

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
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 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  
 Energy, Minerals and Natural Resources  
**HOBBS OCD**  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**JUN 11 2013**

Form C-103  
 Revised August 1, 2011

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-005-00834
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> <b>Other Monitor</b> <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Celero Energy II, LP		6. State Oil & Gas Lease No. 303735
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701		7. Lease Name or Unit Agreement Name Rock Queen Unit
4. Well Location Unit Letter <u>O</u> : <u>660</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>E</u> line Section <u>23</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>CHAVES</u>		8. Well Number <u>22</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen		10. Pool name or Wildcat Caprock; Queen

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Return to production <input checked="" type="checkbox"/>	

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.

5/29/13 - NDWH & NU 3K BOP. Release pkr, circ hole with 10 ppg PW. TOH, LD 93 jts of 2 3/8" OD regular IPC tbg w/ 5 1/2" model AD-1 plastic coated pkr. MI 100 jts of 2 7/8" OD 6.5# 8rd EUE J-55 tbg as WS. PU 2 7/8" tbg 6- 3 1/8" OD DC's & 3 1/4" bit. Ran to TD of 3058'. No fill. Circ hole clean recovering very little fill (paraffin & dark scale). Raise bit to 2995'.

5/30/13 - Lower bit to 3043' (corrected depth). No fill overnight. TOH w/ tbg, DC's and 3 3/4" bit. TIH with 4 3/4" bit, 1- 3 1/8 DC's, 4 3/4" string mill, 1 - 3 1/8" DC & 4 3/4" string mill. Ran on 2 7/8" OD tbg and tag at 2992'. RU swivel. Unable to make hole. Bit would bounce up and down. TOH w/ tbg and BHA. TIH with 2 7/8" tbg with 2 jts of 2 3/8" tbg & 2 3/8" notched collar. Ran and tag at 2992'. Turn string and fell through tight spot. Ran to 3043'. Rotate string with string bouncing up and down, indicating drilling on metal. Unable to go deeper. Raise EOT to 3030'. Pump and circ 300 gal of Toluene down tbg, up inside of tbg-csg annulus to surface. Reverse pump Toluene down tbg-csg annulus to EOT. Continue this procedure 4 times, leaving Toluene at btm of tbg-csg annulus.

5/31/13 - Circ Toluene down and back up csg. Circulate same out to small pit. TOH w/ tbg and notched collar. Ran GR / CCL from 1000' to 3034'. \*Continued on attached sheet

Spud Date:

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 06/10/2013

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 6-20-2013  
 Conditions of Approval (if any):

**Rock Queen Unit #22** – C103 continued

**6/3/13** - TIH w/ 2 7/8" OD tbg, 4- 3 1/8" OD DC's & 3 5/16" cone buster mill. Tag @ 3040'. RU swivel. Mill & C/O from 3040'-3071' in total of 2 hrs. 1<sup>st</sup> 4' from 3040'-3044' took 1 hr & 10 min, recovering metal, cmt & some scale. Ran to TD of 3071', recovering pea gravel, fiber, frac sand & formation. Circ hole clean. TOH w/ tbg & BHA. Mill worn down about 40% & btm collar was shiny w/ marks on same. TIH w/ tbg & 5 1/2" AD-1 pkr. Ran to 2965'. Load & test tbg-csg annulus to 575#, held for 10 min w/ no psi loss. Release pkr & circ btms up. TOH w/ tbg & bit.

**6/4/13** - TIH w/ tbg WS and Globe's 5 1/2" nickel plated AS1-X pkr with blanking plug in profile nipple and cap string connections. Set top of pkr at 2960' & end of pkr at 2973'. Test to 575# and held with no loss for 10 min. Release T-2 on-off tool & circ hole with pkr fluid. Pull and LD tbg WS with T-2 on-off tool. NDBOP & ND 5 1/2" Larkin WH. NU 5 1/2" screw btm x 7 1/16" flanged top csg head.

**6/5/13** - RU New Spoolers to band 3/8" SS tbg strings to the 2 3/8" OD IPC tbg (pumped through both 3/8" SS tbg strings before running DH). Ran 90 jts of 2 3/8" OD 4.7# 8rd EUE J-55 seal lube IPC tbg + 2 3/8" x 10' tbg sub with Globe's Top Assembly plus 2 - 3/8" SS tbg strings banded to 2 3/8" IPC tbg. Ran & latched onto top of pkr at 2966', placing 10 pts of compression on packer (pkr set from 2966' to 2978'). NU 7 1/16" 3K slip type flange with 2 - 1" outlets, used for stuffing boxes for 3/8" SS tbg, on csg head flange. Pumped down CO2 - 3/8" SS line w/ 15 gal fresh water at 3800#. Pumped down 3/8" SS water/chemical line w/ 20 gal of fresh water at 3900#. Both lines are operational & okay. Installed 2 1/16" 5K tbg valve to prepare WH surface equipment to be connected to production facilities. Pulled 1.56 "R" blanking plug out of 1.56 "R" profile nipple. SITP = 100#. Clean location and RDMO Service Rig. Well connected to production facilities.