

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
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

HOBBS OCD
OIL CONSERVATION DIVISION
 220 South St. Francis Dr.
 Santa Fe, NM 87505

JUN 11 2013

RECEIVED

WELL API NO. 30-005-00926 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Drickey Queen Sand Unit ✓
8. Well Number 5 ✓
9. OGRID Number 247128
10. Pool name or Wildcat Caprock; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 Injection

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 N line and 660 feet from the E line
Section 35 Township 13S Range 31E NMPM County Chaves

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

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

5/16/13 - Release pkr & TOH, LD 90 jts of 2 3/8" O.D. regular IPC tbg plus 5 1/2" ASI-X pkr. Tally tbg WS. TIH w/ 4 3/4" O.D. bit & 2 7/8" O.D. tbg WS. Ran to 3027' & tag up. Rotate & drill 1' to 3028' with a large torque swings on DS. DS started hopping after drlg 1', indicating bit was drlg on metal. Rotated a total of 10 mins, stopped rotating, PU DS. TOH with tbg & bit. Had partial returns, losing 50 BPW while circ. PU 4 7/8" tapered mill & ran on 4 - 3 1/8" DC's to 166'.
 5/17/13 Finish TIH w/ 2 7/8" O.D. tbg WS with 4 - 3 1/8" O.D. DC's and 4 7/8" O.D taper mill. Tag at 3027'. Mill and rotate through tight spots from 3027' to end of csg at 3051'. Ran mill to total depth of 3069'. Had partial circulation, losing 100 BPW. TOH w/ tbg and BHA. Ran CIL from 35' to 3000'. TIH w/ tbg, A & M's, 5 1/2" test pkr and RBP to locate holes in 5 1/2" csg. Ran & set RBP at 3002'. Raise pkr to 2970' and test pkr, tbg & RBP. Took a fluid at 1.3 BPM & 100#. Raise RBP to 2907' w/ pkr at 2843'. Test RBP, pkr & tbg to 750# and held okay. Raise pkr up hole & found the following csg leaks: 1. FS to 310' & FS to 477'; test annulus with 550# and leaked off to 450# in 1 min. 2. Tested from 477' to 754' and was able to circ fluid out the surface csg valve (set pkr at 477', 564', 627' & 699'...could circulate fluid out surface csg valve at surface on all of these pkr settings). Pumped 1 BPM from 50# to 350# pressures down tbg out surface csg valve. 3. Tested from 754' to 2907' and csg held 570#. Pull and LD pkr.
 *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):

Drickey Queen Sand Unit #5 – C103 Continued

5/20/13 - TIH w/ tbg and retrieving head for RBP. Recover same and TOH. TIH w/ 2 7/8" O.D. tbg WS open ended. Ran to 3069' = TD. Spot 50 sx of Class "C" cmt with 2% CaCl₂ at end of tubing, mixed at 14.8 ppg with a yield of 1.32. TOH w/ tbg and WOC. After WOC 4 hours. TIH w/ tbg, 4 - 3 1/8" DC's and 4 3/4" bit. Tag at 3028'. RU swivel & drill 10' of hard cmt to 3038'. Took 20 BFW to load hole. Had good circulation while drilling cmt. TOH w/ tbg & BHA. TIH w/ tbg & 5 1/2" AD-1 pkr. Ran and set at 2885'. Pumped down tbg as follows:

1. Pumped 10 BFW at 1/2 BPM & 0 psi
2. Pumped 10 BFW at 1 BPM & 0 mpsi
3. Pumped 10 BFW at 1.5 BPM & 150 to 200 mpsi. Shut down pressure = 150 psi.

5/21/13 - TOH w/ tbg and pkr. Pkr has sheared. LD tubulars in derrick. TIH w/ 85 jts of 2 7/8" tbg & set 5 1/2" AD-1 pkr at 2674'. Test tbg-csg annulus to 525 psi & held okay. Clean location and RDMO service rig. Will perform additional work on WB in the future.