

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CELERO ENERGY II, LP 400 W. Illinois, Ste. 1601 Midland, TX 79701		² OGRID Number 247128
³ Property Code 20416 303735		⁴ Property Name Rock Queen Unit
⁵ Proposed Pool 1 Caprock Queen		⁶ Well No. 501
⁷ Surface Location		⁸ Proposed Pool 2

UL or lot no. D	Section 31	Township 13S	Range 32E	Lot Idn 1	Feet from the 330	North/South line North	Feet from the 330	East/Westline West	County Lea
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⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code I	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4378'
¹⁶ Multiple No	¹⁷ Proposed Depth 3080'	¹⁸ Formation Queen	¹⁹ Contractor	²⁰ Spud Date When approved
Depth to Groundwater 100' +		Distance from nearest fresh water well 2+ miles		Distance from nearest surface water 2000'
Pit: Liner: Synthetic <input type="checkbox"/> milthick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
	8 5/8"	24#	See attached sheet		
	5 1/2"	14#	See attached sheet		

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Old name and # was: Rock Queen Unit 31 #4
New name and # is: Rock Queen Unit #501

See attached sheet.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry**

WFX-126

R-1541

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Lisa Hunt		Approved by:	
Title: Regulatory Analyst		Title: PETROLEUM ENGINEER	
E-mail Address: LHunt@celeroenergy.com		Approval Date: NOV 14 2008	
Date: 10/30/2008		Expiration Date:	
Phone: (432)686-1883		Conditions of Approval Attached <input type="checkbox"/>	

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-00314	² Pool Code 08559	³ Pool Name Caprock Queen
⁴ Property Code 20416 303735	⁵ Property Name Rock Queen Unit	⁶ Well Number 501
⁷ OGRID No. 247128	⁸ Operator Name CELERO ENERGY II, LP	⁹ Elevation 4378' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	31	13S	32E		330	North	330	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div>16 330' 330'</div>				<div>17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div><div>Lisa Hunt</div><div>Signature</div><div>10/15/2008</div><div>Date</div></div><div><div>Lisa Hunt</div><div>Printed Name</div></div></div>
				<div>18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> <div>Date of Survey</div><div>Signature and Seal of Professional Surveyor</div><div>Certificate Number</div></div>

CELERO ENERGY

Workover Procedure

DATE: 09-22-08

FIELD: Caprock

AREA: Lea County, New Mexico

LSE/UNIT: Rock Queen Unit

WELL NO.: 501

Workover Objective: Re-enter P&A'd ROU #31DN (State "X" #1). Run and cement new casing string as needed. Clean out/ drill out well to new TD @ 3080' +/- . Verify casing integrity. Acidize Queen interval. Return well to water injection.

Wellbore Sketch: Attached

Well History: Attached

Background Information: This 1956 drill well was converted to water injection 12/1962. Last reported injection was 06/1983, injecting 180 BWPD. This well injected 2025 MBW at an IWR of 4.5 to 2.0. This well is an open hole completion that penetrated the top 4' of the Queen sand interval in an area of the field that should have 12' of net pay. The well was P&A'd 12-84.

PROCEDURE:

1. MIRU PU. Install wellhead and nipple up BOP's.
2. Drill out the surface 10 sx cement plug in the 8 5/8" surface casing and DO the 60 sx cement plug across the 8 5/8" casing shoe from 245' +/- to 368' +/- . DO/CO the wellbore to the top of the cut off 5 1/2"/14# casing at 1,063' +/- . Circulate well clean. Report any signs of pressure or gas to engineering. TOOH w/ workstring and bit.
3. TIH w/ rock bit for 5 1/2" casing on workstring. Re-enter cut off 5 1/2" casing. Dress off top of cut 5 1/2" casing as best as possible to allow for the running of tools and in preparation for tying into 5 1/2" casing with new casing to surface. DO/CO well to top of cement plug @ 2403' +/- . Circulate well clean. TOOH w/ workstring and bit.
4. MIRU wireline unit Log the 5 1/2" casing from the top of the cement plug to the top of the cut off 5 1/2" casing with a CBL/casing inspection log. There are no logs to correlate to on this well. RDMO wireline unit. **Consult with engineering the results of the logging.**
5. MIRU casing crew. RIH w/ 5 1/2"/14# casing and tie into top of cut off 5 1/2" casing @ 1,063' +/- . RDMO casing crew.
6. TIH w/ rock bit for 5 1/2" casing on workstring. Drill out 165 sx cement plug from 2403' +/- to TD @ 3071' . Circulate well clean. Report any signs of pressure or gas to engineering.

