

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

State of New Mexico

HOBBS OCD

Energy, Minerals and Natural Resources

Form C-103

Revised August 1, 2011

APR 03 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-005-01076
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No. 303733
7. Lease Name or Unit Agreement Name Drickey Queen Sand Unit
8. Well Number 42
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4238' GR

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 [ ] Gas Well [ ] Other Injector [ ]
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 North line and 660 feet from the East line
Section 16 Township 14S Range 31E NMPM County Chaves

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 [X]

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.

1/22-2/1/13 - MIRU. NDWH & NUBOP. Release pkr, pull & LD 1 jt of 2 3/8" IPC tbg. LD 2 3/8" IPC tbg with 4 1/2" AD-1 pkr. Pulled 86 jts of tbg. Change out BOP's. TIH w/ 74 jts of 2 3/8" OD tbg WS with A&M's 4 1/2" 32-A pkr. Ran & set w/ 15 pts of tension at 2297'. Load & test tbg-csg annulus with 750# for 10 min with no pressure loss. Place 600# on tbg-csg annulus. Pumped down tbg with 20 BFW @ 3/4 BPM & 425# to establish an inj rate. Pumped 60 bbls of gel mixture down tbg @ 3/4 BPM w/ pressures going from 425# to 650#. Flushed with 24 BFW @ 3/4 BPM with pressure starting out at 650# & diminishing to 400#. ISIP = 400#; 1 minute = 400#; 5 minute = 400#; 10 minute = 390# & pressure stayed @ 390# for 30 minutes. Pumped into perfs to establish an injection rate prior to cementing perfs. Pumped 3 BFW @ 1/2 BPM at 350#. Pumped 5 BPM @ 1 BPM at 500#. Pumped 10 BFW @ 1 1/2 BPM at 700#. Place 500# on tbg-csg annulus. Pumped 5 BFW down tbg at 500# & 1 1/2 BPM to establish an inj rate & psi. Pumped 50 sx of "C" cmt with 1% CaCl2 followed with 250 sx of "C" with 1% CaCL2 & Star Seal additive. SD, washed up & displaced cmt down tbg @ 1 BPM with psi going from 0# to 350#, 1.2 bbls below pkr (pkr at 2297'). SD psi = 185#.

\*Continued on attached sheet

WELL SI!!!

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 04/02/2013

Type or print name Lisa Hunt E-mail address: lhunt@celeroenergy.com PHONE: (432)686-1883

APPROVED BY [Signature] TITLE Dist. mgr DATE 4-17-2013

Conditions of Approval (if any):

APR 18 2013

## Drickey Queen Sand Unit #42 – C103 continued

1. WOC 15 min, pumped 1 bbl of cmt @ 1/2 BPM; start psi = 180#, increased to 260# & fell back to 210#.
2. WOC 20 min, pumped 1 bbl of cmt @ 1/2 BPM; start psi= 225#, increased to 300# & fell back to 225#.
3. WOC 15 min, pumped 1 bbl of cmt @ 1/2 BPM; start psi = 225#, increased to 340# & fell back to 250#.
4. WOC 20 min, pumped 1 bbl of cmt @ 1/2 BPM; start psi = 270#; increased to 320# & fell back to 275#. Unable to get cmt squeeze.
5. Over displace cmt with 5 BFW with 1 BPM & 550#. SD with 330#.

WOC 1 1/2 hours & pumped 7 BFW down tbg into perms 2734', 2748' & 2800'. Start psi = 330#, pumping psi = 550#. SD psi = 340#.

2/12/13 - Pumped down tbg at the following rates and pressures:

1. 30 BFW at 1/2 BPM with pressures starting at 90# and ending at 340#
2. 30 BFW at 1 BPM with pressures starting at 400# and ending at 440#.
3. 30 BFW at 1 1/2 BPM with pressures starting at 570# and ending at 580#.
4. Shut down pressure after 10 minutes = 315#.

3/6/13 - Pump 15 BFW down tbg into squeeze perforations 2734, 2748 & 2800' at 400# and 500 BPD rate (0.35 BPM) followed with different volumes of polymer:

1. Pump 120 bbls of capit polymer with concentrations of 10,000 ppm & 20,000 ppm at 1/2 BPM with pressures going from 400# to 675#.
2. Pump 15 bbls of 50,000 ppm polymer at 0.625 BPM w/ pressures from 675 to 700#. Flushed with 19 BFW at 1/2 BPM with pressures dropping from 700# to 550#.

3/13/13 - Pumped 20 BFW down tbg at 1/2 BPM & 450#. Pumped 20 BFW down tbg at 1 BPM with pressures increasing from 525# to 550#. Pumped 20 BFW down tbg at 1 1/2 BPM w/ pressures increasing from 610# to 715# back to 705#. Evaluating wellbore.