

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 OGD
MAR 04 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-103
Revised August 1, 2011

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.)		WELL API NO. 30-025-07306 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>SWD</u>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
2. Name of Operator Celero Energy II, LP		6. State Oil & Gas Lease No.
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name F M Holloway ✓
4. Well Location Unit Letter B : 660 feet from the N line and 1980 feet from the E line Section 13 Township 17S Range 38E NMPM County Lea		8. Well Number 1 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 247128 ✓
10. Pool name or Wildcat SWD; San Andres-GL-Pad-BLI-Tubb		10. Pool name or Wildcat SWD; San Andres-GL-Pad-BLI-Tubb

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

OTHER:

OTHER:

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.

1/29-2/5/13 - RIH with 7" 20# - 32# composite retainer, setting tool, 2 7/8" SN, 145 jts 2 7/8" 6.5# L-80 8rd tbg to 4702'. Pump 30 BFW through retainer, set retainer at 4702', test retainer to 500#, test tbg to 900#, sting out of retainer, rev mud to mud tank, sting into retainer, flow mud out of OH. Psi csg to 500#, establish inj rate 1.5 BPM at 494#. Mix 80 sx Class "C" cmt +.5% C-16 + .25% R-38 at 14.8 ppg, 1.33 yield, 6.29 gal/sx. Displace cmt w/ 28 BFW. Final psi 501#, sting out of retainer, rev circ 45 BFW. POH w/ 20 jts tbg, no flow, reverse w/ 200 BFW. POH with 20 jts tbg. RIH with 7" CST pkr, 2 7/8" SN, 141 jts 2 7/8" 6.5# L-80 8rd tbg, set pkr at 4581', load csg with 2 bbls, psi csg to 500#. Pump 30 BFW, 404 static psi, mix 60 sx Class "C" cmt +.5% C-16 + .25% R-38 @ 14.8 ppg, 1.33 yield, 6.29 gal/sx. Wash up pumps @ lines, displace cmt with 35 BFW. RIH w/ 10 stds tbg, tag at 4955', circ hole with 10.4 ppg mud. POH with tbg, collars & bit. RIH with 153 jts 2 7/8" tbg, tag at 4955'. Break circ w/ 3 bbls mud, pump 27 BFW, mix 40 sks Class "C" cmt containing 0.5% C-16A, + 0.25% R-38, at 14.8 ppg, 1.33 yield, 6.29 gal/sk, wash up pumps and lines. Displace with 5 BFW + 21 bbls 10.4 ppg mud. SD pumps, tbg flowed back 3 bbls mud. POH with 10 jts tbg to 4637', rev out with 33 bbls mud, recovered 2 bbls cmt. POH with 20 jts 2 7/8" tbg to 3991', load well with 6 bbls, pump 1 1/2 bbl at 1/2 bbls p/min at 90 psi, hesitate for 15 min, psi to 330, hesitate for 5 min, psi to 515, hesitate for 5 min, psi to 740, hesitate for 3 min, psi to 1005, hesitate for 45 min, psi bled to 840, psi to 1002. *Cont'd on attached page

Spud Date:

[Empty box for Spud Date]

Rig Release Date:

[Empty box for 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 03/04/2013

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE

DIST. MGR

DATE

3-5-2013

Conditions of Approval (if any):

MAR 05 2013

F M Holloway #1 – C103 continued

2/7/13 - PU power swivel, break reverse circ, resume drilling good cmt, fell out of cmt at 4978', 500# on well, wash down to 4987', rev hole clean. 500# on well, establish injection rate of 2.5 BPM at 500#, pump 29 bbls 10.7 ppg mud down tbg, pump 176 bbls 10.7 ppg mud down csg. RIH with 7" CST pkr, x-over, 143 Jts 2 7/8" tbg, set pkr at 4646', load and psi csg to 500#. Establish injection rate 3 BPM at 360#, pump 30 BFW ahead, mix 70 sks Class "C" cmt containing 0.5% C-16A + 0.25% R-38 at 14.8 ppg, 1.33 yield, 6.29 gal/sk. SD, wash up pumps and lines, displace with 33 BFW. Hesitate cmt for 24 min, resume displacing w/ 2 bbls w/o any increase in psi.

