Form C-101 June 16, 2008

1301 W. Grand Avenue, Artesia, NM 88210 AUG 0 9 2010 District III

1000 Rio Brazos Road, Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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

| PLUGB A | ACK, O | R ADE | A ZONE | | | , | | | | |
|------------------------------|------------------|------------------------------------|---|-------------|----------------------------------|---------------------------|---|--------------------------|--------------------------------------|--|
| | | | ¹ Operator Name a CELERO ENER | GY II, LP | | | 247128 | ² OGRID Numbe | r | |
| | | 400 W. | Illinois, Suite 1601, | Midland, T. | X 79701 | | 30 - <i>OO</i> | ³ API Number | 47 | |
| ³ Prope | rty Code 3735 | 735 Property Name ROCK QUEEN UNIT | | | | | | B . | ⁶ Well No. 303 | |
| ⁹ Proposed Pool 1 | | | | | | | | | | |
| ⁷ Surface | Locatio | n | | | | | | | | |
| UL or lot no. H | Section 25 | Township 13 S | Range 31 E | Lot Idn | Feet from the 1880 | North/South line North | Feet from the 660' | East/West line East | County Chaves | |
| ⁸ Proposed | Bottom F | Iole Loca | tion If Different | From Sur | face | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| Additiona | al Well | Informa | tion | | | | | | | |
| _ | Type Code N | | ¹² Well Type Code O | | 13 Cable/Rotary R | 14 Lease Type Code | | ¹⁵ Grou | and Level Elevation 4383' | |
| | iultiple VO | | ¹⁷ Proposed Depth 3100' | | ¹⁸ Formation Queen | Į | ¹⁹ Contractor Union Drilling Inc. | | ²⁰ Spud Date 8/23/2010 | |
| ²¹ Propos | ed Casi | | Cement Progra | am | | | | | | |

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 11" | 8-5/8" | 24# | 350' | 135 | Surface |
| 7-7/8'' | 5-1/2" | 15.5# | 3100' | 160 | Surface |
| | | | | | |
| | | | | | |
| | | | | | |

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.

- 1. Prepare surface location. Move in and rig up drilling rig. Spud well. Install and test BOPs.
- 2. Drill 11" surface hole to a minimum depth of 350'. Set 8-5/8" casing and cement to surface.
- 3. Drill 7-7/8" production hole, 3100' TD. Evaluate logs to TD.
- 4. Set 5-1/2" to TD and cement to surface.
- 5. Place well on test.

Permit Expires 2 Years From Approval Date Unless Drilling Underway

| best of my knowledge and b | formation given above is true and complete to the elief. | OIL CONSERVATION DIVISION |
|------------------------------------|--|---|
| Signature: // whit // | 7. Vmman | Approved by: |
| Printed name: Vickie A. Inman | <u> </u> | Title: PETROLEUM ENGINEER |
| Title: Agent | | Approval Date: AUG 1 2 2010 Expiration Date: |
| E-mail Address: Vickie A. Inman | | CONDITION OF APPROVAL FOR APD'S |
| Date: 8/4/2010 | Phone: 432-682-4559 | "Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protects. |
| | | zones and shall immediately set in cement the water protection |

DISTRICT III

DISTRICT IV

State of New Mexico

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVEN Minerals & Natural Resources Conservation Division Minerals & Natural Resources Department

AUG 09 2014220 South St. Frances Dr.

Santa Fe, NM 87505

1000 Rio Brazos Rd., Aztec, NM 87410

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30-005- 29147 | Pool Code 8559 | CAPROCK: QUEEN | ne |
|----------------------|-------------------|----------------------------------|--------------------|
| Property Code 303735 | | Property Name K QUEEN UNIT | Well Number 303 |
| OGRID No. 247128 | | Operator Name ENERGY II, L.P. | Elevation 4383' |

Surface Location

| ſ | UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | Н | 25 | 13 S | 31 E | | 1880 | NORTH | 660 | EAST | CHAVES |

