

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

June 16, 2008

RECEIVED

OCT 04 2010

HOBBSOCD

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORTAPPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CELERO ENERGY II, LP 400 W. Illinois, Suite 1601, Midland, TX 79701		² OGRID Number 247128
³ Property Code 303735	⁵ Property Name ROCK QUEEN UNIT	³ API Number 30-005-29154
⁹ Proposed Pool 1 CAPROCK: QUEEN		⁶ Well No. 309
⁹ Proposed Pool 1 CAPROCK: QUEEN		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. P	Section 23	Township 13 S	Range 31 E	Lot Idn	Feet from the 660	North/South line S North	Feet from the 510	East/West line East	County Chaves
--------------------	---------------	------------------	---------------	---------	----------------------	-----------------------------	----------------------	------------------------	------------------

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/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4405'
¹⁶ Multiple N	¹⁷ Proposed Depth 3100'	¹⁸ Formation Queen	¹⁹ Contractor Union Drilling Inc.	²⁰ Spud Date 9/30/2010

²¹ Proposed Casing and Cement Program

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'	680	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. Install riser and bell nipple. Spud well.
2. Drill 11" surface hole to a minimum depth of 350'. Set 8-5/8" casing and cement to surface. Install and test BOP's.
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**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:
Vickie A. Inman

Title:
Agent

E-mail Address:
Vickie A. Inman

Date:
9/22/2010

Phone:
432-682-4559

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

OCT 06 2010

Expiration Date:

CONDITION OF APPROVAL FOR APD'S

"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 protection string"

GTX

RECEIVED

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

OCT 04 2010

HOBBSUCD

CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-29154	Pool Code 8559	Pool Name CAPROCK: QUEEN
Property Code 303735	Property Name ROCK QUEEN UNIT	Well Number 309
OGRID No 247128	Operator Name CELERO ENERGY II LP	Elevation 4405'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	13-S	31-E		660	SOUTH	510	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/EAST line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Vickie A. Inman 9/22/10
Signature Date
Vickie A. Inman
Printed Name Agent

SURVEYOR CERTIFICATION

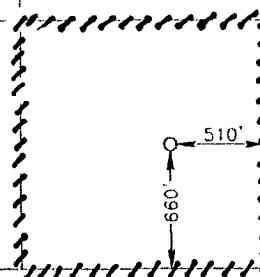
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEAL OF THE STATE OF NEW MEXICO
Date Surveyed
Signature of Registered Professional Surveyor
RONALD J. EIDSON 3239
9/24/2010
Certificate Number: 12641
RONALD J. EIDSON 3239

