Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161 HOBBS OCD
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283 AUG 27 2013
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460 RECEIVED
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30-005-00825

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. 303735

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.)

7. Lease Name or Unit Agreement Name: Rock Queen Unit

1. Type of Well: Oil Well [X] Gas Well [ ] Other

8. Well Number 21

2. Name of Operator: Celero Energy II, LP

9. OGRID Number 247128

3. Address of Operator: 400 W. Illinois, Ste. 1601 Midland, TX 79701

10. Pool name or Wildcat: Caprock; Queen

4. Well Location
Unit Letter M : 660 feet from the South line and 660 feet from the West line
Section 23 Township 13S Range 31E NMPM County Chaves

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[ ]						
OTHER:	[ ]			OTHER: Casing leak			[X]

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.

7/31-8/2/13 - Ran and set 1.125 "R" blanking plug in pkr profile nipple. Bled off tbg pressure from 500 psi to 0 psi. Release tbg w/ 2-3/8" SS cap strings banded to the 2 3/8" OD IPC tbg from cap string pkr. TOH w/ IPC tbg w/ top assembly & 3/8" SS cap strings. PU 2 3/8" OD tbg WS w/ on/off tool. TIH & latched onto 5 ½" pkr. TOH w/ tbg & pkr. Pkr rubbers had pieces missing. TIH w/ tbg & Globe Energy's 5 ½" RBP & 5 ½" pkr. Ran RBP to 1397' & made several attempts to set. Finally set RBP as well as pkr (RBP sits to the left & pkr to the right). Unable to get pkr released from RBP. Worked w/ same several times, unable to free pkr. Pumped down tbg through pkr. Pull tension on pkr and was still able to circ. Attempt to release pkr from RBP, failed. Ran 1 .68" OD chemical cutter down tbg to cut 2' tbg sub between pkr and RBP. 1st shot did not free pkr, 2nd shot cut 2' tbg sub into at 1348'. Release safety connection on pkr and pkr came free. TOH w/ tbg, pkr and 1' of the 2' tbg sub connecting the pkr & RBP. TIH w/ tbg and 3 3/4" short catch overshot with 2 3/8" tbg grapple. Washed down to top of 2 3/8" fish left in hole, Latched onto same, release on/off tool from RBP and pull fish with on/off tool out of hole. TIH w/ tbg & pkr. Set pkr at 1348' and tested pkr and RBP to 1500 psi, held okay. TOH w/ tbg & pkr. TIH w/ tbg OE to 1095'. Dump 2 sx of sand down tbg and let settle on top of RBP at 1352'.
* 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 08/21/2013

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

For State Use Only

APPROVED BY: E Gonzales TITLE Dist. Mgr. DATE AUG 28 2013

Conditions of Approval (if any):

AUG 28 2013

Rock Queen Unit #21 – C103 continued

8/2/13 – Spot 38 sx of class "C" cmt with fluid loss additive down tbg. TOH w/ tbg. TIH w/ tbg & pkr & set pkr @ 255'. Pump 100 sx of class "C" cmt with 2% CaCl2 & fluid loss additive. SD & wash up. Displace cmt w/ 2 BFW, 1 bbl below pkr at 1 BPM w/ SD pressure of 750 psi. Staged cmt. Displaced to 500' w/ SD pressure of 250 psi. Unable to get cmt squeeze. Over displace cmt. Pump 150 sx of class "C" cmt w/ 2% CaCl2 & fluid loss additive. Displaced cmt below pkr and staged to 1265 psi. SD pressure. WOC.

8/5/13 - After WOC 55 hours. TP = 0 psi. Test down tbg with 500 psi. Held with no pressure loss. Release pkr and TOH. TIH w/ 3 7/8" Henson Bearclaw bit, 8- 3 1/8" DC's. Ran on tbg & tag cmt at 350'. RU swivel. Drill cmt from 350' to 871', circ hole clean and TOH w/ tbg & BHA.

