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Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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HOBBS OCD

FEB 20 2013

RECEIVED

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised November 14, 2012

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Celero Energy II, LP 400 W. Illinois, Ste. 1601 Midland, TX 79701		² OGRID Number 247128
		³ API Number 025-00207
⁴ Property Code 3004L 39738	⁵ Property Name North Caprock Celero Queen Unit	⁶ Well No. R-2-2

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
E	32	12S	32E		1980	FNL	660	FWL	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Caprock; Queen	Pool Name	Pool Code 8551
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Additional Well Information

E	O	R	S	4372'
¹¹ Work Type	¹² Well Type	¹³ Cable/Rotary	¹⁴ Lease Type	¹⁵ Ground Level Elevation
No	3044'	Queen	Unassigned	04/05/2013
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water 250'	Distance from nearest fresh water well 11400' SSE	Distance to nearest surface water		

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12 1/4"	9 5/8"	40	313'	175	Surf-Calc
Prod	7 7/8"	5 1/2"	14	3021'	700	50'-TS

Casing/Cement Program: Additional Comments

Permit Expires 2 Years from Approval Date Unless Drilling Underway

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Dual-Pipe/Blinds	5000 psi	1000	Unassigned

R-13673

R-13674

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>Lisa Hunt</i> Printed name: Lisa Hunt Title: Regulatory Analyst E-mail Address: lhunt@celeroenergy.com Date: 02/18/2013	OIL CONSERVATION DIVISION	
	Approved By: <i>[Signature]</i>	
	Title: Petroleum Engineer	
	Approved Date: 02/21/13	Expiration Date: 02/21/15
	Conditions of Approval Attached	

FEB 25 2013

CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: State 32 (formerly NCQU 1 TR 6 32-5)
COUNTY: Lea

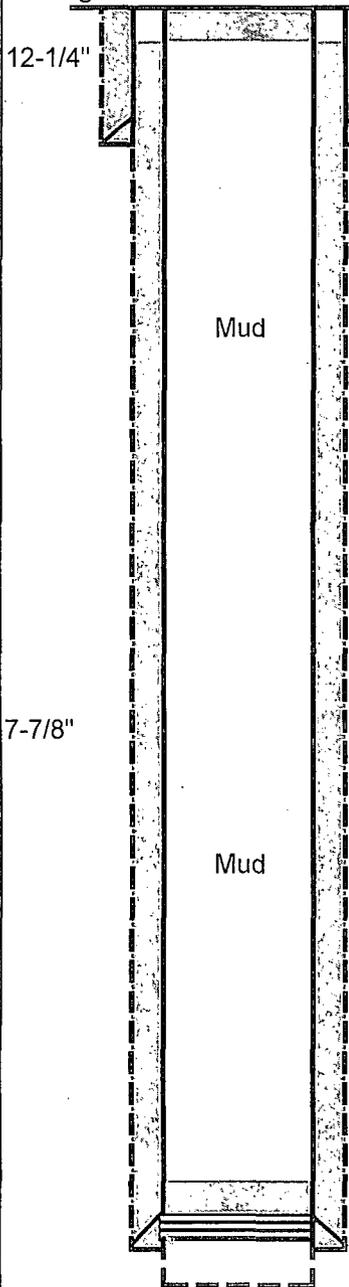
DATE: 29-Sep-12
BY: MWM
WELL: 2
STATE: New Mexico

Location: 1980' FNL & 660' FWL, Sec 32E, T12S, R32E
SPUD: 6/48 COMP: 6/48
CURRENT STATUS: P&A Producer (06-69)
Original Well Name: Phillips Petrol. Co. Rock # 1

KB =
GL = 4372' top CHF
API = 30-025-00207

12-1/4" 10 sx plug at the surface
TOC @ 50' (TS)
9-5/8" 40# @ 313' w/ 175 sx (circ)

T-Anhy @ 1365' est
T-Anhy/salt @ 1462' est



CIBP @ 2971' w/ 2 sx cap

5-1/2" 14#, H-40 @ 3021' w/700 sx

Top of Queen @ 3021':

Queen Open Hole: 3021' - 3024' (6-48)

PBTD - 3024'
TD - 3024'

Celero Energy II LP NCCQU #32-2
API 30-025-00207
1980 FNL & 660 FWL
Unit E, Section 32, T-12S, R-32E
Lea County, N. Mexico

Procedure to re-enter plugged well and return to production.

1. Blade off a 200'-by-200' location.
2. Dig out well head and install cellar. Dress off casing stubs and install risers for 9-5/8" and 5-1/2" casing. Install for 9-5/8"-by-5-1/2" minimum 2000 psi WP, SOW, Larkin-style casing head with two outlets. Install minimum 2000 psi WP Larkin-style casing head on 5-1/2" casing.
3. RU pulling unit. Install hydraulically-operated, dual-ram (blinds on bottom) 5000 psi WP BOPE and test to 1000 psi. RU tubing swivel and reverse unit pump taking returns off casing head outlet with single line to return tank. Open and monitor the 9-5/8"-by-5-1/2" outlet for returns during drill out.
4. RIH with 4-3/4" bit, bit sub, (6) 2-3/8" regular DC's(3-1/8" OD) on 2-7/8", 6.5#, J-55, 8rd EUE workstring. Drill out cement from surface and pressure test to 500 psi (discuss w/office before proceeding). Tag next plug at 2950', and pressure test to 500 psi (discuss w/office before proceeding). Drill out cement/CIBP at 2950'-2971'. Continue drilling out and clean out to original TD of 3024'. Circulate hole clean using produced water tank. POOH standing back workstring.
5. RU wireline unit and run a casing inspection log from 3021' to surface. Run a GR/CCL/CBL from 3021' to T-O-C. Discuss results with office before proceeding. Run a GR/CCL/CNL from TD to 2000'.
6. RIH with retrievable treating packer and acidize the existing open hole with 1500 gals inhibited 7-1/2% NEFE HCL containing 10% xylene at maximum rate without exceeding 4000 psi surface treating pressure. Pump 10 gals gelled 10-ppg brine water containing 750# of graded rock salt after the first 750 gals of acid/xylene mixture. Flush with tubing volume plus 20 bbls of freshwater. Record initial, 15-minute, and 30-minute shut-in pressures.
7. Swab back load recording initial and final fluid levels. TOO H w/treating packer LD workstring. RIH with 2-3/8", 4.7#, J-55, 8rd EUE production tubing and tubing anchor. Run pump and rods and a pump unit capable of lifting 700 BPD. Shut well in waiting on electricity and completion of tank battery.