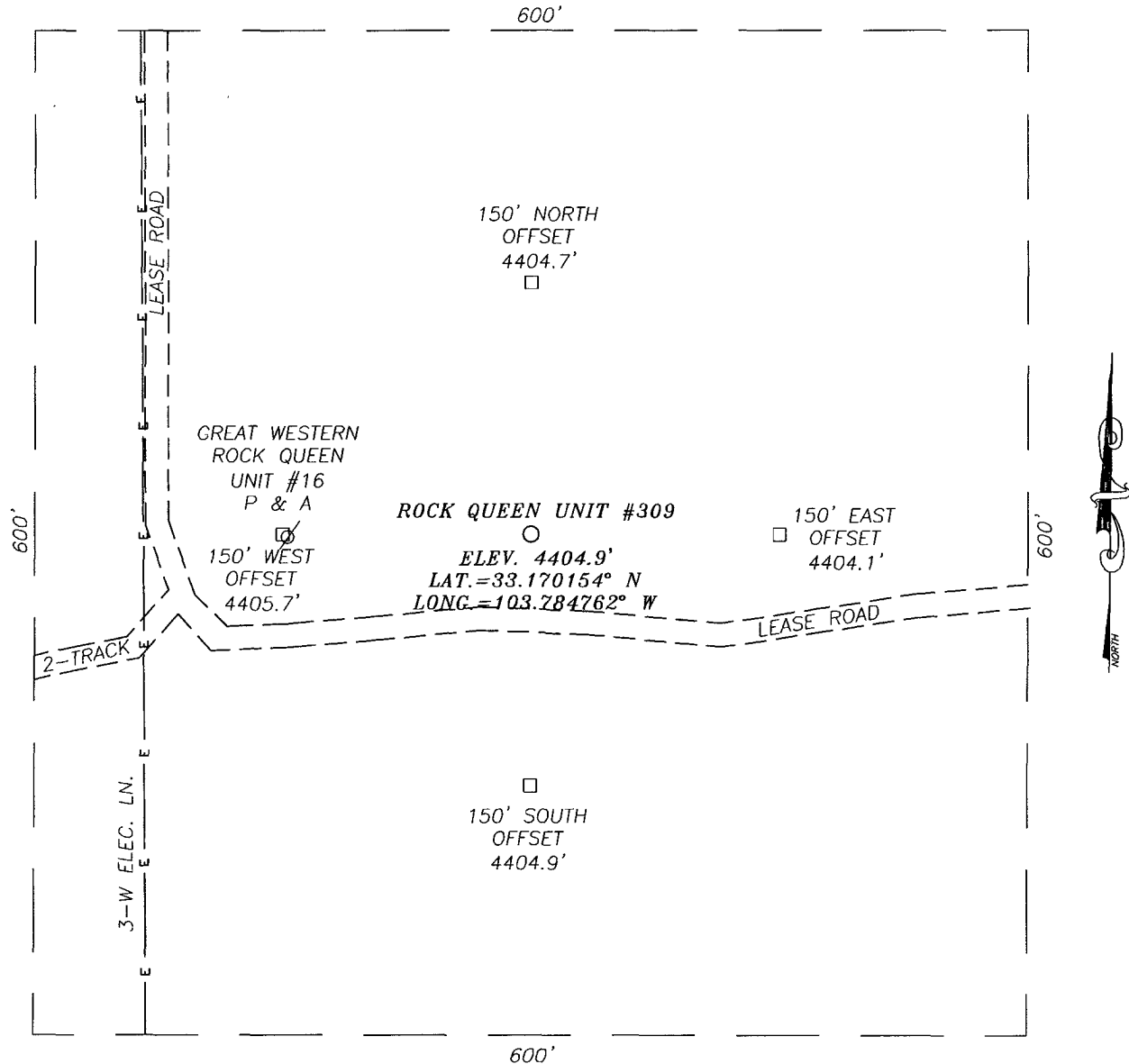
GEODETIC COORDINATES
NAD 27 NME

Y=789857.9 N
X=667860.4 E

LAT = 33 17 01.54" N
LONG = 103 78 47.62" W

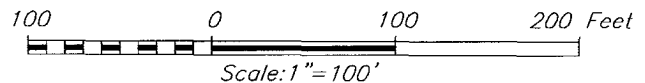


SECTION 23, TOWNSHIP 13 SOUTH, RANGE 31 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HWY. #172 & PRISCILLA ROAD, GO SOUTH ON ST. HWY. #172 APPROX. 2.9 MILES. GO EAST APPROX. 0.9 MILES. THE LOCATION IS APPROX. 50' NORTH.