8/6/13 - Resume drilling cmt from 871' to 1105', recovering good firm cmt. Made 234' in 5 hours. TOH w/ tbg, drill collars and bit. TIH w/ tbg and retrieving head for RBP. Wash off sand, latched onto RBP at 1352' & TOH. TIH w/ bit, 3 7/8" string mill, 2 - 3 1/8" drill collars, 3 7/8" string mill, 4 - 3 1/8 drill collars. Ran on tbg to 1404', circulating hole. Ran BHA through cmt squeezed area, 3 times. TOH & LD drill collars and string mill. TIH w/ tbg & bit and ran to TD of 3067'. Circulate hole clean, recovering small amount of cmt cuttings, etc. Lost 20 bbls of fluid during circulation. Raise bit to 3036'.

8/7/13 - Lower bit to TD of 3067'. Circ hole and recovered small amount of cmt cuttings. TOH, LD tbg WS with DC's, string mills and bit. TIH w/ 2 3/8" tbg and Globe Energy's 4 1/2", nickel plated AS1-X pkr with cap string connections & 1.125 "R" blanking plug in profile nipple. Release dummy on/off tool, circ pkr fluid. TOH and NDBOP. TIH w/ Globe Energy's Top Assembly, 91 jts of 2 3/8" OD tbg 4.7# 8rd EUE 8rd J-55 seal lock IPC tbg with 2 - 3/8" SS cap strings banded to tbg string. Latched onto pkr at 2987', placing 10 points of compression on pkr. EOT @ 2998'. NU 7 1/16" slip type flange w/ 2 - 1" cap string outlets with stuffing boxes. Tied onto C02 & Water/Chemical lines and pumped through same with 10 gal of fresh water. All okay. Installed 2 1/16" 5k full opening tbg valve and finished WH connection work. Clean location, RDMO service rig.

8/8/13 - Ran equalizing tool within 2' of blanking plug. Unable to equalize. Ran bailer, recovering cement cuttings. Unable to equalize plug. Tried wedge on

8/9/13 - Perf 2 ft sub above the 1 1.25 "R" blanking plug. Ran 1.375 OD tbg penetrating perforating gun with four shots. Ran to 2985' (10' above blanking plug) and stopped going at top of the 1.484" I.D. volume tube. Perforating gun tried to stick in the volume tube. Decided to pull gun out of hole.

8/14/13 - NUWH flange & tied spoolers onto 3/8" SS cap strings. Release 0/0 tool from packer. TOH w/ 91 jts of 2 3/8" seal lock IPC tbg & 2 3/8" SS cap strings w/ Globe Energy's top assembly. PU 2 3/8" O.D. tbg work string, TIH w/ dummy 0/0 tool and latched onto Cap String pkr at 2987'. TOH w/ tbg and pkr. Cement cuttings covered the 1.125 "R' blanking plug which kept the pulling tool from recovering the blanking plug. TIH w/ 3 7/8" bit, 3 3/4"string mill & 1 - 3 1/8" drill collar. Ran on tbg and tag at 3063'. Wash and C/0 to 3067+ feet, recovering mostly cement cuttings with some formation. Circulate clean losing 35 BPW. Had good circ. Raise bit to 3005'.

8/15/13 - Lwr bit to TD of 3067'. Circ hole with no recovery of cuttings and/or formation. TOH w/ tbg , DC, string mill and bit. TIH w/ Globe Energy's 4 1/2" N.P. AS1-X cap string pkr w/ 1.125 "R" profile nipple. Set pkr from 2987' to 2997'.

8/16/13 - Release from on/off tool. Circ pkr fluid. Recovered a hand full of cmt cuttings. TOH w/ tbg and dummy on/off tool. RU New Spoolers. TIH w/ 91 jts of 2 3/8" OD 4.7# 8rd EUE J-55 seal lock IPC tbg with Globe Energy's top assembly with 2 - 3/8" SS cap strings banded to tbg. Ran and latched onto pkr at 2988'. Installed 7 1/16" 3K slip type flange with 2-1" outlets for cap strings packed off with stuffing boxes. Finish flanging up WH, install 2 1/16" 5K full opening tbg valve. Ran 1" sinker bar as gauge ring down tbg. Had to pump down tbg to get 1" sinker bar to tag profile nipple at 2997' (had stopped at 2699'). EOT 2998'. TOH w/ bar. Ran 1.125 "R" blanking plug and set in profile nipple w/o any problems. Tied onto the chemical/water and CO2 cap strings, pumping over 10 gal of FW down each line. Connect up WH connections to flowline. RDMO. Turn well to production facilities.