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

OCT 09 2013

WELL API NO. 30-005-00926
5. Indicate Type of Lease STATE [X] FEE [ ]
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 [X]
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:
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: cement squeeze 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.

7/18/13 - Pump gel to aid in cmt sqz operations. 2 7/8" O.D. tbg with 5 1/2" AD-1 pkr set at 2674'. Pumped 20 bbls of preflush, 120 bbls of gel # 1 and 15 Gel # 2 & flushed with 17 bbls into csg leak area from 2885' to 3038', leaving 100' of displacement above the top csg leak area. Pump gel at 600 psi @ 3/4 BPM. ISIP = 400 psi; 5 min=150 psi; 10 min=140#; 15 min=125 psi, 30 min=120 psi.

9/6/13 - Release 5 1/2" AD-1 pkr @ 2674'. TOH w/ 84 jts of 2 7/8" O.D. tbg. PU 4 3/4" O.D. bit, 4 - 3 1/8" O.D. drill collars & ran on tbg to 2670'.

9/9/13 - TIH w/ tbg & 5 1/2" AD-1 pkr. Ran & set at 926'. TOH w/ tbg & pkr. TIH with RBP & set RBP at 2602'. Dump 12' of sand on top of plug. TIH w/ pkr, ran to 768'. Test pkr, RBP & tbg to 600 psi. Held okay. Pump down tbg-csg annulus & fluid circ out 5 1/2" x 8 5/8" annulus. Raise pkr to 448'. Pump 5 BPW down tbg into csg leak area from 477' to 754'. Pressured to 600 psi @ 1 BPM & 450 psi @ 1/2 BPM. Would not circ out tbg-csg annulus and/or 5 1/2" x 8 5/8" annulus. Tested tbg-csg annulus from surface to 448' for 23 mins & lost from 480 psi to 465 psi for a total of 15 psi. TOH w/ tbg & 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 10/07/2013

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 10-10-2013

Conditions of Approval (if any): WFX-167

OCT 10 2013

**Drickey Queen Sand Unit #5** – C103 continued

**9/10/13** - Perf 5 1/2" csg with 3 1/8" OD cased gun w/ 4 - 19.7 gram charges at 276' and 750', respectively. TIH w/ tbg & 5 1/2" pkr. Set at 448' & pumped down tbg into csg leak area from 477' to 754'; as well as through perfs at 750 psi with 10 BPW at 1/2 BPM & 420 psi. Raise pkr to 194'. Able to get circ out 5 1/2" x 8 5/8" annulus w/ min pressure. TOH w/ tbg & pkr. TIH w/ 2 7/8" OD tbg open ended to 802'. Pump 113 sx of Class "C" cmt with 2% CaCl<sub>2</sub> (14.8 ppg w/1.32 yield). Circ cmt out 2 7/8" x 5 1/2" annulus & 5 1/2" x 8 5/8" annulus. TOH w/ tbg. Ran 5 1/2" pkr on tbg subs to 10'. Pump 35 sx of Class "C" cmt with 2% CaCl<sub>2</sub>. Circ cmt out 2 7/8" x 5 1/2" annulus & 5 1/2" x 8 5/8" annulus w/ 10 sx of cmt. After each stage, cement would circulate out 5 1/2" x 8 5/8" annulus & around the outside of 8 5/8" csg w/ the 5 1/2" x 8 5/8" annulus valve closed. Last 2 stages started displacing cmt down 5 1/2" csg w/a final SD pressure of 250 psi w/ cmt displaced to 94'. Total cement used = 148 sx. WOC.

**9/11/13** - After WOC 18 hrs. Release pkr & pull out of hole with tbg sub & pkr. PU 4 3/4" Hanson Bear Claw bit & 3 1/8" OD DC's. RIH on 2 7/8" OD tbg & tag at 85'. Drill cmt from 85' to 450' in 9 1/2 hrs, making 365'. Circ hole clean.

**9/12/13** - Drl cmt from 450' to 790' in 6 hrs. Fell out of cement at 790'. Ran bit to 846' & circ hole clean. Lower bit to 2585' & tag top of sand on RBP. Unable to circ. TOH w/ tbg, DC's & bit. Found 9 jts of tbg plugged with cmt.

**9/13/13** - Wash off sand and latched onto RBP. TOH w/ tbg and RBP. TIH w/ 4 3/4" bit, 6- 3 1/8" DC's. Ran tbg to 2674'. Rotate & circ to 3038' to TOC plug in 5 1/2" csg. TIH w/ tbg & 5 1/2" pkr. Set pkr at 2901'.