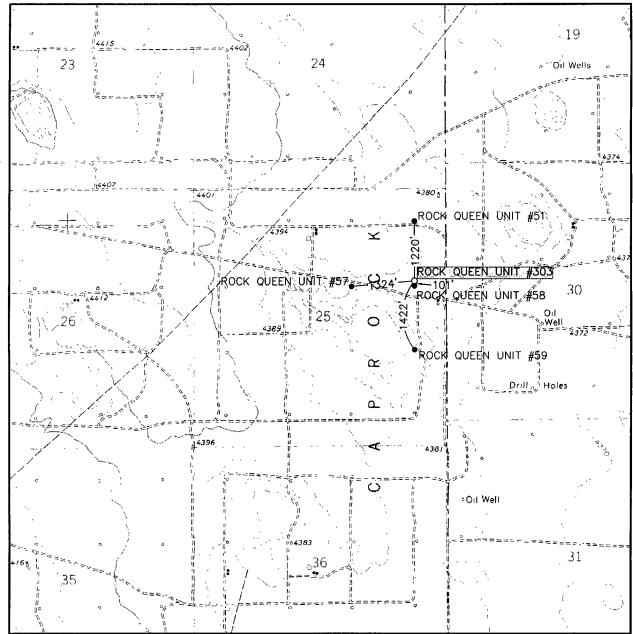
Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|----------|-------------|---------------|----------|---------------|------------------|---------------|----------------|--------|
| Dedicated Acres | Joint of | r Infill Co | nsolidation (| Code Oro | der 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

| | OPERATOR CERTIFICATION I hereby certify the 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 interestin the land including the proposed boltom hole locution 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. 84410 |
|--|--|
| | Signature Date Vickie A. Inman Printed Name AGENT |
| | Plane Coordinate X = 672,997.2 Y = 787,359.5 33° 09' 47.56"N 103° 46' 04 87"W SURVEYOR CERTIFICATION 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 supervison and that the same is true and correct to the best of my belief |
| - | July 23, 2010 Date of Survey LVA Signature & Seal of Professional Surveyor |
| NOTE: 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values. 2) Geodetic Coordinates shown hereon references the North American Datum of 1927, (Clarke Spheroid of 1866). Reference Stations — "ODESSA RRP2" — CORS (DF5393), "LUBBOCK RRP2" — CORS (DF5391) and "PORTALESAP NM 2005" — CORS (DF5391). | 12185 W.O. Num. 2010-0817 Certificate No. MACON McDoNALD 12185 |

OCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: CAUDILL RANCH - 10'

SEC. 25 TWP. 13-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 1880' FNL & 660' FEL

ELEVATION 4383'

OPERATOR CELERO ENERGY II, L.P.

LEASE ROCK QUEEN UNIT

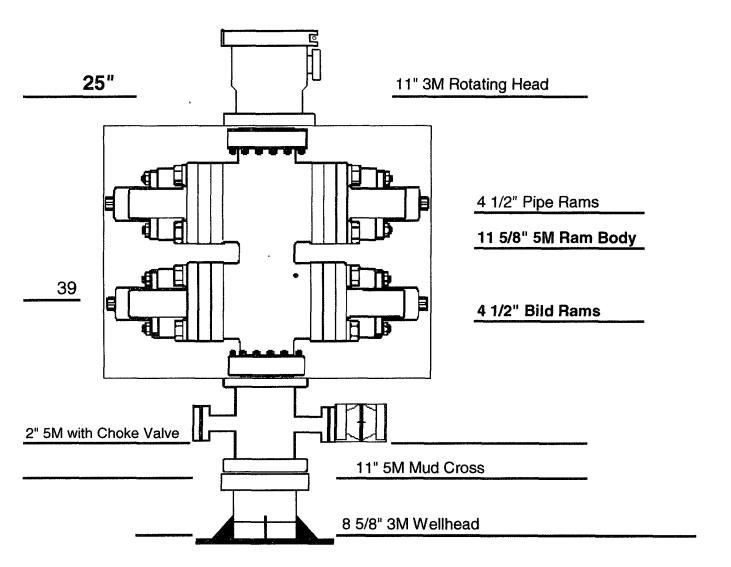
U.S.G.S. TOPOGRAPHIC MAP

CAUDILL RANCH





Length



Description

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
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, reservor 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 settimate of the actual results that may be activered and should be used for companson 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 assist un selecting.

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 notify the owner or owners of the well or wells accordingly.

Prices quoted 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.

hese services Freedom from infringement of patents of Rising Star Services or others is not to be inferred

HOBBS, NM

12

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

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

<u>Lead</u>

Density:

14.80 #/gal

Yield:

1.35 cu.ft/sk

Mixing Water: Total Water to Mix: 6.33 gal/sk 20.36 Bbls

Oldi Walei to Wil.