7. DO well to new TD of 3080' +/- . Circulate well clean. TOOH w/ workstring and bit.
 8. TIH with 5 ½" RBP and packer on workstring to check casing integrity of the wellbore. Repair casing as needed.
 9. TIH with injection packer and BHA on 2 3/8" injection tubing. Set packer @ 3000' +/- . Circulate packer fluid up tubing-casing annulus. Pressure test tubing-casing annulus to 600 psi.
 10. Acidize the Queen sand interval (3067' – 3079') w/ 1500 gal 7.5% NEFE HCl acid in two stages with 500# rock salt in saturated 10 PPG brine as the diverting agent between each stage. Pump acid treatment @ 4 – 6 BPM not to exceed 3000 psi STP.
 11. Flow/swab load back.
 12. Nipple down BOP. RDMO PU.
 13. Return well to water injection.
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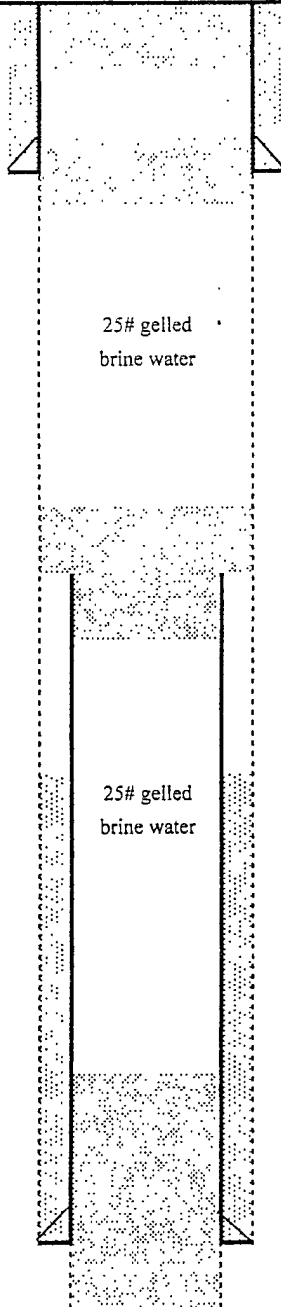
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Rock Queen
COUNTY: Lea

DATE: Dec. 28, 2007
BY: GSA
WELL: ~~31DN~~ 501
STATE: New Mexico

Location: 330' FNL & 330' FWL, Sec 31D, T13S, R32ECM
SPUD: 3/56 COMP: 3/56
CURRENT STATUS: P&A Injector (12-84)
Original Well Name: State "X" #1

KB = 4385'
GL = 4378'
API = 30-025-00314



10 sx cmt surface plug

60 sx cmt plug in/out 8-5/8" surface csg 245' - 368'

8-5/8" 24# @ 307' cmt'd w/ 200 sx (circ)

25# gelled
brine water

Shot and pulled 5-1/2" csg @ 1063'

25 sx cmt plug spotted across 5-1/2" csg stub 996' - 1113'

Shot 5 1/2" casing @ 1406' but could not pull

TOC @ 2386' (calc)

25# gelled
brine water

165 sx cmt required to obtain plug TD - 2403'

5-1/2" 14# @ 3067'
cmt'd. w/ 100 sx (DNC)

Top of Queen @ 3067':

Queen Open Hole: 3067' - 3071' (3-55)

PBTD - 3071'
TD - 3071'