

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

Submit to appropriate District Office

☐ AMENDED REPORT

RECEIVED  
NOV  
DEC 19 2010  
HOBBS CO

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 303235	<sup>5</sup> Property Name ROCK QUEEN UNIT	<sup>3</sup> API Number 30 - 005 - 29159
<sup>9</sup> Proposed Pool 1 CAPROCK: QUEEN		<sup>6</sup> Well No. 701
<sup>9</sup> Proposed Pool 1 CAPROCK: QUEEN		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no. D	Section 36	Township 13 S	Range 31 E	Lot Idn	Feet from the 100	North/South line North	Feet from the 1320	East/West line West	County Chaves
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<sup>8</sup> 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
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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 4393'
<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 11/30/2010

<sup>21</sup> 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:  
11/16/2010

Phone:  
432-682-4559

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

NOV 23 2010

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION  
1220 South St. Frances Dr.  
Santa Fe, NM 87505

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code <b>8559</b>	Pool Name <b>CAPROCK: QUEEN</b>
Property Code <b>303735</b>	Property Name <b>ROCK QUEEN UNIT</b>	Well Number <b>701</b>
OGRID No. <b>247128</b>	Operator Name <b>CELERO ENERGY II, L.P.</b>	Elevation <b>4393'</b>

Surface Location

UL or lot No. <b>C</b>	Section <b>36</b>	Township <b>13 S</b>	Range <b>31 E</b>	Lot Idn	Feet from the <b>100</b>	North/South line <b>NORTH</b>	Feet from the <b>1320</b>	East/West line <b>WEST</b>	County <b>CHAVES</b>
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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 <b>40</b>	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

<div>1320'</div> <div>100'</div> <div>Plane Coordinate X = 669,719.8 Y = 783,831.5 33° 09' 12.83"N 103° 46' 43.64"W</div>	<div>OPERATOR CERTIFICATION</div> <p>I hereby certify 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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <div><b>Vickie A. Inman</b> 11/17/10 Signature Date</div> <div><b>Vickie A. Inman</b> Printed Name Agent</div>	
<div>NOTE:</div> <p>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.</p> <p>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).</p>	<div>SURVEYOR CERTIFICATION</div> <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> <div>November 17, 2010</div> <div>Date of Survey LVA</div> <div>Signature &amp; Seal of Professional Surveyor</div> <div><b>W.O. Num. 2007-0943</b></div> <div>Certificate No. <b>MACON McDONALD 12185</b></div>	

See Amended CID2

**RISING STAR SERVICES****HOBBS, NM**

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****CEMENT AND ADDITIVES**

Lead 545 sks                      Class C 50/50 + 10% Bentonite + 0.25% R-38 + 5% Salt (BWOW)  
175% Excess

Tall 135 sks                      Class C 50/50 + 2% Bentonite + 0.25% R-38 + 5% Salt (BWOW)  
100% Excess

	<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

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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

Hole Size: 11"

Total Depth: 350'

Casing Size: 8 5/8"

Casing Depth: 350'

