

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

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED  
OCT 08 2010  
HOBBSDO

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,  
PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address CELERO ENERGY II, LP 400 W. Illinois, Suite 1601, Midland, TX 79701		<sup>2</sup> OGRID Number 247128
<sup>3</sup> Property Code 303737	<sup>5</sup> Property Name WEST CAP QUEEN SAND UNIT	<sup>3</sup> API Number 30 - 005 - 29157 <sup>6</sup> Well No. 701
<sup>9</sup> Proposed Pool 1 CAPROCK: QUEEN		<sup>10</sup> Proposed Pool 2

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	17	14S	31 E		1425	South	1392	East	Chaves

**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**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4112'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 3100'	<sup>18</sup> Formation Queen	<sup>19</sup> Contractor Union Drilling Inc.	<sup>20</sup> Spud Date 10/8/2010

**Proposed Casing and Cement Program**

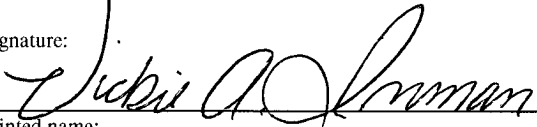
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	350'	135	Surface
7-7/8"	5-1/2"	15.5#	3100'	680	Surface

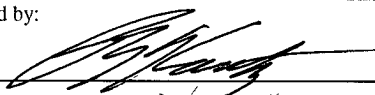
<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

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 & 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**

<sup>23</sup> 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: 10/7/2010  
Phone: 432-682-4559

OIL CONSERVATION DIVISION	
Approved by: 	
Title: PETROLEUM ENGINEER	
Approval Date: 10/12/10	Expiration Date:
<b>CONDITION OF APPROVAL FOR APD'S</b> "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"	

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL 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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-005-29157</b>	Pool Code <b>8559</b>	Pool Name <b>CAPROCK: QUEEN</b>
Property Code <b>303737</b>	Property Name <b>WEST CAP QUEEN SAND UNIT</b>	Well Number <b>701</b>
OGRID No. <b>247128</b>	Operator Name <b>CELERO ENERGY II LP</b>	Elevation <b>4113'</b>

Surface Location

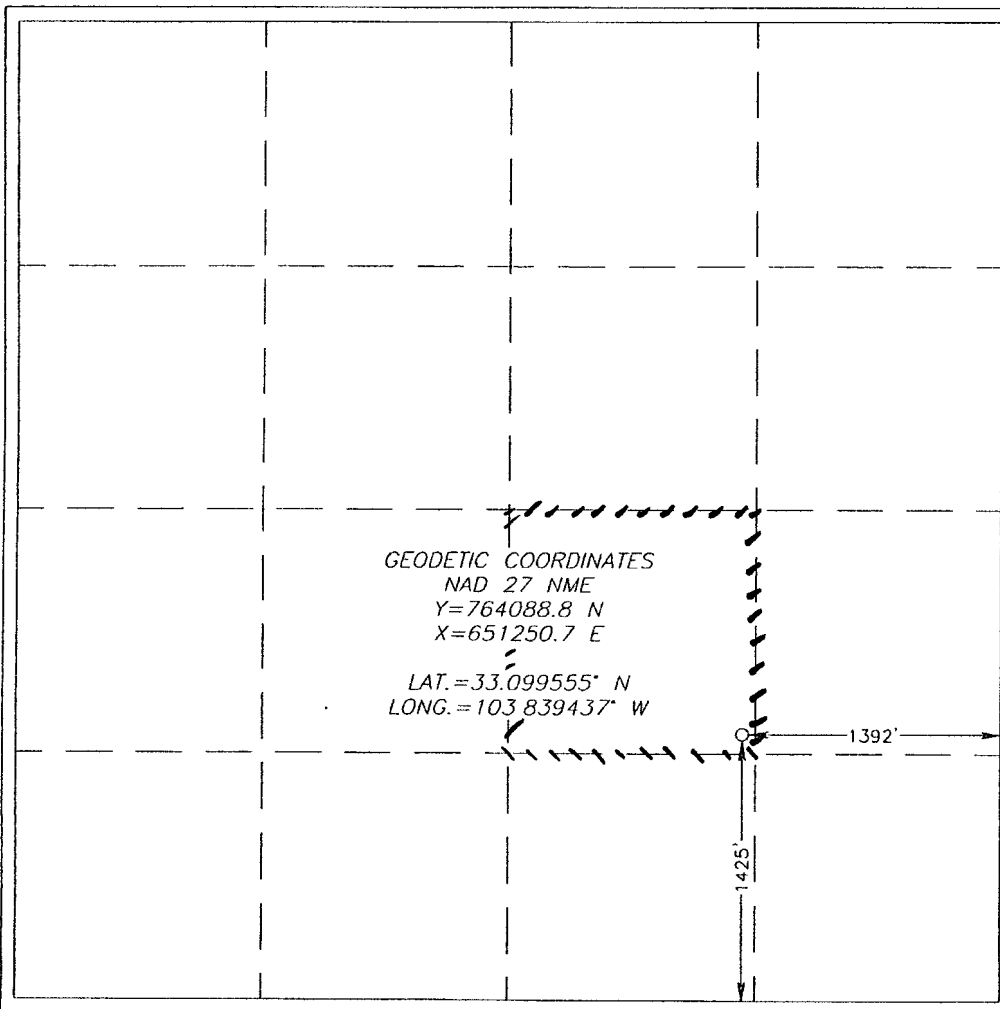
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	17	14-S	31-E		1425	SOUTH	1392	EAST	CHAVES

