

**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**  
**RECEIVED**

**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. Property Code 30041-39738		4. API Number 025-00182
5. Property Name North Caprock Celero Queen Unit		6. Well No. N-1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	31	12S	32E		1980	FSL	660	FEL	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

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 4484'
16. Multiple No	17. Proposed Depth 3040'	18. Formation Queen	19. Contractor Unassigned	20. Spud Date 03/15/2013
Depth to Ground water 250'		Distance from nearest fresh water well 11000' 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 1/2"	10 3/4"	36	272' <del>3000'</del>	150	Surf-Calc
Prod	8 3/4"	6 5/8"	20	3003'	600	588'-Calc

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

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

R-13673 R-13674

**Permit Expires 2 Years From Approval Date Unless Drilling Underway**

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>		OIL CONSERVATION DIVISION	
Printed name: Lisa Hunt		Approved By: <i>[Signature]</i>	
Title: Regulatory Analyst		Title: Petroleum Engineer	
E-mail Address: lhunt@celeroenergy.com		Approved Date: 02/21/13 Expiration Date: 2/21/15	
Date: 02/18/2013	Phone: (432)686-1883	Conditions of Approval Attached	

**FEB 25 2013**



# CELERO ENERGY

**FIELD:** Caprock  
**LEASE/UNIT:** State 31 (formerly NCQU 1 TR 3 31-9)  
**COUNTY:** Lea

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

Location: 1980' FSL & 660' FEL, Sec 31I, T12S, R32E

SPUD: 7/48 COMP: 8/48

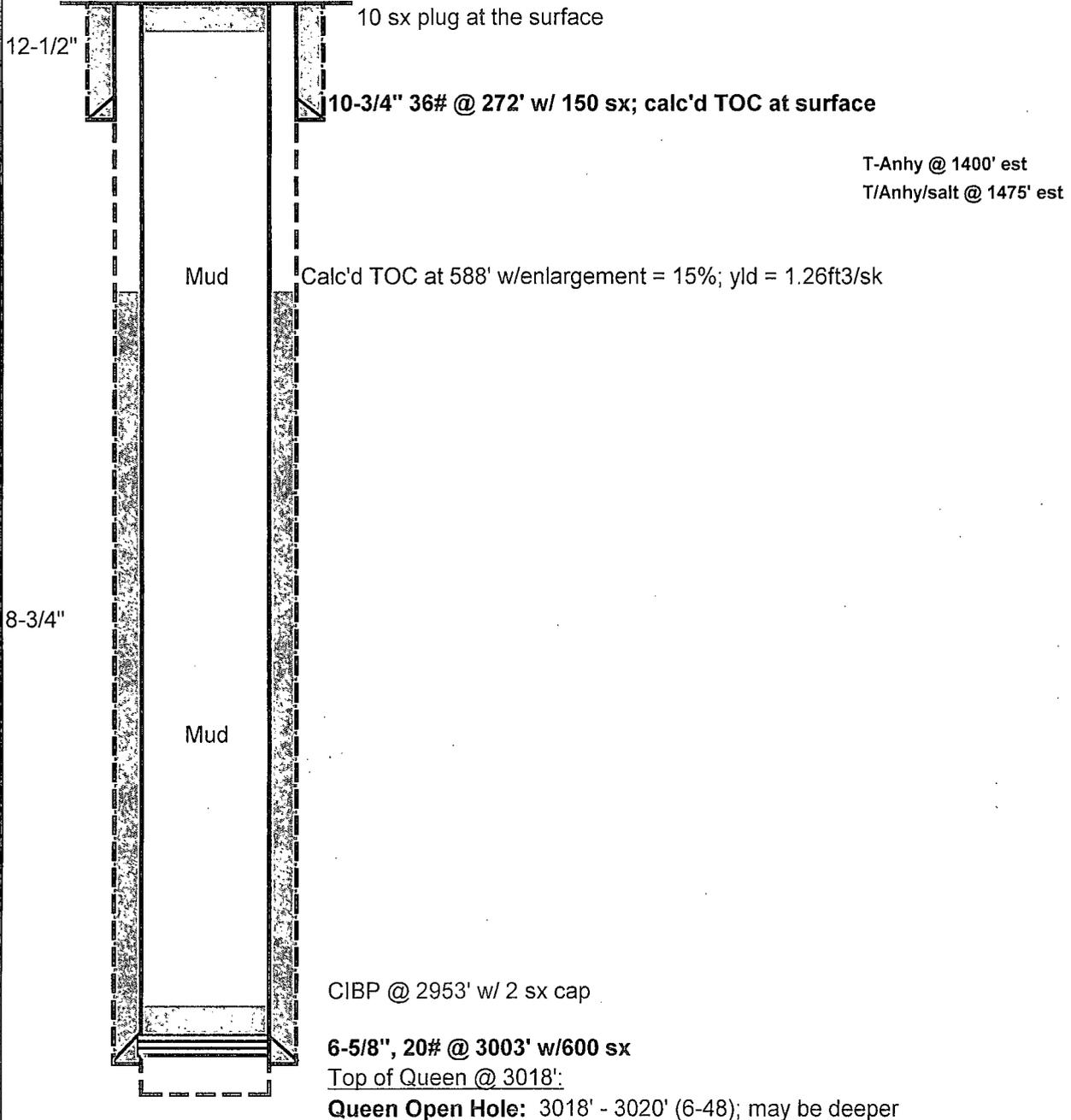
CURRENT STATUS: P&A Producer (06-69)