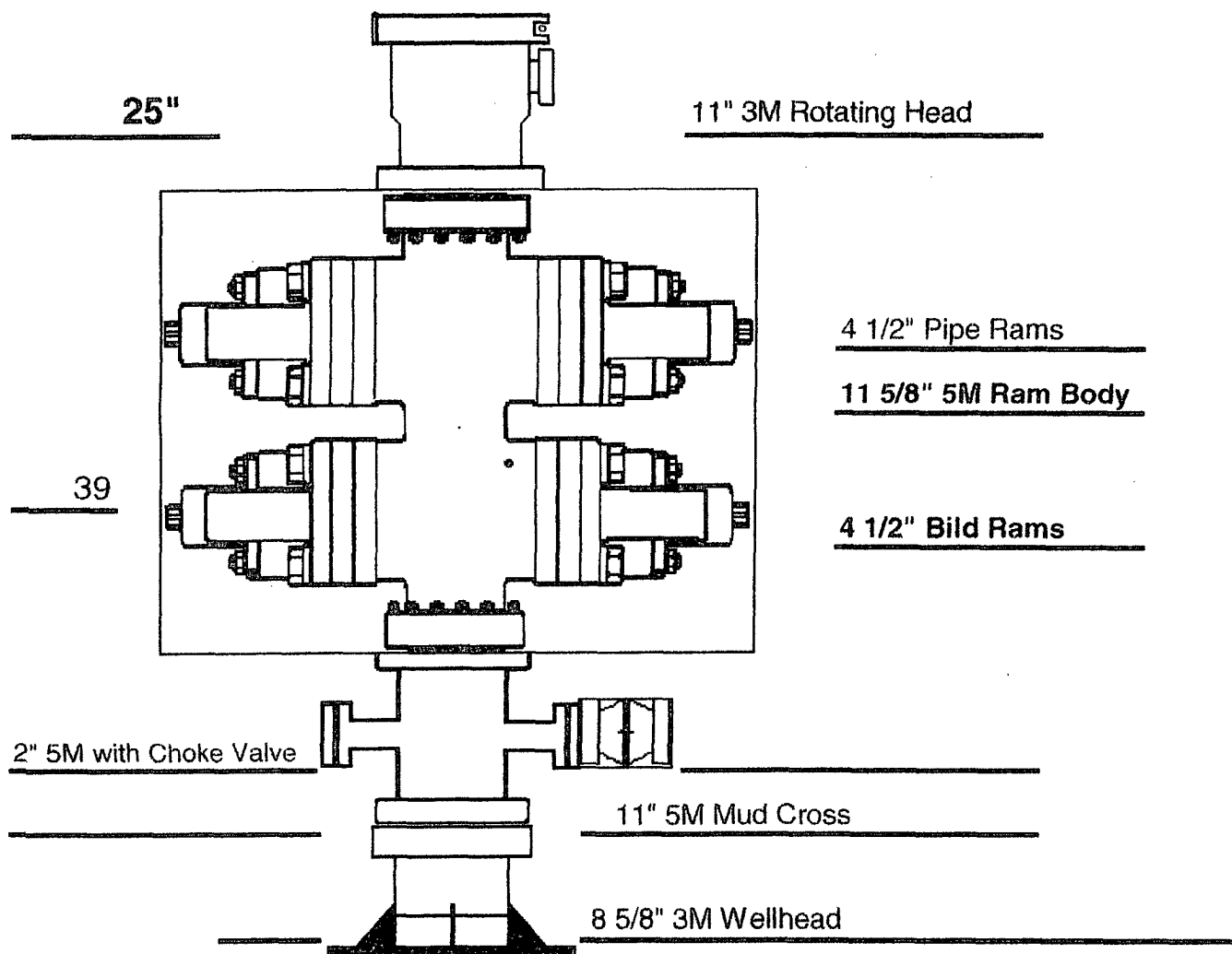
Type of Plug: TRP

Size of Plug: 8 5/8"

