

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

MAY 09 2012

State of New Mexico

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

RECEIVED
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

Revised August 1, 2011

WELL API NO. 30-005-29182
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 Rock Queen Unit
8. Well Number 313
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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 H : 1980 feet from the N line and 500 feet from the E line Section 34 Township 13S Range 31E NMPM County Chaves	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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: 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.

1/23 - 1/27/12

PU new 4 3/4" bit, 6 - 3 1/8" DC's, ran on 2 7/8" tbg WS & tag at 2454' in the 5 1/2", 15.5# csg. Drl 2' & fell thru DV tool. Circ hole clean, recovering LCM. Resume C/O to 2882'. D/O FC from 2882-84' & drl cmt from 2884' to 2922. Test 5 1/2" csg from surf to 2922' w/ 1000# & held. Drl cmt & guide shoe from 2924' to 2930'. Drl cmt below GS from 2930' to 2936'. Drill to 2937', circ hole clean. TOH w/ tbg, DC's & 4 3/4" bit. TIH w/ new 4 7/8" mill tooth bit, 6 - 3 1/2" DC's, 6 - 3 1/8" DC's. Drl formation. TOH w/ tbg & BHA. Lost one cone off of bit. Ran 4 1/2" magnet to 2956'. Wash 2' of fill. Stop circulation, place magnet on bottom & TOH. Recovered bearings out of 4 3/4" bit and 7 7/8" bit w/ pieces of cones and small pieces of metal. TIH w/ tbg, 6 - 3 1/2" DC's and 4 3/4" cone buster mill. Ream through guide shoe area from 2920' to 35', lower mill to 2958' & mill recovering formation, mostly red bed. Circ hole clean. TOH. TIH w/ tbg 2 - 3 1/2" DC's and 4 7/8" x 2.52' cutrite notched shoe. Ream out DV tool, guide shoe area and lower shoe to bottom of hole at 2964. Dry drilled 2' to 2966' and TOH. No recovery. Ran 4 1/2" OD magnet to TD of 2966'. Recovered parts of 7 7/8" bit cone, cone off of 4 3/4" bit, bit bearings & other small pieces of metal. TIH w/ tbg, DC's and 4 7/8" OD bit. Tag at 2966'. Drill 5'. Circ hole clean. *Continued on attached sheet

Spud Date:

12/16/2011

Rig Release Date:

03/01/2012

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 03/02/2012

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]
WFX-892

TITLE

[Signature]

DATE

5-9-2012

Conditions of Approval (if any):

MAY 09 2012

Rock Queen Unit #313 – C103 continued

1/30/12 - Drl from 2971' to 2977', recover red bed. TOH. Found thick piece of metal hung in bit. TIH w/ 4 1/2" OD magnet. TOH & recover a few small pieces of metal. TIH w/ new 4 7/8" bit with DC's & tbg. Tag at 2977', make 2' & bit/DS continued torquing up. TOH. Ran 4 1/2" OD magnet & recover pieces of metal & couple ball bearings from 7 7/8" bit.

1/31/12 - Ran 4 1/2" OD magnet. Tag at 2979'. TOH & recover couple 7 7/8" bit ball bearings & one insert off same size bit. Re-ran magnet. No recovery. TIH w/ tbg, DC's, 4 1/2" junk basket & 4 7/8" x 3' notched cutrite shoe w/ diamonds & wire. Ran to 2979'. RU swivel, cut 2' of hole to 2981', circulating both conventional & reverse. TOH. Recover one insert out of 7 7/8" bit.

2/1/12 - TIH w/ tbg & 4 1/2" OD magnet. Ran to 2981'. Circ hole. Lightly touch bottom of hole. TOH. Recover 2 ball bearings & small pieces of metal. Ran WL 2 3/4" magnet to 2928'. Would not go past 5 1/2" csg guide shoe area. TOH. Mix 60 bbls of 10#, 42 visc mud. TIH w/ tbg, 4 1/2" junk basket, 2 - 3 1/2" DC's and 4 3/4" Hansen mill (short inserts). Ran to end of 5 1/2" csg, displace hole w/ mud & ream from 2922' to 2981'. Lwr mill & drl 1' without any torque on DS. Recover formation cuttings. Circ hole clean. TOH w/ tbg & BHA. Recover 1 piece of metal in the mill water

2/2/12 - TIH w/ 2 7/8" tbg WS, 6 - 3 1/8" & 6 - 3 1/2" DC's & new 4 7/8" OD bit. Tag at 2982'. Drl from 2982' to 3026'. Recover some red bed. Circ hole clean. TOH.

