WS with 5 1/2" Kenco cmt retainer & set at 2080'. Load & test tbg-csg annulus with 500#. Pumped 10 BFW through cmt retainer at 1000# & 1 BPM, SD w/ 975#.

3/30/12 - Sqz 170 sx Class "C" W/2 % CACL.

4/2/12 - TIH w/ 2 3/8" OD tbg WS, 6 - 3 1/2" OD DC's & 4 3/4" bit. Tag cmt retainer at 2084'. RU swivel. Drill on retainer for 4 1/2 hrs, recover metal cuttings & small amount of cmt. Circ hole clean

4/3/12 - TOH w/ tbg, DC's & bit. Ran 4 1/2" OD magnet, recover pieces of metal. TIH w/ tbg, DC's and 4 3/4" OD bit (#2). Drill cmt retainer and cmt from 2098' to 2237' in 8 hrs. Circ hole clean. Test csg to 510# & held.

4/4/12 - Drill cmt from 2237' to 2370'. Circ hole. Test 5 1/2" csg FS to 2370' w/525# & held. Circ hole w/ clean FW. TOH w/ tbg, DC's and bit. TIH w/ 90 jts of 2 3/8" IPC tbg w/ "turned down collars" & 5 1/2" plastic coated AD-1 pkr. Ran to and left swinging at 2898.

4/5/12 - Lwr pkr to 2963' w/ a total of 92 jts of 2 3/8" OD 4.7# 8rd EUE J-55 tbg, leaving pkr swinging. Circ 75 bbls of pkr fluid. Set pkr with 20 pts of tension from 2960-63'. Pack off WH. Test tbg-csg annulus for 32 mins. Held 480# with no pressure lost for pre-MIT test. Install 2 3/8" Al-Br full opening tbg valve. Clean location.

4/10/12 - Ran MIT test. Test for 34 mins from 505# to 500#. Test is acceptable & was witnessed by Maxie Brown w/ OCD. Original chart is attached.