**9/16/13** - TOH w/ tbg & pkr. TIH w/ 5 1/2" cmt retainer. Ran and set at 2780'. Pump 5 BFW at 1 1/2 BPM & 130#. Pump 200 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> cmt (14.8 ppg w/ yield of 1.33) at 1 1/2 BPM with pressures going from 130# to vacuum. Displace cmt at 1 BPM w/ pressure going from vacuum to 255#, displacing cement 0.8 bbls below retainer. Staged cmt 4 times pumping 1/2 bbl to 1/4 bbl per stage. SD pressure started at 255# and ended at 350#. Unable to get adequate sqz pressure. Over-displaced cmt w/ 7 BFW. Cmt job #2. Pumped 5 BFW at 1 1/2 BPM at 500#. Pump 100 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> at 1 1/2 BPM with pressures going from 500# to 120#. SD pressure = vacuum. Wash up and displace cement at 1 BPM with pressures going from vacuum to 450# SD press. Displaced 0.8 bbls below cement retainer. Staged cement 6 times with stages varying from 1/2 bbl to 1/4 bbl. SD pressures on all stages was 470#. Displaced cement to 2895'. Sting out of cmt retainer & circ hole. No cmt recovery. WOC.

**9/17/13** - After WOC 19 hrs. TOH w/ tbg and cmt retainer stinger. TIH w/ 2 7/8" tbg, 4- 3 1/8" OD DC's and 4 3/4" cone buster mill. Ran and tag cmt retainer at 2780'. D/O cmt retainer, pushed to 2830'. Drill remnants of retainer & cmt from 2830' to 2965' in 6 1/2 hrs. Made 185'. Circ hole clean. TOH w/ tbg and BHA.

**9/18/13** - TIH w/ tbg, DC's & 4 3/4" cone buster mill. Tag at 2965'. Drl cmt from 2965' to 3028' & fell out of cmt. Lower mill to original cement plug @ 3038'. Did not feel plug. Continued in hole & ran mill to 3069' = total depth. Ream & rotate tight spots from 3053' to TD. Circ hole clean. TIH w/ tbg & 5 1/2" 32 A pkr. Ran and set at 2857'. Pump 10 BPW down tbg at 1 1/2 BPM w/ 100 psi. No flow out tbg-csg annulus. Lwr pkr and set at 2995'. Pumped 6 BPW down tbg at 1 1/2 BPM w/ 110 psi. Tbg-csg annulus flowed back 1/8 BPM. Well would backflow out tbg. No flow out tbg-csg annulus. Raise & set pkr to 2857'.

**9/19/13** - Release pkr & TOH. TIH w/ 4 3/4" cone buster mill, 4 3/4" string mill, 1 - 3 1/8" OD drill collar, 4 3/4" string mill and 3 - 3 1/8" OD drill collars. TIH on tbg and tag at 3038'. Ream and rotate BHA from 3038' to 3069', wiping out tight spots. Circ hole clean. TOH w/ tbg & BHA. Rig up to run 4", 11#, L-80 UFJ csg as liner. Ran 4" Duplex Shoe, 7 jts (307') of 4", 11#, L-80 UFJ csg with Bond Coat + 5 jts (215') of 4", 11#, L-80 UFJ slick (no Bond Coat) w/ 4" collar on top jt. Total of 524' w/ Duplex Shoe. Ran liner on tubing to 3060'. Circulate & wash "end of liner" to 3062'. Pickup liner two 2' off bottom and left tbg-csg annulus open to test tank.

**9/20/13** - Lower 4" liner & circ hole clean. Made 1' to 3063'. Pumped down tbg at 1 1/2 BPM & 300 psi pressure. Pumped tbg volume w/ 17 BFW and mixed 100 sx of Class "C" cmt with 2% CaCl<sub>2</sub> at (14.8 ppg w/ yield of 1.33.) 1 1/2 BPM with pressures from 300 psi to 0 psi. Displace cmt at 1.2 BPM with starting pressure of 0 psi and ending pressure of 500 psi. Displaced with 16.2 BFW, leaving 0.5 bbls in tubing. Released tbg from Duplex shoe and TOH w/ tbg and duplex shoe running tool. WOC 4 3/4 hrs. TIH w/ pkr & set at 825'. Test csg below pkr. Pumped 10 BPW at 1.5 BPM at 80 psi. Liner cmt job did not hold. TOH w/ tbg & packer. Ran bit to TOL at 2540'. TOL at 2540' was clean. No cmt.

