

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

RECEIVED
APR 23 2009
HOBBS

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injector <input type="checkbox"/>	
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: Cement squeeze ☒

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.

4/17/09 - After WOC 16 hrs. Lowered & tagged @ 2751'. No fill w/cmt. Spotted 14 sx of sand. Tagged @ 2694'. Had 57' of fill w/sand. Spotted 15 sx of 14.8 ppg Class "C" cmt w/2% CaC12. Raised tbg to 2010'. WOC 2 1/2 hrs. Lowered tbg & tagged @ 2532'. Attempted to load hole w/25 bbls produced wtr & 50 bbls of 9.5# mud laden fluid. Would not circulate. Raised tbg to 2010'. By Apollo: Run 1 9/16" perforating gun & perforated 4 1/2" csg @ 2300' w/4 shots of a decentralized gun, 0 phasing. Did not have a blow or vacuum. Lowered tbg to 2409'. Spotted 30 sx of 14.8 ppg Class "C" neat cmt. TOH. TIH w/ 2 3/8" tbg & tagged 4 1/2" tension packer. Set @ 1827'. Loaded & tested tbg-csg annulus to 400#. Held okay. Mix & pumped 100 sx of Class "C" cmt w/2% CaC12, mixed at 14.8 ppg. Displaced to 2082' at 400# SD pressure. Lost 50# in 20 mins & remained at 350#. JC @ 5:45 pm.

4/20/09 - After WOC 62 hrs. Tested cmt sqze job w/500# pressure. Held okay. TOH w/tbg. Ran "Stuck Pipe Log" from surface to 1958'. (tagged cmt in 4 1/2" csg at 1958'). Ran csg inspection log from surface to 1958'. 4 1/2" csg appears erratic, especially from 550' to 1100'+. TIH w/tbg open ended to 1958'. Circulated hole w/9.5# mud laden fluid. TOH. Perforated 4 1/2" csg w/3 1/8" csg gun, 19 gram charge, 180 degree phasing, 2 shots of 0.49" squeeze holes at 1560' & 283'. TIH w/tbg & pkr. Set pkr at 1327'. Pumped 7 bbls produced wtr at 700# & 1.5 BPM. Mixed & pumped 60 sx of class "C" cmt w/2% CaC12 at 14.8 ppg & displaced w/6.2 BFW to 1400' at 600# SD pressure. JC at 7:50 pm. WOC.

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 04/21/2009

Type or print name Lisa Hunt

E-mail address: LHunt@celeroenergy.com

PHONE: (432)686-1883

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APPROVED BY: Tom W. Hill
Conditions of Approval (if any):

TITLE DISTRICT 1 SUPERVISOR

DATE APR 24 2009