2/3/12 - TIH & tag at 3026'. Drl from 3026' to 3064'. Recover lime, dolomite & red bed. Circ hole clean. TOH. TIH w/ 4 1/2" magnet. Ran to 3064' & TOH. Recover 1 small ball bearing & pieces of metal

2/6/12 - TIH w/ tbg & 4 1/2" magnet. Ran to 3064' & swept hole with MF-55. TOH, recover 1 small piece of metal. TIH w/ tbg, DC's and new 4 7/8" bit. Swept hole w/ 12 bbls of viscous mud & 5 gal of MF-55. Drl from 3064' to 3108', recover dolomite & lime. Had full returns. Circ hole clean.

2/7/12 - Drl from 3008' to 3115'. Circ hole clean. Drl 7'. TOH w/ tbg & drill string.

2/8/12 - Run 10 jts of 4" 10.8# L-80 UFJ csg (443') as liner with Watson Packer's 4" duplex shoe. Set slips on 4" liner, weld on 4 1/2" turned down collar on top joint, (thread x slip), & ran 2 3/8" tbg w/ tbg & running tool (left hand thread) for duplex shoe & screw into same. Finish running liner w/ tbg to 3111'. Set 4" liner from 2668' to 3111'. Swept hole with MF-55 & . Pump 10 BFW down tbg, followed w/ 70 sx of Class "C" cmt with 2% CaCl₂ and displace w/ 16 BFW, leaving one bbl in tbg. Release running tool from duplex shoe, TOH w/ tbg and running tool. WOC.

2/9/12 - WOC 19 1/2 hours, TIH w/ tbg, 6 - 3 1/8" DC's and 4 3/4" bit. Tag cmt at 2596'. Test 5 1/2" csg from surface to 2596' w/ 1000# & held. D/O cmt from 2596' to TOL at 2668'. Circ hole clean. Test TOL w/ 1000# for 15 minutes. No pressure lost. TOH w/ tbg, LD collars with bit. TIH w/ tbg, 6 - 2 7/8" DC's and 3 1/4" bit. Tag at 2668'. D/O cmt from 2668' to 2693', fell out of cmt. Tag cmt, again at 2716'. D/O cmt from 2716' to 2891', drilling good firm cmt. Drl 200' w/ 3 1/4" bit in 5 hrs. Circ hole clean. TOH.

2/10/12 - Drl cmt in 4" liner from 2891' to 3079'. Fell out of cmt at 3079' & lwr bit to 3109'. Circ hole clean. Test 4" liner w/ 1000# & held. No pressure lost. TOH, LD 2 7/8" tbg with DC's and bit. Ran CBL in 4" liner from 2661' to 3107". Ran CBL in the 5 1/2" csg from 2661' to surf. Ran CNL log in 4" liner from 2661' to 3104". Perf 4" liner w/ 2 1/2" cased gun, 2 SPF, 120 degree phasing from 3026' to 3039', 14' & 28 holes. Ran 20 jts of 2 3/8" tbg w/ 4" pkr.

2/13/12 - Attempt to break down 4" liner perfs 3026' to 3039' w/ 3000#. Unable to break down perfs. Release pkr & lwr to 3038'. Spot 2 bbls of 7 1/2% NE-FE acid over perfs. Raise & set pkr to 2779'. Attempt to load tbg-csg annulus. Unable to get pkr to hold. Reset at 2810', same result. TOH w/ tbg and pkr. Found btm jt of tbg above pkr to be split. TIH w/ tbg & 4" ASI-X pkr. Ran & set at 2813'. Broke down perfs 3026' to 3039' with 2930#. Pumped 8 BFW at 2850# & 3 BPM. Acidized perfs 3026'-39' w/ a total of 1500 gal of 7 1/2% acid and 40 - 7/8" ball sealers. Flushed w/ 89 BFW, 75 bbls overflush. Treating Pressures: Max 4000#; Avg = 2200#; Avg rate = 4.0 BPM ISIP = 1460#; 5 min = 1250#; 10 min = 1195#; 15 min = 1166# TLTR = 147 bbls.

2/14/12 - Release pkr, lower, knock off ball sealers on perforations, pull and LD tubing WS with pkr. TIH w/ 92 jts of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg (72 jts with regular collars - 2330' & 20 jts of tbg with "turned down collars" - 646'; total footage = 2976') with 4" ASI-X nickel plated pkr with 1.50" "F" profile nipple. Ran pkr with tbg & T-2 on-off tool & left swinging at 2989' w/ KB correction. Circ hole with pkr fluid, set pkr at 2989' with 15 points of tension. Test tbg-csg annulus with 550# for 15 mins with no pressure lost. NDBOP, NU, 3K, 7 1/16" slip type WH flange. Set slips, flanged up WH, install 2 3/8" Al-Br tbg valve and connect up for water injection. Re-test tbg-csg annulus with 500# & held.

2/23/12 - Ran MIT test. Test 31 mins, pressure from 550# to 540#. Test was approved & witnessed by Maxie Brown – OCD. Original chart is attached.

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