**9/23/13** - TIH w/ 5 1/2", 32-A pkr. Set at 2351'. Pump 8 BFW down tbg to establish rate into TOL at 2540'. Pumped away at 1 1/2 BPM & 180#. Cement Job # 1: Pump 150 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> (14.8 ppg & 1.33 yield) at 1 1/2 BPM from 360#-65#. Displace cmt w/ 14.6 BFW, 1 bbl below pkr at 1 BPM from 65#-350#. SD psi was 165#. Staged cmt in 4 -1/2 bbl increments every 30 min to 15 min. Pressures went from 165#-210#. Unable to get adequate cement squeeze psi. Over displaced cement w/ 7 BFW at 1 BPM at 450#. WOC 2 hrs. Cement Job # 2: Pumped 5 BFW at 1 1/2 BPM from 400#-450#. Pump 100 sx of Class "C" cmt with 2% CaCl<sub>2</sub> (14.8 ppg & 1.33 yield) at 1 1/2 BPM with pressures going from 400#-250#. Displaced cmt 1 bbl below pkr at 1 BPM from 40#-700# with 500# SD psi. Cmt sqz to 1600# in 4 stages ranging from 1/2 bbl to 0.2 bbl, staging from 20 min to 10 min over 1 hr and 45 min. Left TOC at 2433'. WOC.

**9/24/13** - WOC 12 1/2 hrs. TOH w/ tbg & pkr. TIH w/ 4 3/4" tricone bit, 6 - 3 1/8" OD Dc's & ran on 2 7/8" OD tbg. Tag cmt at 2440' (TOL = 2540') Drl cmt from 2440' to TOL at 2540'. Circ hole clean. TIH w/ tbg w/ 5 1/2", 32-A pkr, ran and set at 2321'. Test from 2321' to liner top at 2540' with 500 psi. Held for 15 mins with no pressure loss. Ran 3 3/8" OD tricone bit, 4 - 2 7/8" DC's & 537' of 2 3/8" OD tbg. Ran on 2 7/8" OD tbg work string to TOL at 2540'.

**9/25/13** - WOC 16 hrs. Lower 3 3/8" bit to TOL at 2540'. Drlg 5' of soft cmt at 4" liner top. Lower bit to 3040'. Drl cmt inside 4" liner from 3040' to 3058'. Circ hole clean. TOH w/ tbg, drill collars and bit. Ran GR/CCL/CNL from 2000' to 3049' per WL. Ran GR/CCL/CBL from 2000' to 3049". TOL per WL = 2525'. TIH w/ 2 7/8" OD tbg with 3 1/8" DC's. Pull & LD tbg with DC's.

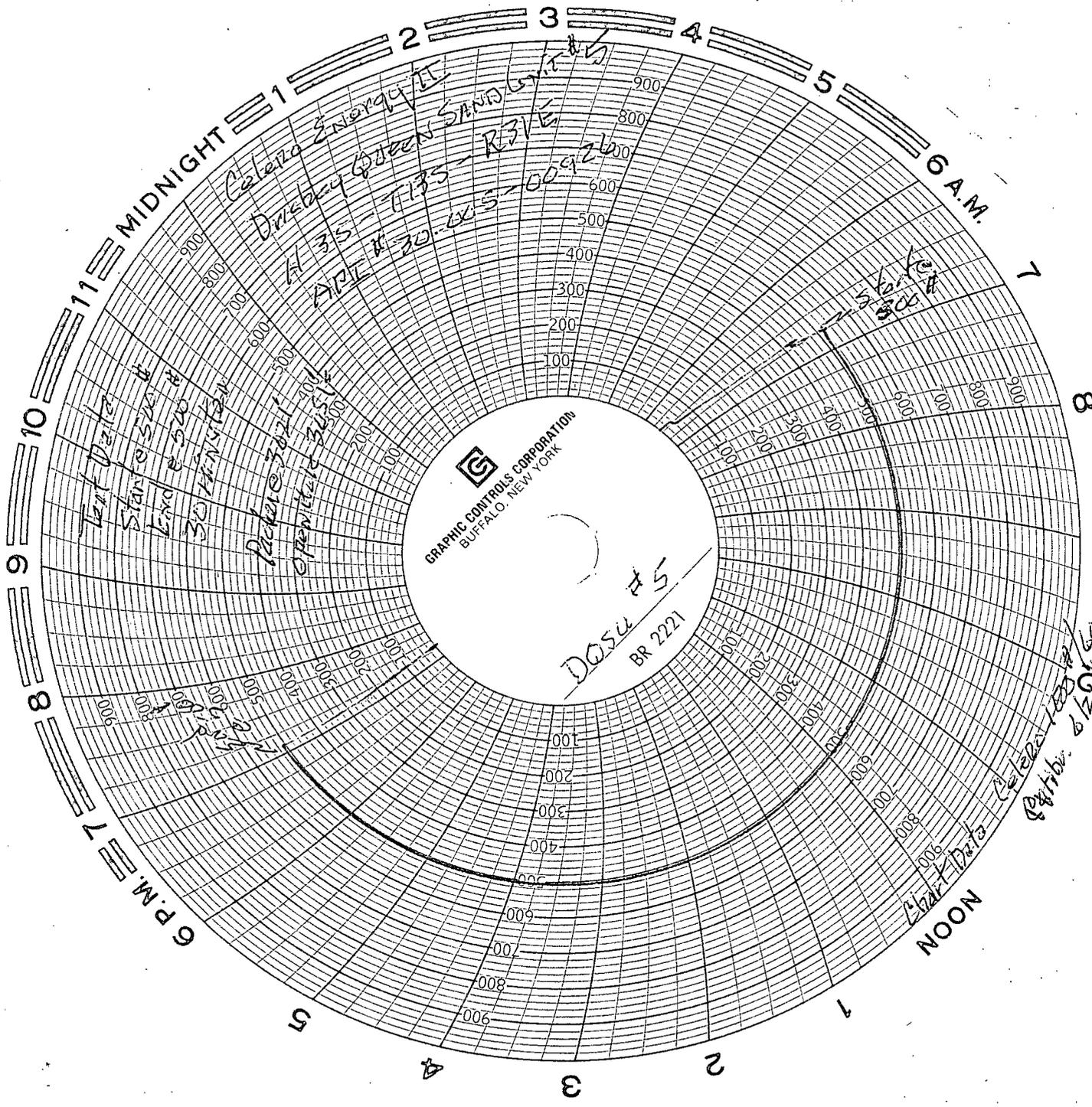
**9/26/13** - Installed 4" aluminum alignment tool, 1 jt of 4", 11#, L-80 UFJ csg, 1 - 4" float collar, 1 jt of 4", 11#, L-80 UFJ csg plus 61 jts of 4", J-55, 11#, 8rd "turned down collar" csg as liner. RIH and tag top of the 4" bottom liner at 2525' with 5' of KB. Cut off 4" csg & install 4" x 4 1/2" bell nipple (total footage = 2520'). EOT @ 2534'. Pump csg capacity with 30 BPW at 2 BPM & 300 psi. Tied cementers onto 4" csg & pumped 10 BFW at 2 BPM & 260 psi. Pumped 115 sx of Class "C" cmt w/ 2% CaCl<sub>2</sub> (14.8 ppg & 1.33 yield) at 2 BPM with pressures going from 260 psi to vacuum. Dropped rubber plug & displace cement at 1 BPM with pressures from vac to 1100 psi before plug bumped. Bumped plug at 2481' w/ 1600 psi. Circ out 5 bbls of cmt (21 sx). WOC.