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 or Infill	Consolidation Code	Order No.
<b>40</b>			

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

 <p>GEODETIC COORDINATES NAD 27 NME Y=764088.8 N X=651250.7 E LAT.=33.099555° N LONG.=103.839437° W</p> <p>1392'</p> <p>1425'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Vickie A. Inman</i> 10/7/10 Signature Date <i>Vickie A. Inman</i> Printed Name Agent</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><i>Ronald J. Eidson</i> 07/29/2010 Date Surveyed Signature &amp; Seal of Professional Surveyor RONALD J. EIDSON NO. J. 0996</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>
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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

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**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><b>Lead</b></u>	<u><b>Tall</b></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

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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

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**SACKS**


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**CEMENT AND ADDITIVES**

Lead 135 sks

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

100% Excess

**Lead**

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

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Total Sacks: 135	Total Ft3: 181.78	Total H2O: 20.36 Bbls
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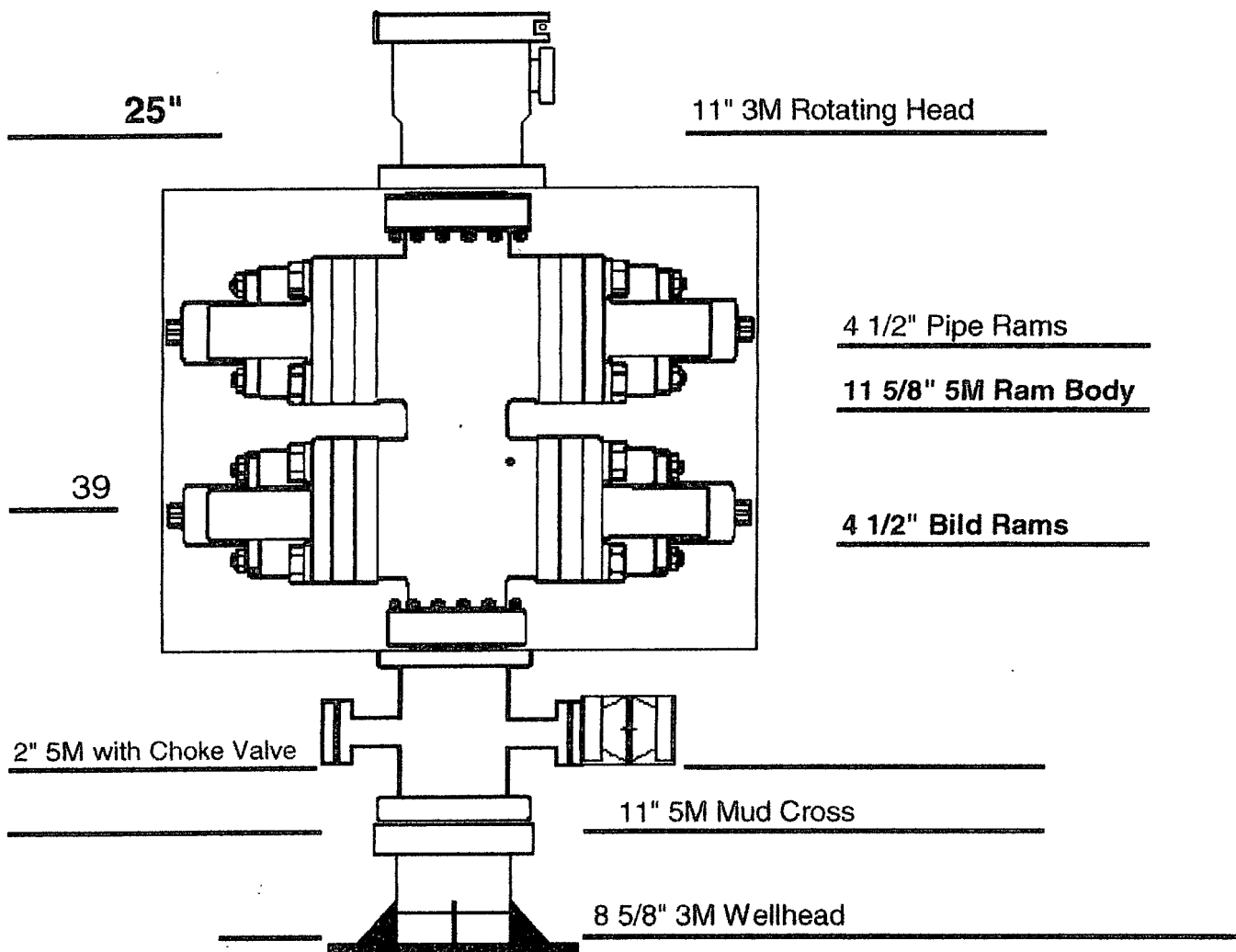
Hole Size: 11"	Total Depth: 350'
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Casing Size: 8 5/8"	Casing Depth: 350'	Type of Plug: TRP
		Size of Plug: 8 5/8"