2/8/13 - 180# on tbg, test to 750# w/ no bleed off, open by pass, circ mud to mud tank. POH with tbg & pkr. RIH with 6 1/8" bit, BS, 141 jts + 8', tag at 4907'. PU power swivel, NU stripper head, break reverse circ, start drlg good hard cmt, testing to 750# & checking for flow back every 1/2 jt, fell out of good cmt at 4985', drill to 4987', reverse hole clean. Recovered good hard drilled cuttings until last & recovered quarter size flat pieces of cmt, psi to 750#, bled to 500# in 4 min, bucket test shows to be flowing back 7 BPH.

2/11/13 - RIH and tag at 4987. PU power swivel, break reverse circ, drill from 4987' - 5019' in 10 min w/ 2 pts on bit, reverse hole clean, checked flow back w/ bucket test 5 gallons every 10 seconds, close well. Well pressured to 500# in 1 1/2 min, psi to 750# w/ pump, bled to 500# in 1 min, set 10 pts wt on cmt. RD power swivel. POH w/ 6 jts to inside 7" csg.

2/12/13 - RIH with 6 jts 2 7/8" tbg to 5019', circ hole w/ 184 bbls 10.7 ppg mud. POH with tbg, collars, bit. RIH with 10 jts 2 3/8" fiberglass tbg, x-over, 145 jts 2 7/8" tbg, 20' pups to 5014', **SD South Knowles Field**. Break circ w/ mud, pump 12 BFW, mix 100 sks Class "C" cmt containing .5% C-16 + .25% R-38 at 14.8 ppg, 1.33 yield, 6.29 gal/sk, wash up pumps and lines, displace w/ 2 BFW, 23 bbls mud. POH with tbg pups + 30 jts 2 7/8" tbg to 4024', load well with 5 bbls, roll pumps to displace 10 bbls cmt, hesitate squeeze w/1 bbl in 40 min to obtain 1100 psi squeeze.

2/13/13 - POH w/ tbg and fiberglass tbg, last 7 jts fiberglass plugged w/ cement. RIH w/ new 6 1/8" skirted bit, bit sub, 10) 3 1/2" DC's, x-over, 141 jts + 17', tag at 4906'. PU power swivel, NU stripper head, reverse circ mud to mud tank, drill to 4955' at an average of 4 min every 1/2 jts with 2 pts wt, testing every 1/2 jt to 750# and checking for flow back, drilled from 4955' to 4970' in 9 min w/ 4 pts wt, tested good to 750#, no flow back, reverse hole clean, pull up into 7" csg, psi cmt to 750#.

2/14/13 - TIH to 4970', break reverse circ, drill from 4970' to 4987', tested good to 750#, no flow back, drill to 5006', reverse hole clean, recovered large pieces of cmt, csg and formation, flowing back 3/4 GPM, test to 1000# w/ chart recorder, bled to 990# in 10 min, LD power swivel. POH with tbg, collars and bit. RIH with 6 1/8" bit, bit sub, 4) 3 1/2" DC's, 2) x-overs, 6 1/8" full gauge spiral string mill, 2) x-overs, 6) 3 1/2" DC's, x-over, 144 jts 2 7/8" + 10', tag at 5006', rev circ hole w/ 186 bbls mud.

2/15/13 - NDBOP, ND "B" section, NU 11" 3000 x 11" 3000 5 1/2" casing hanger spool, NU "D" section dressed for 5 1/2" casing, NU BOP w/ 5 1/2" pipe rams and blinds. RU lay down machine and casing crew. RIH w/ 5 1/2" 20# UFJ float shoe, 2) jts 5 1/2" 20# L-80 coated UFJ, 5 1/2" 20# UFJ float collar, 9) jts 5 1/2" 20# L-80 coated UFJ, 1) 5 1/2" 20# pin X 17# box L-80 UFJ x-over jt, 45) jts 5 1/2" 17# L-80 UFJ, 8) jts 5 1/2" 17# L-80 coated UFJ, 51) jts 5 1/2" 17# to 4938.82', csg set down and became stuck, work pipe up to 50 pts over and set 30 pts compression, rotate pipe w/ no movement, break circulation and work pipe with no movement, pull 60 pts over and casing came free. POH with 2 jts casing to 4853', change leaking pipe rams.