20.00 00

Slurry Volume:

32.37 Bbls

| | | | Directio | 110 | | |
|-------------|-------------|--------------|-----------------|------------|------------------------|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | A dalahan | I Materials and Notes | |
| Equip | ment Needed | | | Additiona | al Materials and Notes | |
| | | | | | | |
| | | | | | | |
| | | | Well Inform | ation | | |
| Hole Size | 11' | Total Depth | 350 | Hole @ | DV Tool @ | |
| Casing Size | 8 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 Ins | tructions | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

HOBBS, NM

12

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

| | Quantity | Unit | Unit Price | Amount | After Discount |
|-------------------------------------|----------|-------|--|------------|---------------------------|
| Depth Charge | Quantity | Oiiii | Omit i noc | - | Dioocuiii |
| 0-500', 4 hr minimum | 1 | Ea | \$2,117.00 | \$2,117.00 | \$1,164.35 |
| Job Monitoring | | | | - | |
| Data Acquisition | 1 | Job | \$1,000.00 | \$1,000.00 | \$550.00 |
| Mileage Charge | | | • | | |
| Equipment Mileage | 65 | Mile | \$6.75 | \$438.75 | \$241.31 |
| Pick-up Mileage Charge | 65 | Mile | \$5.25 | \$341.25 | \$187.69 |
| Cement Delivery Charge | | _ | * * * * * * * * * * * * * * * * * * * | | 4000.00 |
| Cement Delivery, Minimum | 1 | Ea | \$1,600.00 | \$1,600.00 | \$880.00 |
| Cement Blending | | | . | - | 4000 (0 |
| Cement Blending | 146 | Cuft | \$2.50 | \$363.96 | \$200.18 |
| Cementing Head | | | | | 4000.00 |
| Cementing Head with Manifold 8 5/8" | 1 | Job | \$600.00 | \$600.00 | \$330.00 |
| Miscellaneous Services | | | • | | |
| Enviormental Charge | 1 | Job | \$125.00 | \$125.00 | \$68.75 |
| Top Plugs Rubber | 1 | Hrs | \$250.00 | \$250.00 | \$137.50 |
| Cementing Materials | | | | *** | |
| Class "C" | 135 | Sks | \$20.00 | \$2,700.00 | \$1,485.00 |
| Calcium Chloride | 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 1 Discount | Total | \$11,024.71 \$4,961.12 |
| | | | After Disc | · | \$6,063.59 |

HOBBS, NM

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.

<u>Celloflake</u> Cellophane flakes used as lost circulation material.

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

R38 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

12

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

| | | Quantity | Unit | Unit Price | Amount | After Discount |
|---------------------------|-------|----------|------|------------|--------|-------------------|
| Mileage Charge | | ~~~, | • | | | 2.000 |
| Deliver Pick-Up Charge | | 0 | Mile | \$200.00 | \$0.00 | \$0.00 |
| Equipment Mileage | | 0 | Mile | \$5.25 | \$0.00 | \$0.00 |
| Casing Equipment | | | | | | |
| 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 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 |
| | | | | | | |

 Price Book Total
 \$0.00

 0% Discount
 \$0.00

 After Disc
 \$0.00

General Information Well data Quote No. 12 Hole size: 11' Jab Type: 8 5/8 CASING INSIDE 11' HOLE Casing size: 8 5/8 Liner size: Customer. CELERO ENERGY (T & S PETR. CONS.) Liner Top: Sqz hole @ Address City Perfs: State: Packer depth: Retainer depth: Zip code Total depth: 350 Prene No. Csg depth: 350 Well neme: ROCK QUEEN PROJECT Tbg depth: Well no. Tbg size: DV tool depth: Field: County: CHAVEZ
State. NM Type of plug: TRP Size of plug: 8 5/8 Pre-flush: Deta. 7/29/2010 Mud Weight: Propered for: DONNIE TIBBITTS Sur/Int depth: E-m att: d.tibbitts@t-sconsulting.com Sur/Int csg size: С.н: 325-647-6987 Sur/Int csg wgt: Fax: Prepared by: Stephen W. Butts **Additional Additives** E-m all: sbutts@risingstarservices.com Cen: (575)-631-3151 Liquid KCI (gal) Sodium Silicate (gal) B... Manager: Ken Snow Mud Flush (gal) Cen: (432) 556-1426 Salt Water Gel (sks) Lime (sks) Service point: Hobbs, NM Sugar (sks) Omes: (575) 391-0091 SAPP (lbs) Fex: (575) 391-0094 CaCl2 (lbs) Company Representative: DONNIE TIBBITTS C. ... 325-647-6987 Salaaman: Stephen W. Butts C•II: (575)-631-3151 Directions Special Job Instructions

Additional Materials and Notes

Equipment Needed



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

Distainmer 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 unknown 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 actual results that may be exclived and shotle used for companson 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 assist in selecting.
The Operator has superior knowledge of the well, the reservoir, the field and conditions affecting their 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 notify the owner or owners of the well or wells accordingly.

Prices 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 infringement of patents of Rising Star Services or others is not to be inferred.