# UDI RIG 201 Surface - BOP

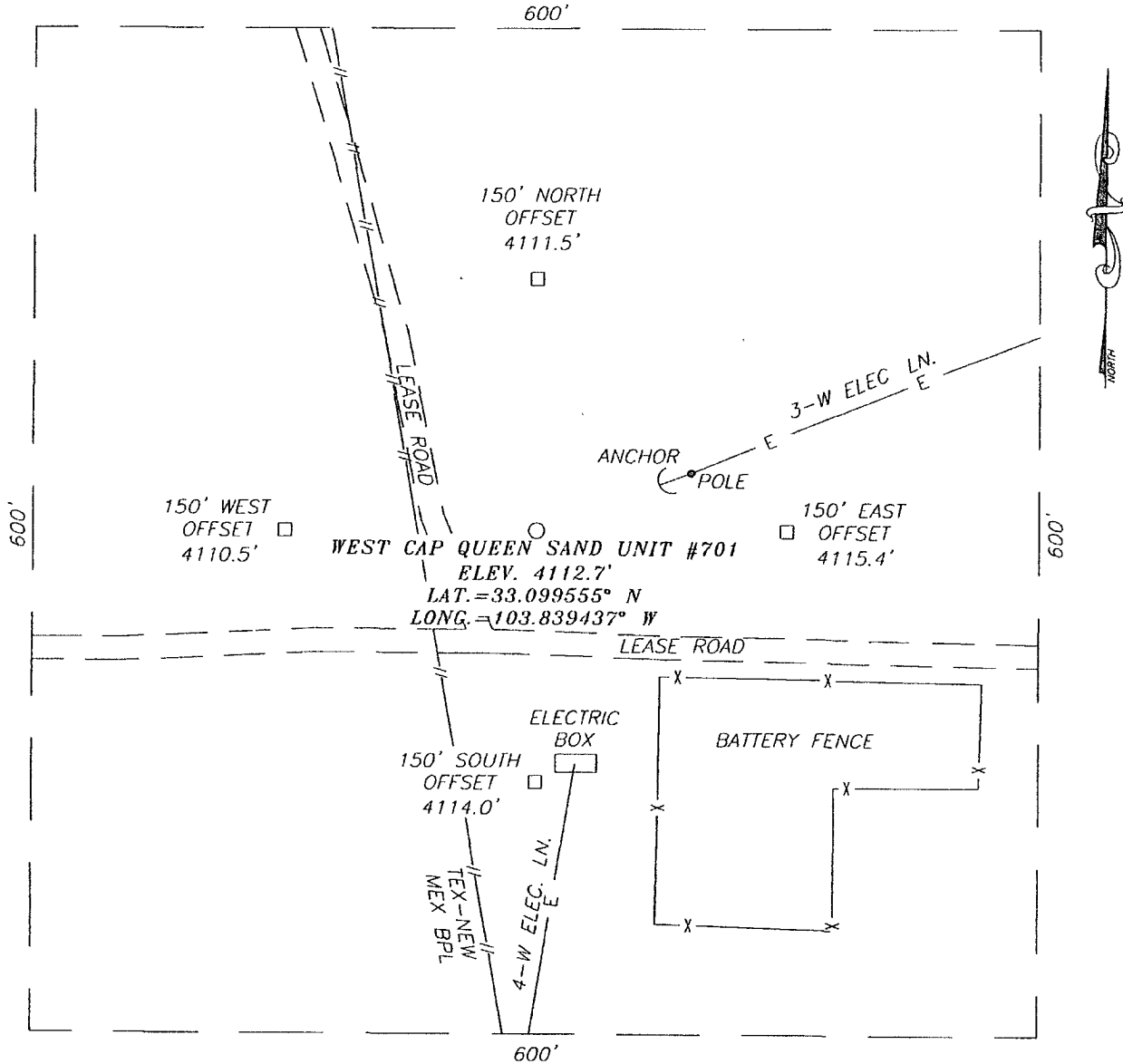
Length

Description



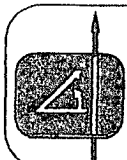
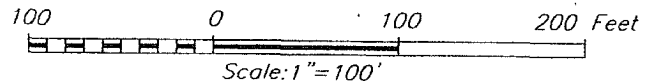
There is a 4" valve out of the mud cross flowing to gas buster

**SECTION 17, TOWNSHIP 14 SOUTH, RANGE 31 EAST, N.M.P.M.,**  
 CHAVES COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF ST. HWY #249 AND ST. HWY #172, GO NORTH ON ST. HWY. #172 APPROX. 6.0 MILES. TURN LEFT AND GO WEST APPROX. 1.7 MILES TO A "Y" INTERSECTION. TURN LEFT AND GO SOUTHWEST APPROX. 0.3 MILES TO A "Y" INTERSECTION. TURN RIGHT AND GO APPROX. 0.1 MILE. GO SOUTHWEST APPROX. 0.4 MILES. GO SOUTH APPROX. 0.1 MILES. TURN WEST AND GO APPROX. 0.4 MILES. THE LOCATION STAKE IS APPROX. 60 FEET NORTH.



