

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised November 14, 2012

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD
FEB 20 2013

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 025-00201
⁴ Property Code 30041 39738	⁵ Property Name North Caprock Celero Queen Unit	⁶ Well No. 321-26

7. Surface Location

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

*** 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

Pool Name Caprock; Queen	Pool Code 8551
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Additional Well Information

¹¹ Work Type E	¹² Well Type O	¹³ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 4373'
¹⁶ Multiple No	¹⁷ Proposed Depth 3055'	¹⁸ Formation Queen	¹⁹ Contractor Unassigned	²⁰ Spud Date 03/25/2013
Depth to Ground water 250'		Distance from nearest fresh water well 9600' 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	11"	8 5/8"	28	308'	150	Surf-Calc
Prod	7 7/8"	5 1/2"	15	3015'	600	334'-Calc

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 Phone: (432)686-1883	OIL CONSERVATION DIVISION	
	Approved By: 	
	Title: <u>Petroleum Engineer</u>	
	Approved Date: <u>02/21/13</u>	Expiration Date: <u>02/21/15</u>
	Conditions of Approval Attached	

FEB 25 2013

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HOBBS OCD
FEB 20 2013

RECEIVED

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-00201		² Pool Code 8551		³ Pool Name Caprock; Queen	
⁴ Property Code 300- 39738 39738		⁵ Property Name North Caprock Celero Queen Unit			⁶ Well Number 32-1 26
⁷ OGRID No. 247128		⁸ Operator Name Celero Energy II, LP			⁹ Elevation 4373' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	32	12S	32E		1980	FSL	1980	FWL	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code U	¹⁵ Order No. R-13673
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>		
			02/18/2013 Date
	Lisa Hunt Printed Name lhunt@celeroenergy.com E-mail Address		
¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>			
Date of Survey Signature and Seal of Professional Surveyor:			
Certificate Number			

CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: State 32 (Formerly NCQU 1 TR 12 32-11)
COUNTY: Lea

DATE: 29-Sep-12
BY: MWM
WELL: 1
STATE: New Mexico

Location: 1980' FSL & 1980' FWL, Sec 32K, T12S, R32E
SPUD: 4/48 COMP: 5/48
CURRENT STATUS: P&A Producer (06-69)
Original Well Name: Great Western Producers, Inc. State "Q" # 2

KB =
GL = 4,373'
API = 30-025-00201

10 sx plug at the surface

11"

8-5/8" 28# @ 308' w/ 150 sx

Calc'd TOC at 334' w/enlargement = 15%; yld = 1.26 ft3/sk

T-Anhy @ 1410' est
T-Salt @ 1558'

Mud

7-7/8"

Mud

CIBP @ 2965' w/ 2 sx cap

5-1/2" 15# @ 3015' w/600 sx

Top of Queen @ 3022'