**9/27/13** - WOC 16 hrs. NDBOP. Pull 25 K on 4" csg, set 4" slips in 5 1/2" WH. Weld on bell nipple, install 4 1/2", 3K screw bottom with 7 1/16" flange top WH. NU BOP. TIH w/ 3 3/8" mill, 4 - 2 7/8" DC's & ran on 2 3/8" OD tbg work string. Tag at 2472'. TOH with tbg, change out mill with 3 3/8" OD tricone bit. Drill up plug, float collar and cmt inside of 4" liner from 2472' to 2520'. Drill to alignment tool. Circ hole clean.

**9/30/13** - Resume drlg on alignment tool @ 2520'. Drill 1 hr, rec aluminum. TOH w/ bit. TIH w/ tbg drill collars and 3 3/8" tapered mill. Reamed out area at 2520' and ran to 2535', recovering aluminum and cement. TIH w/ tbg drill collars and 3 3/8" cone buster mill. Tag float collar at 2472'. Drill & ream out. Lower to duplex shoe and tag at 3048'. Drill out duplex shoe to 3050' and continued drilling and cleaning out to 3073'. Circ hole clean.

**10/1/13** - C/O w/ 3 3/8" mill in 3 hrs from 3073' to 3080'. Circ hole clean. Ran GR / CCL from 2500' to 3080' (bottom of 4" casing at 3048+'). TIH w/ tbg, drill collars and 3 3/8" mill. Ran to TD of 3080'.

**10/2/13** - TOH, LD 2 3/8" tbg work string, drill collars & mill. TIH w/ Globe Energy's 4", nickle plated AS1-X packer with 1.50 "F" profile nipple plus 93 jts of 2 3/8" O.D. 4.7#, 8rd, EUE, J-55 seal lock IPC tbg with "TDC". Ran and set pkr at 3021'. Test tbg csg annulus with 500 psi and held okay. NDBOP & NUWH, (7 1/16", 3 K, slip type WH flange) & circ pkr fluid. Install 2 1/6", 5K, tbg valve. Ran MIT for 30 mins. Tested w/ starting pressure at 500#; ending pressure at 500#. No loss. Test is good. Copy of chart is attached. Finish connecting up WH equipment for injection. Clean location & RDMO.




 GRAPHIC CONTROLS CORPORATION  
 BUFFALO, NEW YORK

DOSU #5  
 BR 2221

Part of 60 minutes  
 6/20/2013