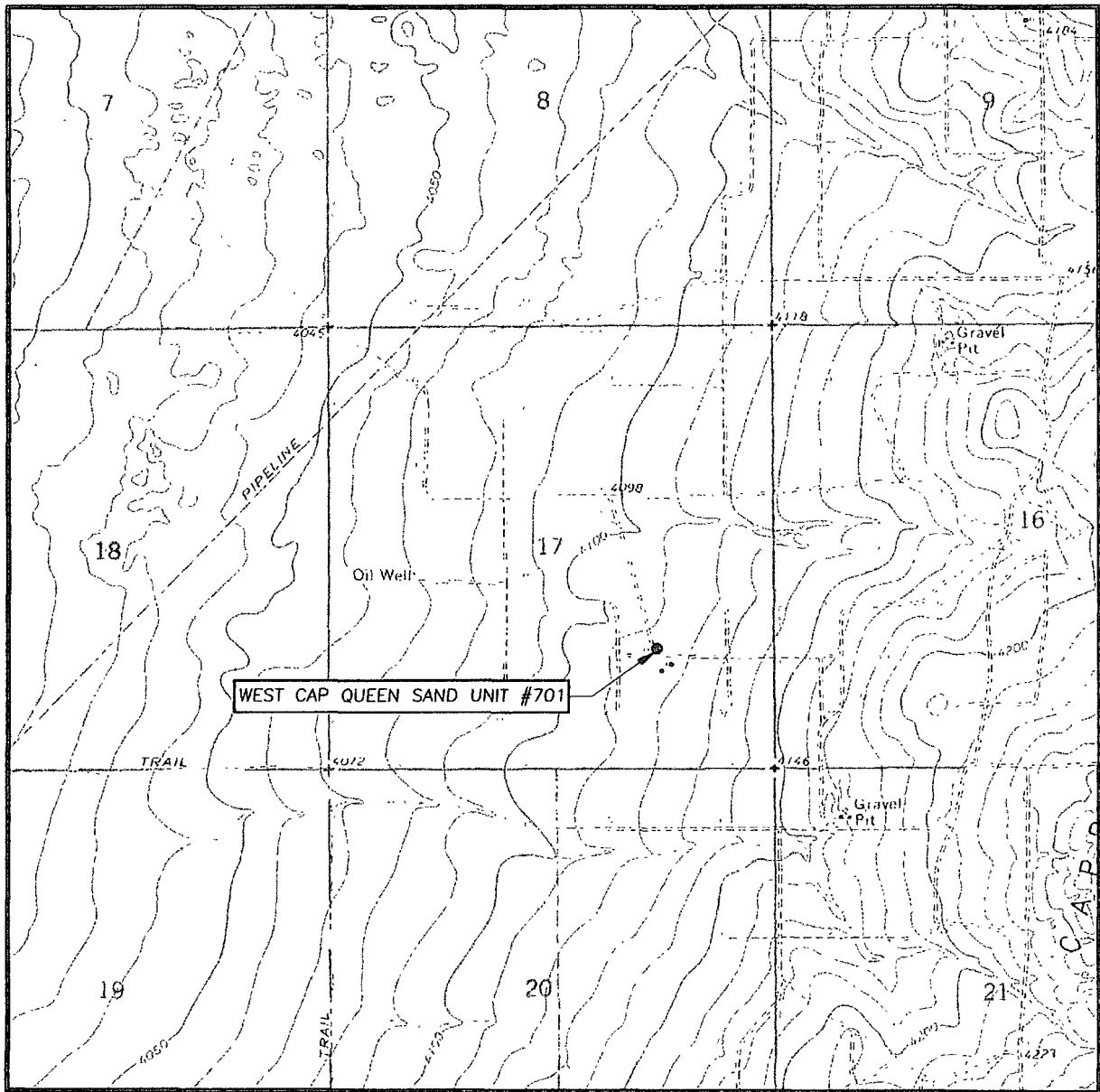
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

**CELERO ENERGY II LP**

WEST CAP QUEEN SAND UNIT #701 WELL  
 LOCATED 1425 FEET FROM THE SOUTH LINE  
 AND 1392 FEET FROM THE EAST LINE OF SECTION 17,  
 TOWNSHIP 14 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 7/20/10	Sheet 1 of 1 Sheets
W.O Number: 10.11.0996	Dr By: LA
Date: 7/28/10	10110996
	Scale: 1"=100'

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
CEDAR POINT SE, N.M. - 10'

SEC. 17 TWP. 14-S RGE. 31-E

SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1425' FSL & 1392' FEL

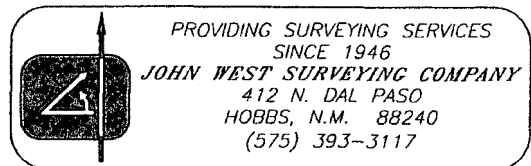
ELEVATION 4113'