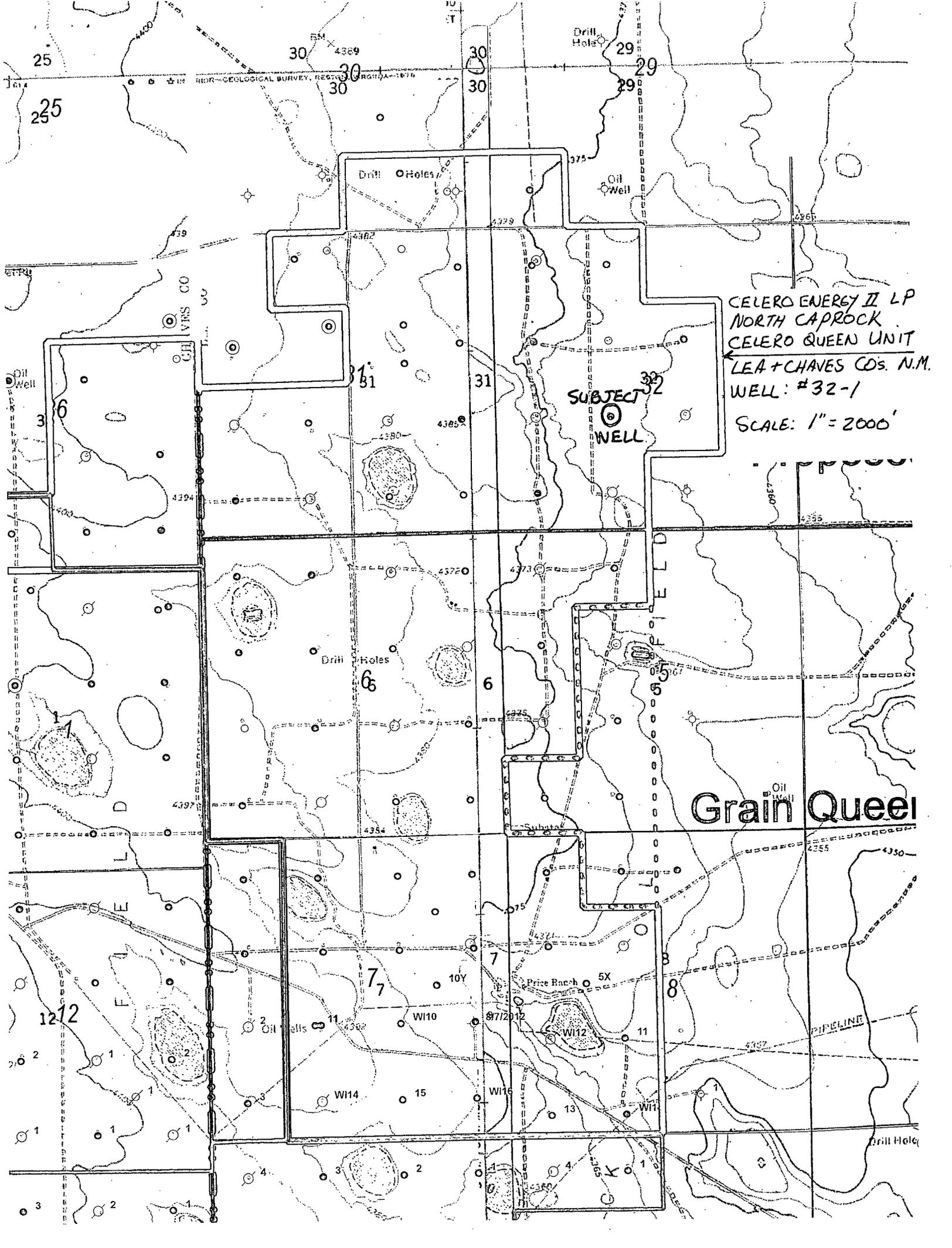
Queen Open Hole: 3015' - 3035' (5-48)

PBTD - 3035'
TD - 3035'

Celero Energy II LP NCCQU #32-1
API 30-025-00201
1980 FSL & 1980 FWL
Unit K, 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 8-5/8" and 5-1/2" casing. Install for 8-5/8"-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 8-5/8"-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 2945', and pressure test to 500 psi (discuss w/office before proceeding). Drill out cement/CIBP at 2945'-2965'. Continue drilling out and clean out to original TD of 3035'. Circulate hole clean using produced water tank. POOH standing back workstring.
5. RU wireline unit and run a casing inspection log from 3015' to surface. Run a GR/CCL/CBL from 3015' 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. TOOH 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 300 BPD. Shut well in waiting on electricity and completion of tank battery.



U.S. GEOLOGICAL SURVEY, REGIONAL OFFICE, DENVER, COLORADO

CELERO ENERGY II LP
NORTH CAPROCK
CELERO QUEEN UNIT
LEA + CHAVES COS. N.M.
WELL: #32-1
SCALE: 1" = 2000'

Grain Queen

SUBJECT WELL

Price Ranch

PIPELINE