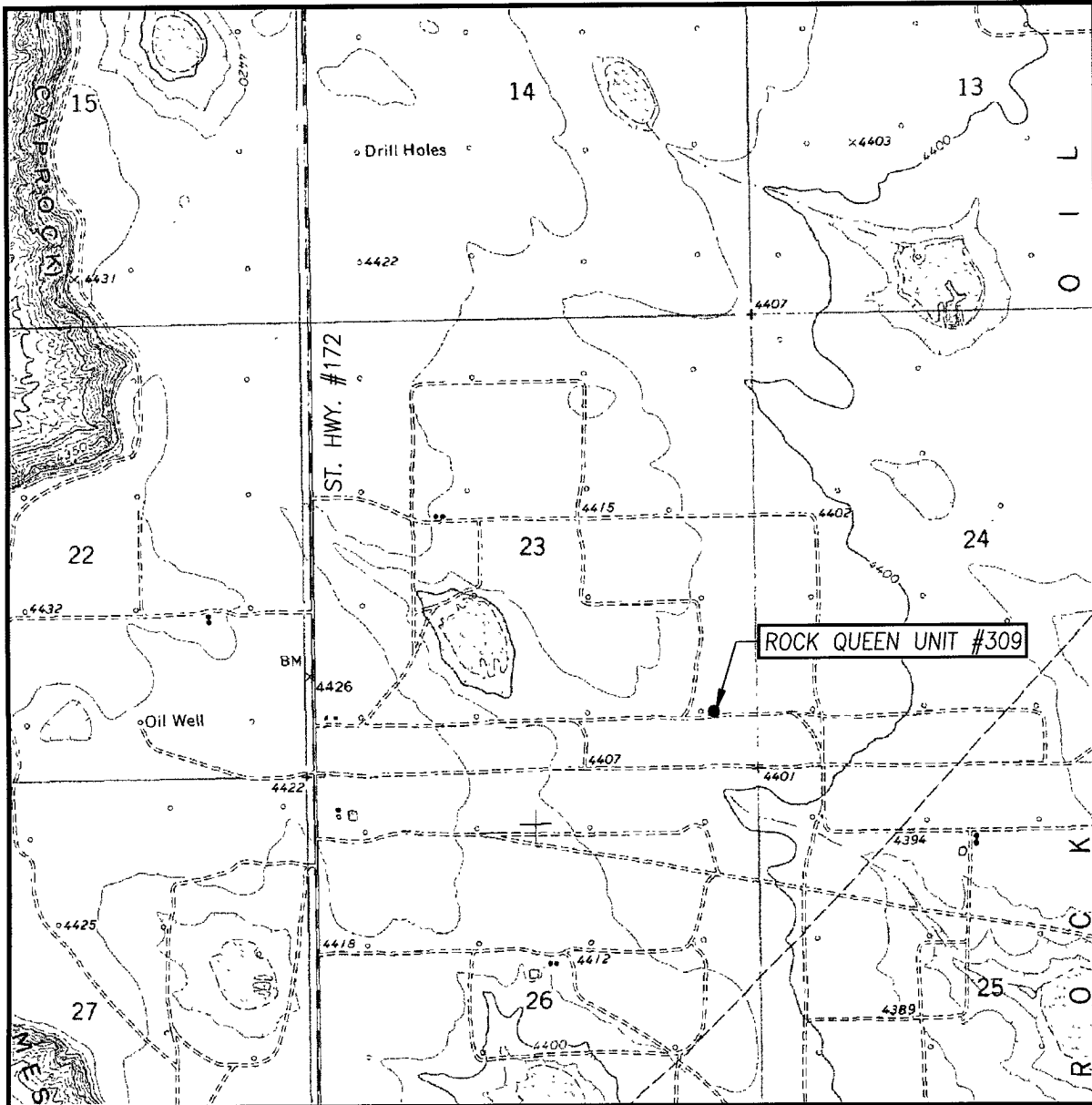
CELERO ENERGY II LP

ROCK QUEEN UNIT #309 WELL
 LOCATED 660 FEET FROM THE SOUTH LINE
 AND 510 FEET FROM THE EAST LINE OF SECTION 23,
 TOWNSHIP 13 SOUTH, RANGE 31 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

Survey Date: 9/2/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1308	Dr By: LA
Date: 9/10/10	10111308
	Scale: 1"=100'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
CAUDILL RANCH, N.M. - 10'

SEC. 23 TWP. 13-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

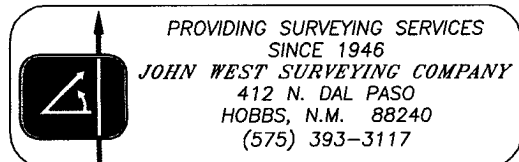
DESCRIPTION 660' FSL & 510' FEL

ELEVATION 4405'