2/16/13 - RIH with 2 jts casing, break circulation, tag at 4938.82', work pipe thru same spot, continue to wash down, became very solid at 4997', circulate hole and work casing while waiting on rising star. Break circ and pump 7 BFW ahead, start mixing cement at 4:15 CST, mix 130 sks Class "C" 35/65 + 6% bentonite + .04% C-35 + 0.25% R-38 at 12.40 ppg, 1.99 yield, 11.03 gal/sk, 50 sks Class "C" +0.4% C-35 + 0.25% R-38 at 14.8 ppg, 1.33 yield, 6.31 gal/sk. SD, drop wiper plug, start displacement, wash up pumps on top of plug, displace w/ 114 BFW, landed plug at 1721 psi, psi up on plug to 2172 psi, bleed psi floats holding, circulated 6 bbls/17 sks cement, RD rising star,

NDBOP and "D" section, set slips cut and bevel casing, install primary and secondary seal, NU "D" section and BOP w/ 2 7/8" slips and blinds, test primary and secondary seal.

2/18/13 - RIH with 4 5/8" skirted bit, bit sub, 10) 3 1/2" drill collars, x-over, 141 jts 2 7/8" tbg + 9', tag at 4899'. RU power swivel, NU stripper head, break reverse circ, drill cement to top of plug, tag rubber plug at 4901', drill rubber plug, float collar and 86' of green cement to 4987', reverse hole clean.

2/19/13 - Break reverse circ, resume drilling float shoe, drill good cement w/ 1 pt weight on bit after drilling float shoe. Fell out of cement at 5114', psi increased to 500# and flow rate increased, allow well to flow 250 bbls to clean up open hole, kill well with 76 bbls mud down casing and 30 bbls mud down tbg. RIH to 5829' w/ no tag or drag.

2/20/13 - RIH with 2) jts 2 7/8" fiberglass tbg (58.41'), 5 1/2" X 2 7/8" NP ASIX pkr w/ Carbide slips and poly bore, 2 7/8" X 2.31 F stainless steel profile nipple w/ 2.31 FWP plug in place, 2 7/8" NP T-2 on/off tool w/ stainless steel top sub, 3 1/2" x 2 7/8" stainless steel x-over, 151 jts 3 1/2" 9.30# L-80 8rd IPC tbg (4921.12'). RU pump truck, load tbg w/ 43 bbls packer fluid, set packer at 4930.92', end of fiberglass at 4989.33' (EOT), release on/off tool, circulate hole w/ 75 bbls packer fluid, NDBOP, NU 7 1/16" 3000 X 2 7/8" slip type WH, latch up on profile nipple, land tbg w/ 35 pts tension on packer, psi csg to 700#, monitor for 35 minutes, psi increased to 730#.

2/21/13 - Notified OCD regarding MIT. Run MIT for 35 mins w/ 560# psi. Test is good. Start "H" pump, pumping 14,940 bbl daily rate at 1100#. RD.

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96 MIN

START

90 MIN

91 MIN

92 MIN

93 MIN

94 MIN

87 MIN

86 MIN

64 MIN

72 MIN

88 MIN

80 MIN

PRINTED IN U.S.A.

APIT # 30-025-07306

POST WORKOVER TEST

PKR @ 4930.92'

TIME: 55 MINS

DATE 2-21-2013
MCI P 0-1000-8-96MIN

Cetro Energy
E.M. Holloway

Calibration Date 2/16/13

BASIC SERVICES

Steve Paul

Raymond Aymer

560 #

560 #

Graphic Controls LLC
(6.375 ARC LINE GRAD.)