# UDI RIG 201 Surface - BOP

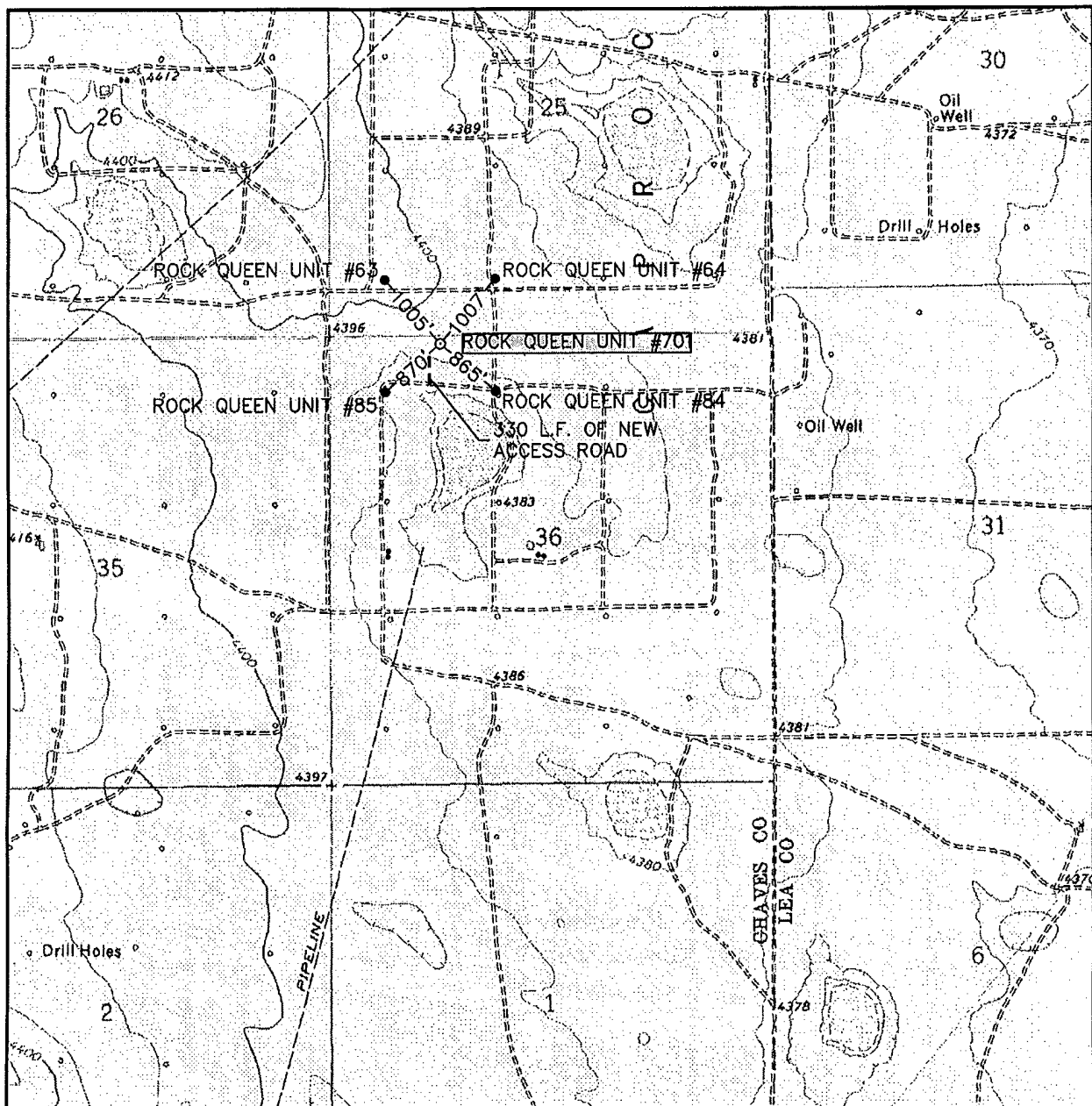
Length

Description



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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
CAUDILL RANCH - 10'

SEC. 36 TWP. 13-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 100' FNL & 1320' FWL

ELEVATION 4393'

OPERATOR CELERO ENERGY II, L.P.

