

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

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

**HOBBS OCD**  
 JUL 10 2013

<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. 30-005-00929
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>INJECTOR</u>		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>D</u> : <u>660'</u> feet from the <u>NORTH</u> line and <u>660'</u> feet from the <u>WEST</u> line Section <u>35</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>CHAVES</u>		8. Well Number <u>97</u> 9. OGRID Number 247128
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4420' KB		10. Pool name or Wildcat CAPROCK QUEEN

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

OTHER:

SUBSEQUENT REPORT OF:

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

OTHER: MIT

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.

6/28/13 - Test tbg-csg annulus with 500 psi for 15 mins w/ no pressure loss. Open well and flow 20 min, recovering 75 BFW. SITP = 850 psi. Tied onto tbg and pumped 15 bbls of 15 ppg CaCo3 mud. Kill tbg. SD with no vacuum or blow. NDWH & NU 3K BOP and stripper head. Release on-off tool from pkr. Pumped an additional 25 bbls of mud with annulus flowing to test tank, flowing out the pkr fluid with some mud returns. Tbg-csg annulus still had a very small stream. Latch back onto pkr and release pkr. Pulled 8 jts of 2 3/8" IPC tbg with pkr swabbing the hole. Stop pulling and tbg-csg annulus kept flowing 1+/- BPM. Pumped 5 more bbls of mud and annulus would stop flowing and start again getting heavy mud in returns. Decided to flow well to test tank for a period of time in an effort to reduce the flowing BHP. Reset pkr, release on-off tool and attempt to reverse out mud in the annulus. Pumped 15 bbls of 15 ppg mud and would not circ. Latch back onto pkr. Pumped 15 BPW down tbg: displacing mud in tbg. Open tbg & start flowing to test tank. Flowed 150 bbls of fluid in roughly 1 hour, bringing water cut mud out of WB.

7/1/13 - Flow well to pit for 1 1/2 hrs and recovered 100+ BW. Release pkr, pumped 7 bbls of mud down tbg & kill tbg. Pulled 94 jts 2 3/8" IPC tbg with 4" AS1-X pkr. Install 3 3/8" cone bit, 2 - 2 7/8" DC's, pickup 2 3/8" tbg work string and TIH w/ tbg and bit.

\* 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 07/08/2013

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

**For State Use Only**

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 7/12/2013

Conditions of Approval (if any):