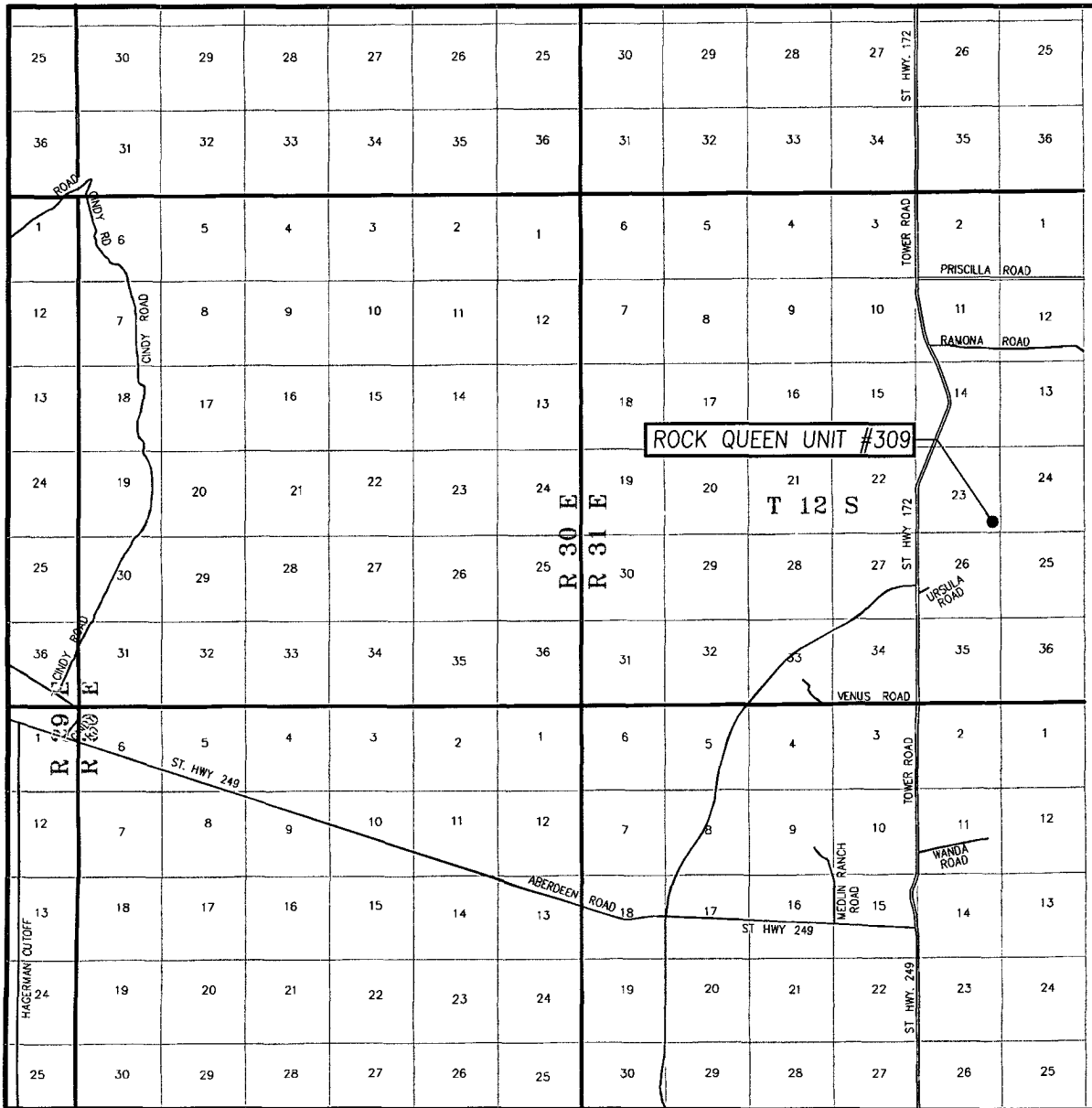
OPERATOR CELERO ENERGY II LP

LEASE ROCK QUEEN UNIT

U.S.G.S. TOPOGRAPHIC MAP
CAUDILL RANCH, N.M.



VICINITY MAP



SCALE - 1"=2 MILES

SEC. 23 TWP. 13-S RGE. 31-E

SURVEY N.M.P.M.

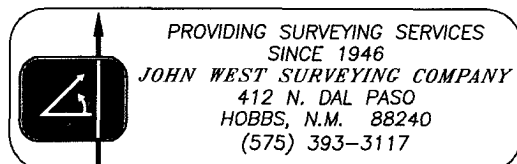
COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 660' FSL & 510' FEL

ELEVATION 4405'