LEASE ROCK QUEEN UNIT

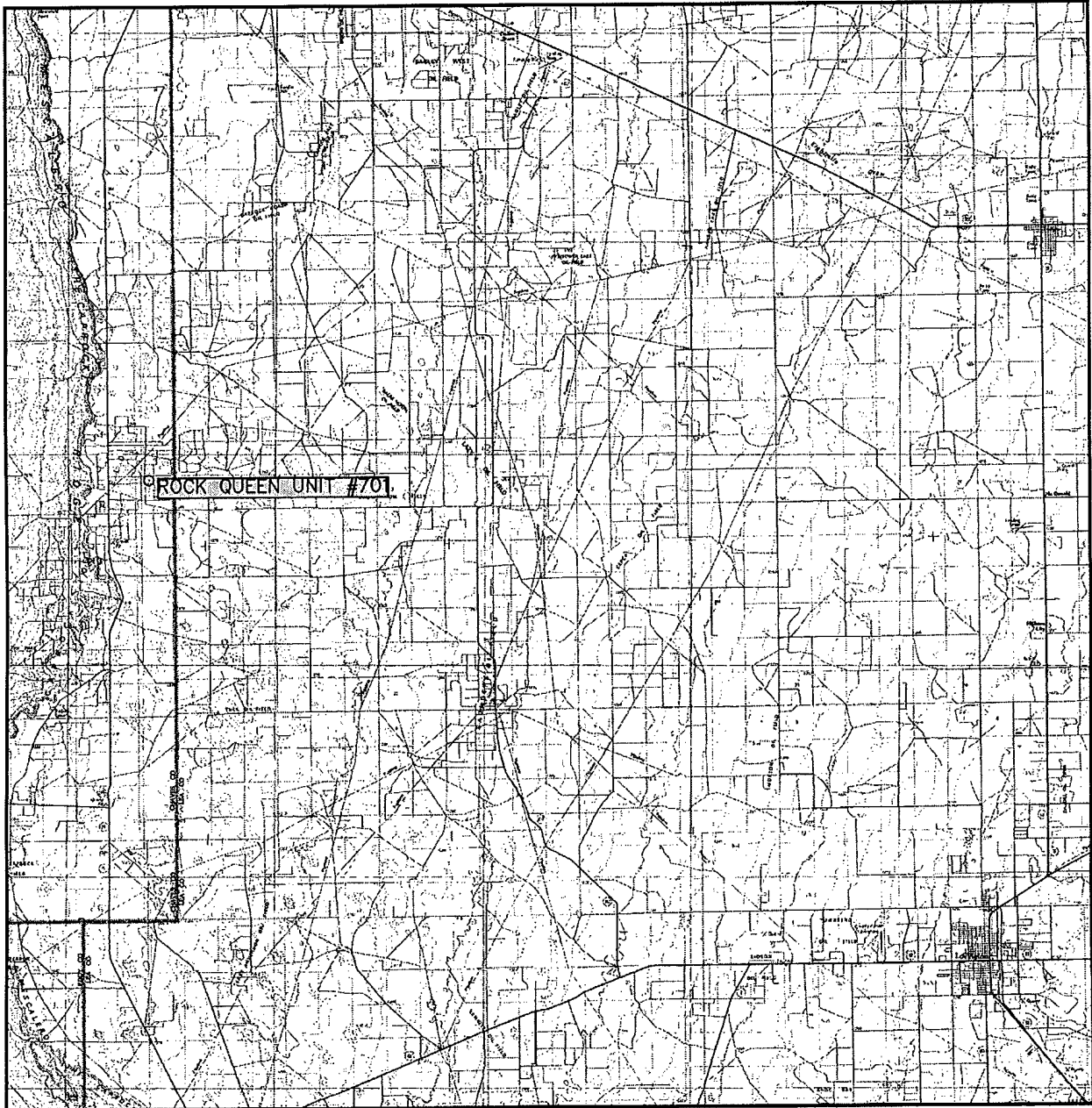
U.S.G.S. TOPOGRAPHIC MAP  
CAUDILL RANCH



**WEST  
COMPANY**  
of Midland, Inc.

110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX

# VICINITY MAP



SCALE: 1" = 5 MILES

SEC. 36 TWP. 13-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 100' FNL & 1320' FWL

ELEVATION 4393'

OPERATOR CELERO ENERGY II, L.P.

LEASE ROCK QUEEN UNIT



110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX