LOCAL Device Dev						of New MexicoForm C-10als and Natural ResourcesJune 16, 200							
1301 W. Grand Avenue, Artesia, NM 88210				Santa	Fe, N	M 8750	⁵ AU(GEIVE		ppropriate Dist			
PLUGBA	<u>ACK, O</u>	PR ADD I	Operator Name CELERO ENE	e and Address					247128	² OGRID N ³ API Nu			
									30 - <i>00</i>	 	1146		
³ Prope	rty Code 735		roposed Pool 1		⁵ Property I OCK QUEE				¹⁰ Prop	osed Pool 2	⁶ Well No. 302		
⁷ Surface	Locatio		ROCK: QUEE	N									
UL or lot no F	Section 25	Township 13 S	Range 31 E	Lot Idn	Feet from 190		North/Sou Nort		Fect from the 1880	East/West West		ounty haves	
⁸ Proposed UL or lot no.	Bottom H Section	Hole Locati Township	on If Differen Range	nt From Surfac	Ce Feet fro	om the	North/Sou	th line	Feet from the	East/West	line C	ounty	
Additiona	al Well	Informati	on				<u>I</u>	_		I			
¹¹ Work	Type Code N		¹² Well Type Co O	ode	¹³ Cable I	e/Rotary R		14	Lease Type Code		¹⁵ Ground Level E 4382'	levation	
¹⁶ M	ultiple N		¹⁷ Proposed Dep 3100'	oth		mation een		U	¹⁹ Contractor nion Drilling Inc.		²⁰ Spud Dat 8/23/2010		
²¹ Propose Hole S 11' 7-7/8	ize	Casi 8-	ement Prog ng Size 5/8" 1/2"	ram Casing weig 24 1 15.5	ŧ		Setting Dep 350' 3100'	th	Sacks of Co 135 160		Estimated Surfa Surfa	nce	
Describe the 1. Prepare su 2. Drill 11" s	blowout pr rface locati urface hole " productio to TD and	tevention prog ton. Move in to a minimum on hole, 3100 cement to sur	ram, if any. Us and rig up drilli n depth of 350' TD. Evaluate face. Frmit Expi	e additional sheeing rig. Spud we . Set 8-5/8" casi	ets if necess 11. Install ar ing and cem 5 From	ary. nd test E ent to su App i	BOPs. urface.	on the pr	esent productive z	zone and proj	posed new produ	ictive zono	
²³ I hereby cen best of my kn Signature:			given above is	true and comple	te to the	Appro	oved by:	OIL C	ONSERVA	FION DI	VISION		
Printed name. Vickie A. Inn Title:	1/	CKIE !	7. In	man			ETROLI oval Date:		2 2010	Expiration Da	ate:		
Agent E-mail Addre	 \$S:				- u -								
Vickie A. Inn Date: 8/4/2010			Phone: 432-682-455	59		C	"Once the through v shall drill \	well is s /hole or vithout ii	partial conduits	ground wat from the su igh the fresl	ound water contamination — m the surface, the operator n the fresh water zone or		
r			1				zones and string "	shall in	mediately set in	cement the	e water protecti	ion	



LOCATION VERIFICATION MAP





There is a 4" valve out of the mud cross flowing to gas buster



Cement Recommendation 8 5/8 CASING INSIDE 11' HOLE

Prepared by: Stephen W. Butts sbutts@risingstarservices.com (575)-631-3151

Prepared for: DONNIE TIBBITTS d.tibbitts@t-sconsulting.com 325-647-6987

CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT

CHAVEZ County, NM 7/29/2010

Sales Representative: Stephen W. Butts (575)-631-3151

District Manager: Ken Snow (432) 556-1426

Service Point

Hobbs, NM Office: (575) 391-0091 Fax: (575) 391-0094

Disclaimer Notice

Disclaimer Notice' This information is presented in good faith, but no warranty is given by and Rising Star Services assumes no liability for ad vice or recommendations made concerning results to be obtained from the use of any product or service. The results given are estimates based on calculations produced by a computer model in cluding various assumptions on the well, reservoir and treatment. The results depend on input data provided by the Operator and estimates as to inknown data and can be no more accurate than the model, the assumptions and such input data. The information presented is RSS. best estimate of the accular esuits that may be activate dual school the used for comparison purposes rather than absolute values. The quality of input data, and hence results, may be improved through the use of contain tests and procedures which Rising Star Services can assis to inselecting. The Operator has superior knowledge of the well, the reservoir, the field and conditions affecting them. If the Operator is a ware of any conditions whereby a neighboring well or wells might be affected by the treatment proposed herein it is the Operator's responsibility to only the owner or owners of the well or wells accordingly Proces quicted are estimates only and are good for 30 days from the date of issue. Actual charges may vary depending upon time, equipment, and material ultimately required to perform these services

Freedom from intringement of patents of Rising Star Services or others is not to be inferred

HOBBS, NM

July 29, 2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type: 8 5/8 CASING INSIDE 11' HOLE

12

Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Cell: (575)-631-3151

 Sacks
 Cement and Additives

 Lead 135 sks
 CLASS C + 2% CACL2 + 0.125# CELLO-FLAKE + 0.25% R-38

100% Excess

	Lead
Density:	14.80 #/gai
Yield:	1.35 cu.ft/sk
Mixing Water:	6.33 gal/sk
Total Water to Mix:	20.36 Bbls
Slurry Volume:	32.37 Bbls

Equipment	Needed		Additional Mate	erials and Notes			
Hole Size 1	1' Total Depth	Well Information 350 Hole @ DV Tool @					
······	5/8 Casing Depth	350	Perfs @	Type of Plug	TRP		
Liner Size	Tubing Depth		Packer @	Size of Plug	8 5/8		
Liner Top	Tubing Size		Retainer @	Pre-Flush			
Mud Weight:							
	•	Special Job In	structions				

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July 29, 2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type 8 5/8 CASING INSIDE 11' HOLE Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Mobile: (575)-631-3151

						After
		Quantity	Unit	Unit Price	Amount	Discount
Depth Charge						
0-500', 4 hr i	ninimum	1	Ea	\$2,117.00	\$2,117.00	\$1,164.35
Job Monitoring					-	
Data Acquis	tion	1	Job	\$1,000.00	\$1,000.00	\$550.00
Mileage Charge						
Equipment N	1ileage	65	Mile	\$6.75	\$438.75	\$241.31
Pick-up Mile	age Charge	65	Mile	\$5.25	\$341.25	\$187.69
Cement Delivery Charge					-	
Cement Deli	very, Minimum	1	Ea	\$1,600.00	\$1,600.00	\$880.00
Cement Blending					_	
Cement Bler	Iding	146	Cuft	\$2.50	\$363.96	\$200.18
Cementing Head						
Cementing H	lead with Manifold 8 5/8"	1	Job	\$600.00	\$600.00	\$330.00
Miscellaneous Services					~	
Enviormenta	I Charge	1	Job	\$125.00	\$125.00	\$68.75
Top Plugs R	ubber	1	Hrs	\$250.00	\$250.00	\$137.50
Cementing Materials						
Class "C"		135	Sks	\$20.00	\$2,700.00	\$1,485.00
Calcium Chlo	oride	254	Lbs	\$1.90	\$482.22	\$265.22
Celloflake		17	Lbs	\$3.00	\$50.63	\$27.84
Defoamer		1	Gal	\$45.00	\$45.00	\$24.75
R-38		32	Lbs	\$9.80	\$310.91	\$171.00
Sugar		4	Sks	\$150.00	\$600.00	\$330.00

45%	Price Book Total Discount	\$11,024.71 \$4,961.12
	After Disc	\$6,063.59

12 7/29/2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type 8 5/8 CASING INSIDE 11' HOLE

Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Mobile: (575)-631-3151

Product Description

<u>Class C</u> Is an API cement intended for surface to a depth of 6000 ft. Class C is sulfate resistant and yields early compressive strengths. Typically mixed from 14.8 ppg.

<u>Calcium Chloride (CaCl₂)</u> Is an accelerating additive used for slurries that require fast set times and early strength development.

Celloflake Cellophane flakes used as lost circulation material.

Defoamer A Clear liquid used to minimizes foaming tendencies and air entrapment in cement slurries during mixing process.

<u>R38</u> Is a powdered defoamer for all types of oil well cement. Typical loadings are 0.25% to 0.5% BWOC.

Sugar Used to prevent the hydration of cement around BOP or in transports. It is also used as a cement retarder.

HOBBS, NM

HOBBS, NM

12	
July 29, 2010)
CELERO EN	ERGY (T & S PETR. CONS.)
ROCK QUEE	EN PROJECT
Job Type	8 5/8 CASING INSIDE 11' HOLE

Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Mobile: (575)-631-3151

			Quantity	Unit	Unit Price	Amount	After Discount
Mileage Charge			,			-	Diooculii
Deliv	/er Pick-Up Charge		0	Mile	\$200.00	\$0.00	\$0.00
Equi	pment Mileage		0	Mile	\$5.25	\$0.00	\$0.00
Casing Equipment							
Guid	le Shoe		0	Ea	\$0.00	\$0.00	\$0.00
Texa	as Pattern Guide Shoe		0	Ea	\$0.00	\$0.00	\$0.00
Texa	as Guide Shoe, Notched		0	Ea	\$0.00	\$0.00	\$0.00
Floa	at Shoe		0	Ea	\$640.00	\$0.00	\$0.00
Baffl	e Plate		0	Ea	\$0.00	\$0.00	\$0.00
Floa	t Shoe, AFU		0	Ea	\$0.00	\$0.00	\$0.00
Inse	rt Float		0	Ea	\$0.00	\$0.00	\$0.00
Inse	rt Float, AFU		0	Ea	\$0.00	\$0.00	\$0.00
Float	t Collar		0	Ea	\$790.00	\$0.00	\$0.00
Тор	Wooden Plug		0	Ea	\$0.00	\$0.00	\$0.00
Тор	Plugs Rubber	5 1/2	0	Ea	\$150.00	\$0.00	\$0.00
Botto	om Plug , Rubber		0	Ea	\$0.00	\$0.00	\$0.00
Cent	ralizers		0	Ea	\$85.00	\$0.00	\$0.00
Cem	ent Basket		0	Ea	\$0.00	\$0.00	\$0.00
Stop	Ring		0	Ea	\$35.00	\$0.00	\$0.00
Thre	ad		0	Ea	\$57.00	\$0.00	\$0.00

0%	Price Book Total Discount	\$0.00 \$0.00
	After Disc	\$0.00

General Information

Well data

Ceneral mormation	、 · · · · · · · · · · · · · · · · · · ·	
Quoto No. 12	Hole size:	11'
Job Type: 8 5/8 CASING INSIDE 11' HOLE	Casing size: 8	5/8
	Liner size:	
Customer: CELERO ENERGY (T & S PETR. CONS.)	Liner Top:	
Address	Sqz hole @	
City	Perfs:	
Statei	Packer depth:	
Zip cod of	Retainer depth:	
Prone No.	Total depth: 3	350
	Csg depth: 3	350
Well neme: ROCK QUEEN PROJECT	Tbg depth:	
Well no.	Tbg size:	
Field	DV tool depth:	
County		RP
Stota: NM		5/8
Dete, 7/29/2010	Pre-flush:	
	Mud Weight:	
Prepared for: DONNIE TIBBITTS	Sur/Int depth:	
E-mail: d.tibbitts@t-sconsulting.com	Sur/Int csg size:	
C 325-647-6987	Sur/Int csg wgt:	
Fax:		
Prepared by. Stephen W. Butts	Additional Additives	
E-m all: sbutts@risingstarservices.com		
C. (575)-631-3151	Liquid KCI (gal)	
	Sodium Silicate (gal)	
Basa Manager; Ken Snow	Mud Flush (gal)	
C.n: (432) 556-1426	Salt Water Gel (sks)	
	Lime (sks)	
Service Point: Hobbs, NM	Sugar (sks)	
Orrice: (575) 391-0091	SAPP (lbs)	
Fex: (575) 391-0094	CaCl2 (lbs)	
Company Representative: DONNIE TIBBITTS		
C.III 325-647-6987		
Seleemen: Stephen W. Butts		
Seleemen: Stephen W. Butts		

Special Job Instructions

Equipment Needed

Additional Materials and Notes

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Cement Recommendation 5 1/2 CASING INSIDE OF 7 7/8 HOLE

Prepared by: Stephen W. Butts sbutts@risingstarservices.com (575)-631-3151

Prepared for: DONNIE TIBBITTS d.tibbitts@t-sconsulting.com 325-647-6987

CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT

CHAVEZ County, NM 7/29/2010

Sales Representative: Stephen W. Butts (575)-631-3151

District Manager: Ken Snow (432) 556-1426

Service Point

Hobbs, NM Office: (575) 391-0091 Fax: (575) 391-0094

Disclaimer Notice

Disclamer Notice This information is presented in good failh, but no warranty is given by and Rising Star Services assumes no liability for ad vice or recommendations made concerning results to be obtained from the use of any product or service. The results given are estimates based on calculations produced by a computer model in cluding various assumptions on the well, reservoir and treatment. The results depend on input data provided by the Operator and estimates as to unknown data and can be no more accurate than the model, the assumptions and such input data The information presented is RSS. best stimate of the actual results that may be activated and should be used for comparison purposes rather than absolute values. The quality of input data, and hence results, may be improved through the use of certain tests and procedures which Rising Star Services can assis I in selecting. The Operator has supenor knowledge of the well, her servicers responsibility to notify the owner or owners of the well or wells might be affected by the treatment proposed herein it is the Operator's responsibility to notify the owner or owners of the well or wells accordingly. Proces quoted are estimates only and are good for 30 days from the date of rissue Actual charges may vary depending upon time, equipment, and material ultimately required to perform these services. Freedom from infingement of patents of Rising Star Services or others is not to be inferred.

