

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2009

RECEIVED**DEC 18 2010****HOBBSOCD**OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-005-01100
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name West Cap Queen Sand Unit	
8. Well Number	10
9. OGRID Number	247128
10. Pool name or Wildcat Caprock; Queen	

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 ☒ Gas Well ☐ Other ☐2. Name of Operator
Celero Energy II, LP3. Address of Operator 400 W. Illinois, Ste. 1601
Midland, TX 797014. Well Location
Unit Letter O : 660 feet from the S line and 1980 feet from the E line
Section 17 Township 14S Range 31E NMPM County Chaves11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4118' GL

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: Convert to injector ☒OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1) POOH with production equipment.
- 2) Make a bit/scraper run to TD.
- 3) Run CIL. Run packer and test casing.
- 4) Run composite plug. Run and cement 4" casing to surface.
- 5) Drill out 4" to TD.
- 6) Run packer and injection tubing and MIT.
- 7) Place well on injection per NMOCD admin. Order WFX-872.

**Condition of Approval : Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart**

**Per Underground Injection Control Program Manual
11.6.C Packer shall be set within or less than 100
feet of the uppermost injection perfs or open hole.**

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 11/18/2010

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE

STAFF MGR

DATE 11-18-10

Conditions of Approval (if any):

CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: West Cap Queen Sand Unit
COUNTY: Chaves

DATE: Nov. 16, 2010
BY: MWM
WELL: 10
STATE: New Mexico

Location: 660' FSL & 1980' FEL, Sec 17(O), T14S, R31ECM

SPUD: 7/56 COMP: 7/56

CURRENT STATUS: Producer

Original Well Name: State Z #4 (Tidewater Assoc. Oil Co.)

KB = 4120'

GL = 4118'

API = 30-005-01100

12-1/4" hole
8-5/8" 22.7# @ 212'
cmt'd. w/ 150 sx cmt. TOC @ surface (calc).
7-7/8" hole

Top Anhy @ 1080'

Top Salt @ 1165'

Top Yates @ 1975'

2-3/8" 4.7#/ft J-55 production tubing (87 jts)

TOC @ 1560'-calc'd w/enlargement = 12%, yld=1.26 ft3/sk

Top of Queen @ 2735':
Queen: 2760' - 2770' (7-56)

5-1/2" 14# @ 2778'
cmt'd. w/ 250 sx (DNC)

TD=2780'

Well History: **West Cap Queen Sand Unit #10**

8/55 - D&C: Spot 250 Gals acid; frac with 10000 GCO & 10000 lbs sand. IP at 127 BOPD, 0-BWPD.

6/60-Restim: Frac with 1000 gals NE acid, 20000 gals GCO & 30000 lbs sand. 27+ BPM, 2400 psi. ISIP = 1800 psi.

6/08-Restim: Replaced 4' of 8-5/8" & 5-1/2". P-test and locate hole(s) at 196'-221'. Cement down 5-1/2" with 200 sx CI C, 1.5 BPM, 215#--did not circulate cement on annulus. D-O and fell out of cement at 230'. Failed to P-test. Pump 150 sx CI C down 5-1/2" at 1.2 BPM, 230#. Tag at 169', D-O and fell out of cement at 230'. Pull RBP, treat down tubing w/24 bbls xylene at 3 BPM, 772#. Swab down to 2600' and recovered 91 BW in 8-1/2 hours. Swab 2nd day-recovered 34 bbls at 1% oil cut. Frac with 17500 gals GW, 19000 lbs 20/40 Brady & 9000 lbs R-C sand at 15 BPM, 2319 psi, ISIP=1833 psi. SION--ran pump & rods.

Well History: **West Cap Queen Sand Unit #10**

(7-56) - Initial Completion: Orig comp thru perms 2760' - 2770'. Treated perms w/ 250 gals mud acid wash, 10,000 gals control-frac and 10,000 # sand. Flushed w/ LSE crude. IP: 84 BOPD.

(08-08) - Workover: TOOH w/ rods, pump, and 2 3/8" production tubing. Replaced wellhead. CO well to TD @ 2780' (6' of fill). Acidized Queen interval (2760' - 2770') w/ 500 gal toluene, 2500 gal 80/20 mixture of 7 1/2% NEFE acid and toluene, and 1000# rock salt @ 5 BPM and 2039 - 2200 psi STP. Swabbed load back. Ran 2 3/8" 4.7# J-55 production tubing and BHA. Returned well to production.