OPERATOR CELERO ENERGY II LP

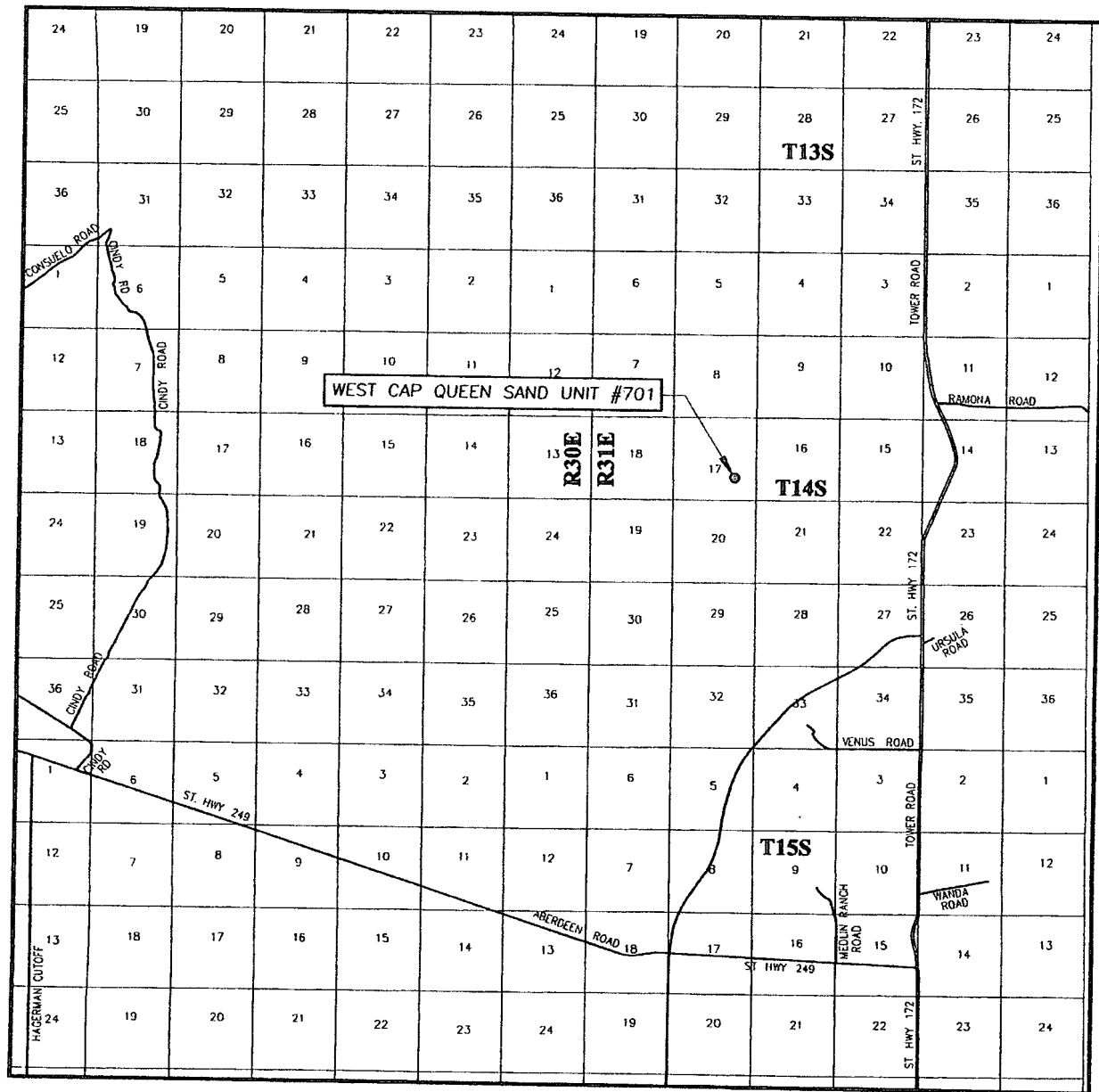
LEASE WEST CAP QUEEN SAND UNIT

U.S.G.S. TOPOGRAPHIC MAP

CEDAR POINT SE, N.M.



# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 14-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1425' FSL & 1392' FEL

ELEVATION 4113'

OPERATOR CELERO ENERGY II LP

LEASE WEST CAP QUEEN SAND UNIT