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 Cell: (575)-631-3151

Sacks

Cement and Additives

Lead 250 sks

CLASS C 50/50 + 10% BENTONITE + 0.25% R-38 + 5% SALT (BWOW)

25% Excess

Tail 70 sks

CLASS C 50/50 + 2% BENTONITE + 0.25% R-38 + 5% SALT (BWOW)

25% Excess

<u>Lead</u>

<u>Tail</u>

Density:

12.00 #/gal

14.20 #/gal

Yield:

2.30 cu.ft/sk 13.01 gal/sk 1.30 cu.ft/sk

Mixing Water:

77.46 Bbis

5.91 gal/sk 9.85 Bbis

Total Water to Mix: Slurry Volume:

102.46 Bbls

16.15 Bbls

| Total Sacks: | 320 | Total Ft ³ | 665.99 | Total H2O: | 87.31 | | |
|------------------------|----------------|---------------------------|--------------|-------------------------------|----------------|------------------------------|---------------------------------------|
| | | | Direction | is | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Equip | ment Neede | a 1 | | Additions | al Materials a | and Naton | |
| Equip | IIIOIIL MOODO | <u> </u> | | Additions | i Mareilais a | III NOTES | |
| | | | | | | | |
| | | | | | | | |
| | | į | | | | | |
| | | | Well Informa | ation | | | · · · · · · · · · · · · · · · · · · · |
| Hole Size | 7 7/8 | Total Depth | | ation Hole @ | | DV Tool @ | • |
| Hole Size Casing Size | 7 7/8 5 1/2 | Total Depth | 3100 | | | DV Tool @ | TRF |
| | | | 3100 | Hole @ | | | TRF 5 1/2 |
| Casing Size | | Casing Depth | 3100 | Hole @ Perfs @ Packer @ | | Type of Plug | |
| Casing Size Liner Size | | Casing Depth Tubing Depth | 3100 | Hole @ Perfs @ | | Type of Plug Size of Plug | |

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

After Disc

\$8,867.67

| | | Quantity | Unit | Unit Price | Amount | After Discount |
|---------------|-------------------------------------|----------|------|--------------|------------|-------------------|
| Depth Charge | 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 | ge | | | | p | |
| - | 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 | ead | | | | | |
| | 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 | aterials | | | | | |
| | 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 |
| | | | | Price Book 1 | Total | \$16,731.45 |
| | | | 47% | Discount | | \$7,863.78 |

HOBBS, NM

13

7/29/2010 CELERO ENERGY (T & S PETR. CONS.) ROCK QUEEN PROJECT

Job Type 5 1/2 C

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

Class C 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.

<u>Defoamer</u> 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.

R38 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

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 Charge | | | | | ** | |
| Deliver Pick-Up Charge | | 0 | Mile | \$200.00 | \$0.00 | \$0.00 |
| Equipment Mileage | | 0 | Mile | \$5.25 | \$0.00 | \$0.00 |
| Casing Equipment | | | | | | |
| 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 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 |
| | | | | Price Book 1 | -otal | \$0.00 |
| | | | 0% | Discount | | \$0.00 |
| | | | | After Disc | | \$0.00 |

Well data **General Information** 7 7/8 Hole size: Quote No. 13 5 1/2 Job Type: 5 1/2 CASING INSIDE OF 7 7/8 HOLE Casing size: Liner size: Liner Top: Customer: CELERO ENERGY (T & S PETR. CONS.) Sqz hole @ Address Perfs: City: Packer depth: State Retainer depth: 3100 Total depth: Prone No. Csg depth: 3100 Tbg depth: **ROCK QUEEN PROJECT** Wall name: Tbg size: Well no. DV tool depth: Field TRP Type of plug: County: CHAVEZ Size of plug: 5 1/2 State: NM Pre-flush: Data: 7/29/2010 Mud Weight: Sur/Int depth: Prepared for: DONNIE TIBBITTS Sur/Int csg size: E-m ess: d.tibbitts@t-sconsulting.com Sur/int csg wgt: Сы: 325-647-6987 Fax: **Additional Additives** Prepared by. Stephen W. Butts E-m all: sbutts@risingstarservices.com Liquid KCI (gal) C.II. (575)-631-3151 Sodium Silicate (gal) Mud Flush (gal) B... Manager: Ken Snow Salt Water Gel (sks) Сен: (432) 556-1426 Lime (sks) Sugar (sks) Service point: Hobbs, NM Ome a: (575) 391-0091 SAPP (lbs) CaCl2 (lbs) Fex: (575) 391-0094 Company Representative: DONNIE TIBBITTS Сън: 325-647-6987 Salesman: Stephen W. Butts Con: (575)-631-3151 Directions

| Special Job Instructions | | |
|--------------------------|------|--|
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| Equipment Needed | Additional Materials and Notes | |
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