HOBBS, NM

July 29, 2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type: 5 1/2 CASING INSIDE OF 7 7/8 HOLE Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Cell: (575)-631-3151

	<i>Sacks</i> 250 sks	+ +	and Additives 1% BENTONITE + 0.25% R-38 + 5% SALT (BWOW)
	25% Excess 70 sks	CLASS C 50/50 + 29	% BENTONITE + 0.25% R-38 + 5% SALT (BWOW)	
:	25% Excess			
Density: Yield: Mixing Water: Total Water to Mix: Slurry Volume:	12.0 2.30 13.0 77.	<u>Lead</u> 00 #/gal 1 cu.ft/sk 11 gal/sk 46 Bbis 46 Bbis	<u>Taii</u> 14.20 #/gal 1.30 cu.ft/sk 5.91 gal/sk 9.85 Bbls 16.15 Bbls	

Equipr	nent Needed			Additiona	I Materials and Notes	
			Well Infor	mation		
Hole Size	7 7/8	Total Depth		Hole @	DV Tool @	
Casing Size	5 1/2	Casing Depth		Perfs @	Type of Plug	TRF
Liner Size		Tubing Depth		Packer @	Size of Plug	5 1/2
Liner Top		Tubing Size		Retainer @	Pre-Flush	
Mud Weight:						
			Special Job Ir	structions		

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13 July 29, 2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type 5 1/2 CASING INSIDE OF 7 7/8 HOLE

Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Mobile: (575)-631-3151

		Quantity	Unit	Unit Price	Amount	After Discount
Depth Charge		,				
1 0	3001 - 3500', 4 hr minimum	1	Ea	\$2,567.00	\$2,567.00	\$1,360.51
Job Monitorin					-	
	Data Acquisition	1	Job	\$1,000.00	\$1,000.00	\$530.00
Mileage Charg	je					
	Equipment Mileage	65	Mile	\$6.75	\$438.75	\$232.54
	Pick-up Mileage Charge	65	Mile	\$5.25	\$341.25	\$180.86
Cement Delive	ery Charge				 ,	
	Cement Delivery	1,004	T/M	\$2.00	\$2,008.10	\$1,064.30
Cement Blend	ling					
	Cement Blending	383	Cuft	\$2.50	\$958.00	\$507.74
Cementing He	ad					
	Cementing Head with Manifold 5 1/2"	1	Job	\$500.00	\$500.00	\$265.00
Miscellaneous	s Services					
	Enviormental Charge	1	Job	\$125.00	\$125.00	\$66.25
	Top Plugs Rubber	1	Hrs	\$175.00	\$175.00	\$92.75
Cementing Ma	atorials					
Cementing and	Class "C"	160	Sks	\$20.00	\$3,200.00	\$1,696.00
	POZ (fly ash)	160	Sks	\$10.00	\$1,600.00	\$848.00
	Defoamer	2	Gal	\$45.00	\$90.00	\$47.70
	GEL	2,218	Lbs	\$0.70	\$1,552.32	\$822.73
	R-38	67	Lbs	\$9.80	\$658.56	\$349.04
	Salt	1,529	Lbs	\$0.60	\$917.47	\$486.26
	Sugar	4	Sks	\$150.00	\$600.00	\$318.00

47%	Price Book Total Discount	\$16,731.45 \$7,863.78
	After Disc	\$8,867.67

13 7/29/2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type 5 1/2 CASING INSIDE OF 7 7/8 HOLE

Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Mobile: (575)-631-3151

Product Description

<u>Class C</u> Is an API cement intended for surface to a depth of 6000 ft. Class C is sulfate resistant and yields early compressive strengths. Typically mixed from 14.8 ppg.

Poz (Fly Ash) Fly ash, an artificial pozzolan that consists of mostly silicon dioxide. Fly ash is used in cement slurries for oil field cementing applications to create economical lightweight slurries.