Original Well Name: Cooperative Producing Ass'n Livermore St. 'G' #6

KB =

GL = 4484'-top of CHF

API = 30-025-00182

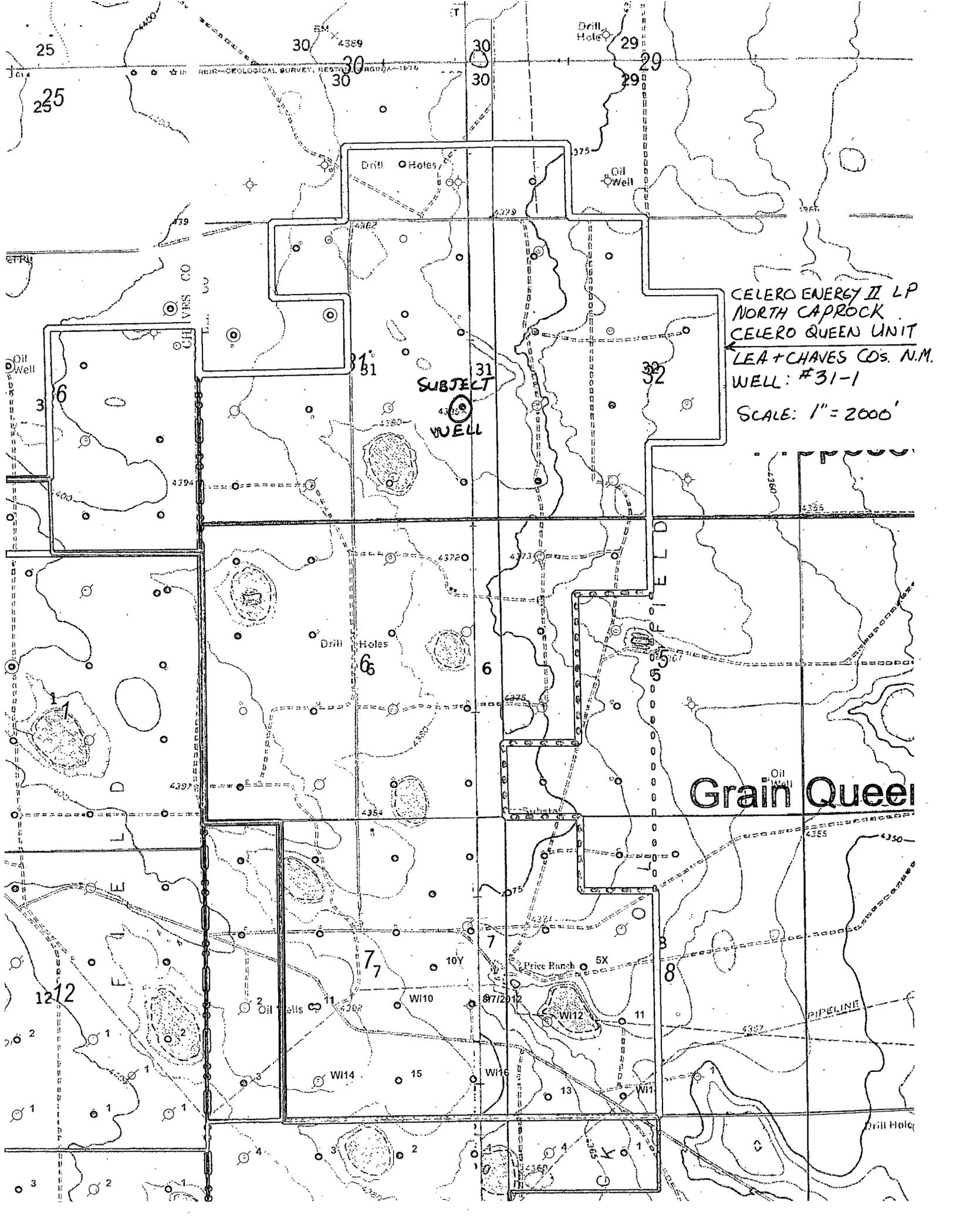


PBTD - 3020'  
TD - 3020'

Celero Energy II LP NCCQU #31-1  
API 30-025-00182  
1980 FSL & 660 FEL  
Unit I, Section 31, 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 10-3/4" and 7" on 6-5/8" casing. Install 10-3/4"-by-7", minimum 2000 psi WP, SOW, Larkin-style casing head with two outlets. Install minimum 2000 psi WP Larkin-style casing head on 7" 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 7"-by-10-3/4" outlet for returns during drill out.
4. RIH with 6-1/8" 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 2940', and pressure test to 500 psi (discuss w/office before proceeding). Drill out cement/CIBP at 2940'-2953'. Continue drilling out and clean out to original TD of 3020'. Circulate hole clean using produced water tank. POOH standing back workstring.
5. RU wireline unit and run a casing inspection log from 3003' to surface. Run a GR/CCL/CBL from 3003' 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 600 BPD. Shut well in waiting on electricity and completion of tank battery.



GEOLOGICAL SURVEY, RESTON, VIRGINIA-1976

CELERO ENERGY II LP  
NORTH CAPROCK  
CELERO QUEEN UNIT  
← LEA + CHAVES COS. N.M.  
WELL: #31-1

SCALE: 1" = 2000'

Grain Queen

SUBJECT

WELL

PIPELINE

Price Ranch