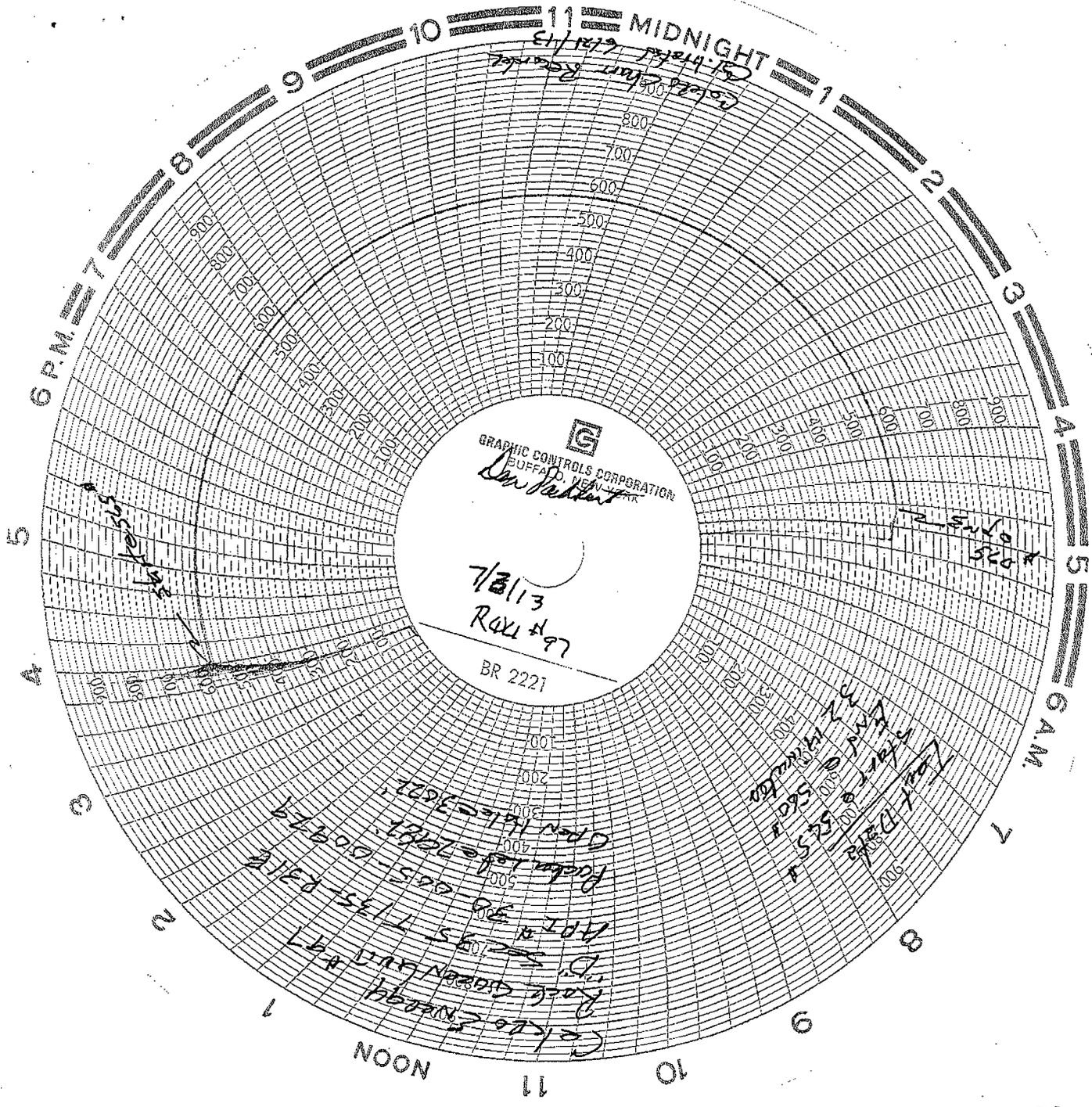
JUL 15 2013

**Rock Queen Unit #97** - C013 continued

**7/1/13** - Ran and tag at 3010'. Drill & C/O to 3015'. Bit started bouncing up and down, recovering, shale, formation, scale and some metal cuttings. Unable to go deeper with bit. Had to blow well down and pump 15 bbls of mud down tbg to stop water flow out tbg. TOH w/ tbg and BHA. Lost 1 cone off of bit. TIH w/ 2 3/8" tbg, 2 - 2 7/8" DC's and 3 3/8" cone buster mill. Ran to 3000'.

**7/2/13** - Lower mill and tag at 3015'. Took 40 BPW to break circulation. Mill & C/O WB to 3041' in 1 hr, recovering metal shavings, shale, formation, etc. Have tight spot at 3020-22'. Swept hole w/ MF-55 with very little recovery. Pump 10 bbls of mud down tbg to kill tbg. TOH w/ tbg & BHA. Mill still in fair shape. TIH w/ 2 3/8" tbg WS and Globe Energy's 4" treating pkr. Ran and set at 2934'. Place 500 psi on tbg-csg annulus. Acdz OH 3022' to 3041' w/ 1350 gal of 7 1/2% NEFE acid + 150 gal Xylene & 1250 # of graded rock salt in two blocking stages (1st blk = 450#; 2nd blk = 800#). Flushed with 65 BFW. Open well after 30 mins. Start flowing to test tank. Flow 3 hrs, open choke, FTP = 0 psi & recovered 155 BF (recovered all of load + 6 BFW).

**7/3/13** - Open to test tank, flowed 50 BPW in 1 hour. Kill tbg with 5 bbls of mud. Release pkr & TOH, LD 2 3/8" OD tbg WS w/ treating pkr. TIH w/ Globe Energy's 4" AS1-X, nickel plated pkr with 1.50" "F" profile nipple and ran on 94 jts of 2 3/8" OD 4.7# 8rd EUE J-55 regular IPC tbg with "TDC". Set pkr from 2974' to 2982'. Test tbg-csg annulus with, held okay. NDBOP & NU Larkin, 2000 psi 4 1/2" x 2 3/8" WH with 2 1/16", 5K full opening tbg valve. Called Maxie Brown w/OCD. Ran MIT. Test for 32 mins with pressures at 565 psi & ending at 560 psi. Copy of chart is attached. Connect well to injection facilities. Return to injection.



545-560 - 32

MRS