Defoamer A Clear liquid used to minimizes foaming tendencies and air entrapment in cement slurries during mixing process.

<u>Gel</u> Bentonite, is a clay material used as an extender in both lower density and pozzolan slurries. It controls excessive free water.

<u>R38</u> Is a powdered defoamer for all types of oil well cement. Typical loadings are 0.25% to 0.5% BWOC.

Salt (NaCl) Salt is a multi purpose additive used as an accelerator from 1% to 6% BWOW, a bonding agent from 6% to 14%, a retarder from 14% to 26% BWOW.

Sugar Used to prevent the hydration of cement around BOP or in transports. It is also used as a cement retarder.

HOBBS, NM

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RISING STAR SERVICES		HOBBS, NM					
13 July 29, 2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT Job Type 5 1/2 CASING INSIDE OF 7 7/8 HOLE		Stephen W. Butts Office: (575) 391-0091 Fax: (575) 391-0094 Mobile: (575)-631-3151					
			Quantity	Unit	Unit Price	Amount	After Discount
Mileage Ch	arge						
	Deliver Pick-Up Charge		0	Mile	\$200.00	\$0.00	\$0.00
	Equipment Mileage		0	Mile	\$5.25	\$0.00	\$0.00
Casing Equ	lipment					-	
	Guide Shoe		0	Ea	\$0.00	\$0.00	\$0.00
	Texas Pattern Guide Shoe		0	Ea	\$0.00	\$0.00	\$0.00
	Texas Guide Shoe, Notched		0	Ea	\$0.00	\$0.00	\$0.00
	Float Shoe		0	Ea	\$640.00	\$0.00	\$0.00
	Baffle Plate		0	Ea	\$0.00	\$0.00	\$0.00
	Float Shoe, AFU		0	Ea	\$0.00	\$0.00	\$0.00
	Insert Float		0	Ea	\$0.00	\$0.00	\$0.00
	Insert Float, AFU		0	Ea	\$0.00	\$0.00	\$0.00
	Float Collar		0	Ea	\$790.00	\$0.00	\$0.00
	Top Wooden Plug		0	Ea	\$0.00	\$0.00	\$0.00
	Top Plugs Rubber 5	5 1/2	0	Ea	\$150.00	\$0.00	\$0.00
	Bottom Plug, Rubber		0	Ea	\$0.00	\$0.00	\$0.00
	Centralizers		0	Ea	\$85.00	\$0.00	\$0.00
	Cement Basket		0	Ea	\$0.00	\$0.00	\$0.00
	Stop Ring		0	Ea	\$35.00	\$0.00	\$0.00
	Thread		0	Ea	\$57.00	\$0.00	\$0.00

0%	Price Book Total Discount	\$0.00 \$0.00
	After Disc	\$0.00

Well data

General Information	Well data
Quoto No. 13	Hole size: 7 7/8
Job Type: 5 1/2 CASING INSIDE OF 7 7/8 HOLE	Casing size: 5 1/2
568 type. (Liner size:
Customer: CELERO ENERGY (T & S PETR. CONS.)	Liner Top:
Address	Sqz hole @
City	Perfs:
State.	Packer depth:
	Retainer depth:
Prone No.	Total depth: 3100
	Csg depth: 3100
Well nem e: ROCK QUEEN PROJECT	Tbg depth:
Weiß no.:	Tbg size:
Field:	DV tool depth:
County: CHAVEZ	Type of plug: TRP
State: NM	Size of plug: 5 1/2
Data: 7/29/2010	Pre-flush:
	Mud Weight:
Prepared for: DONNIE TIBBITTS	Sur/Int depth:
E-m all: d.tibbitts@t-sconsulting.com	Sur/Int csg size:
C.III: 325-647-6987	Sur/Int csg wgt:
F•x:	
Prepared by, Stephen W. Butts	Additional Additives
E-m all: sbutts@risingstarservices.com	
C•11: (575)-631-3151	Liquid KCI (gal)
	Sodium Silicate (gal)
Base Menager: Ken Snow	Mud Flush (gal)
Cett: (432) 556-1426	Salt Water Gel (sks)
	Lime (sks) Sugar (sks) 4
Service point: Hobbs, NM	Sugar (SKS)
Orrice: (575) 391-0091	CaCl2 (lbs)
F•x: (575) 391-0094	
Company Representative. DONNIE TIBBITTS	
Cent: 325-647-6987	
Salaaman: Stephen W. Butts	
C: (575)-631-3151	
Directions	

Directions

Special Job Instructions

Equipment Needed

Additional Materials and Notes