

Submit 3 Copies To Appropriate District
Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., 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-103

June 19, 2008

RECEIVED
APR 22 2009
HOBBS

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-00301
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 303735
7. Lease Name or Unit Agreement Name Rock Queen Unit
8. Well Number 8
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 Injector

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 North line and 660 feet from the East line
Section 30 Township 13S Range 32E NMPM County Lea

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/15/09 - TIH w/2 3/8" OD tbg open ended to 2802'. Spotted 25 sx of Class "C" cmt w/2% CaC12 + 2# sand per sx in 4 1/2" csg @ 2802'. Attempted to run CBL. TIH w/tbg open ended to 2802'. No fill from 1st 25 sx. Spotted another 25 sx of Class "C" cmt w/2% CaC12 = 2# sand/sx @ 2802'. TOH: Ran CBL from surface to 1950'. Unable to read. No fluid in hole. After WOC 3 hrs. Ran tbg open ended to 2802'. No fill from 2nd 25 sx cmt plug. Mixed & pumped 25 sx of Class "C" cmt w/2% CaC12 & displaced w/9 BFW, spotted same in 4 1/2" csg & 2 3/8" tbg. No pressure. Raised tbg to 1200'.

4/16/09 - After WOC 15 hrs, lowered & tagged @ 2802'. No fill. Pumped 250 gals of Flow-check followed w/25 sx of "C" cmt w/2% CaC12. WOC. Found 5' of fill. Spotted 20 sx of "C" cmt w/2% CaC12. WOC. Check fill. No fill. Spotted 20 sx of sand & checked fill. Had 51' of fill @ 2751'. Raised tbg to 2749'. Spotted 20 sx of "C" cmt w/2% CaC12, displaced at 1.5 BPM & 0# pressure. Raised end of tbg to 1850'. SD. WOC. Prepare to check TOC, circ hole w/mud laden 9.5# brine water & perforate 4 1/2" csg @ 2300'. TIH w/pkr & cmt sqze perfs.

* PLEASE SEE ATTACHED SHEET FOR NEW PROPOSAL.

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 04/17/2009

Type or print name Lisa Hunt

E-mail address: LHunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY: Tommy W. Hill

TITLE

DISTRICT 1 SUPERVISOR

DATE

APR 22 2009

Conditions of Approval (if any):

4/17/09

CELERO PROPOSAL – ROCK QUEEN Unit #8

RIH w/O-E tbg at 2694' & spot 200' Class C, est TOC at 2500'. PU, WOC 2 ½ hrs, tag.

Re-spot as warranted.

Circulate hole with salt mud.

Perforate at 2300' – top of Yates.

RIH w/O-E tbg at 2400' & spot 400' Class C, est TOC at 2000'. POOH w/tbg.

RIH w/packer to 1850' & squeeze w/100 Class C neat to 1000 psi. Displaced cmt no deeper than 1950'. WOC overnight.

POOH w/packer, RIH open-ended and tag TOC.

Test casing and leave temporarily abandoned pending sidetrack evaluation.