OPERATOR CELERO ENERGY II LP

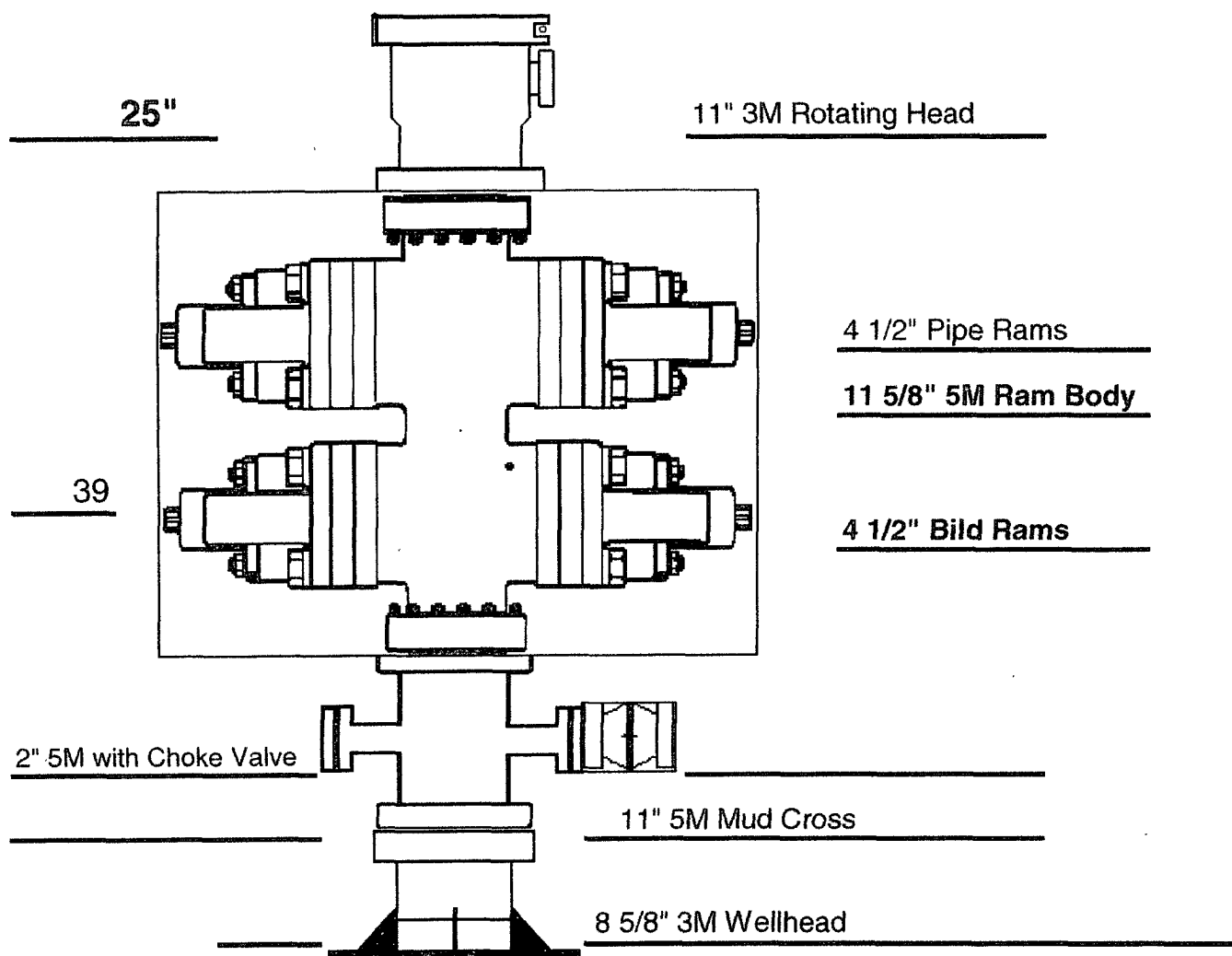
LEASE ROCK QUEEN UNIT



UDI RIG 201 Surface - BOP

Length

Description



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

8/1/2010

July 29, 2010
CELERO ENERGY
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

Lead 545 sks

175% Excess

Tall 135 sks

100% Excess

CEMENT AND ADDITIVES

Class C 50/50 + 10% Bentonite + 0.25% R-38 + 5% Salt (BWOW)

Class C 50/50 + 2% Bentonite + 0.25% R-38 + 5% Salt (BWOW)

	<u>Lead</u>	<u>Tall</u>
Density:	12.00 #/gal.	14.20 #/gal.
Yield:	2.30 cu.ft/sk	1.30 cu.ft/sk
Mixing Water:	13.01 gal/sk	5.91 gal/sk
Total Water Mix:	77.46 Bbls	9.85 Bbls
Slurry Volume:	102.46 Bbls	16.15 Bbls

Total Sacks: 680

Total Ft3: 1429

Total H2O: 187.8 Bbls

Hole Size: 7 7/8"

Total Depth: 3100'

Casing Size: 5 1/2"

Casing Depth: 3100'

Type of Plug: TRP

Size of Plug: 5 1/2"

July 29, 2010
CELERO ENERGY
ROCK QUEEN PROJECT
Job Type: 8 5/8" CASING INSIDE OF 11" HOLE

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

SACKS

Lead 135 sks

100% Excess

CEMENT AND ADDITIVES

Class C + 2% CACL2 + 0.125# Cello-flake + 0.25% R-38

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

Total Sacks:	135	Total Ft3:	181.78	Total H2O:	20.36 Bbls
--------------	-----	------------	--------	------------	------------

Hole Size:	11"	Total Depth:	350'
------------	-----	--------------	------

Casing Size:	8 5/8"	Casing Depth:	350'	Type of Plug:	TRP
				Size of Plug:	8 5/8"