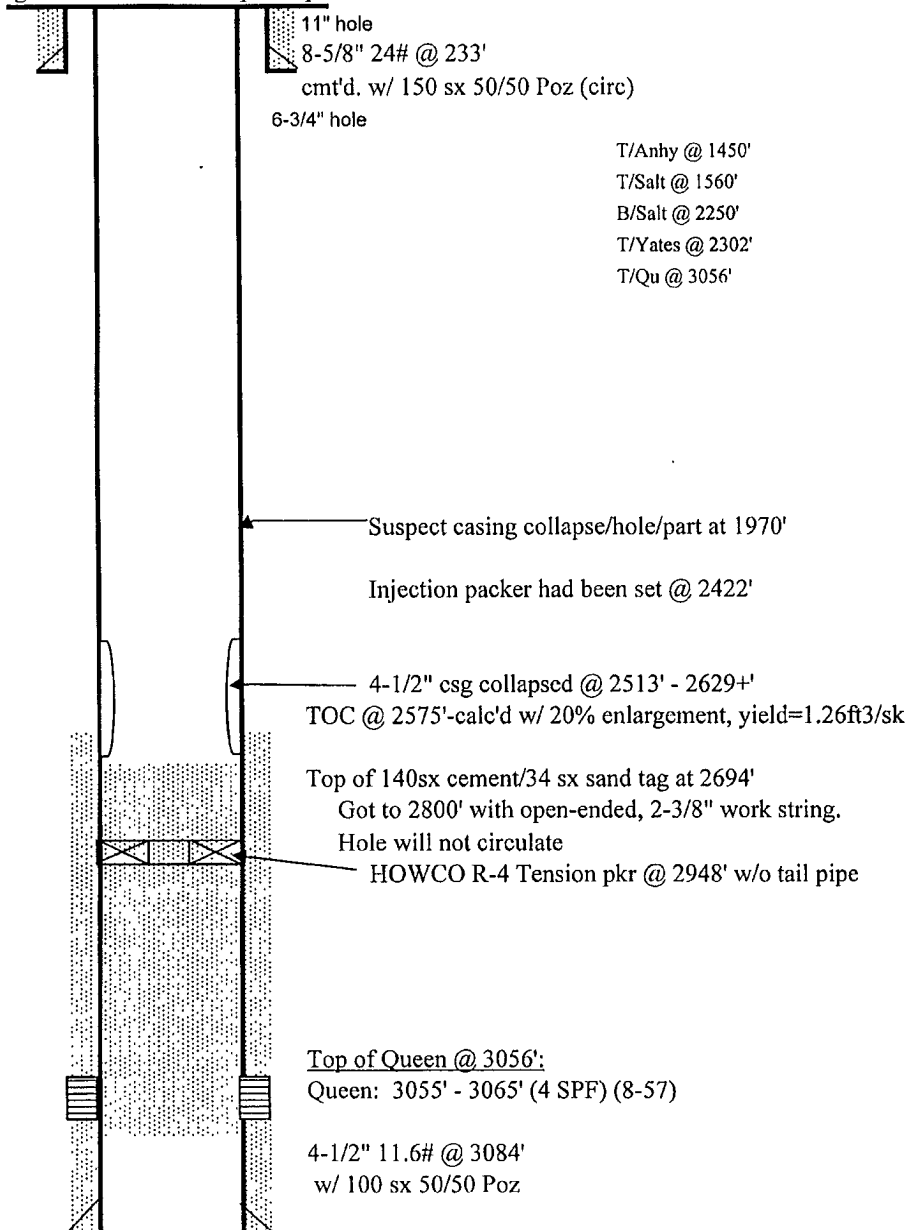
CELERO ENERGY

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

DATE: Apr. 17, 2009
BY: MWM
WELL: 8
STATE: New Mexico

Location: 1980' FNL & 660' FEL, Sec 30H, T13S, R32ECM
SPUD: 8/57 COMP: 8/57
CURRENT STATUS: Injector
Original Well Name: Carper Superior B #2

KB =
GL =
API = 30-025-00301



PBTD -
TD - 3085'

Well History: Rock Queen Unit #8

8/57 - Initial Completion: Orig comp thru perms 3055' - 3065' (4 SPF). Treated perf interval w/ 10,000 gals oil and 10,000 # sand. IP 60 BOPD

1/64 - Converted to Injector: Converted to water injection. Cleaned well to 3084'. Ran 2-3/8" tbg and packer. Set pkr @ 2990'

Unknown: Set injection packer at 2422'.

4/09 - Temporarily Abandon: POOH w/o packer--safety collar released. Took 5 trips w/tools to finally recover packer and 1-joint of tailpipe. Had tight spots at 2510', 2502', and 2100'.
Ran 3-3/4" taper mill to 2513' and work to 2518', POOH--bottom of mill worn.
Ran 3-3/4" taper mill to 2513' and work to 2629', POOH--mill worn out.
Ran 3.06" knothched collar and set down at 1970'--could not work through.
RIH with open-ended 2-3/8" workstring and tag at 2800'--could not wash through. Well will not circulate.
Spot total 140 sx cement/34 sx sand at 2800'; tag at 2694'.

Proposed: RIH with O-E tubing at 2694' and spot 200' Class C, est TOC at 2500'. PU, WOC 2-1/2 hours, tag.
Re-spot as warranted.
Circulate hole with salt mud.
Perforate at 2300'--top of Yates.
RIH with O-E tubing at 2400' and spot 400' Class C, est TOC at 2000'. POOH w/tbg.
RIH with packer to 1850' and squeeze with 100 class C neat to 1000 psi. Displace cement no deeper than 1950'. WOC overnight.
POOH w/packer, RIH open-ended and tag TOC.
Test casing and leave temporarily abandoned pending sidetrack evaluation.