

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

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

7 Surface Location

UL or lot no. 10	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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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
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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 4393'
¹⁶ Multiple N	¹⁷ Proposed Depth 3100'	¹⁸ Formation Queen	¹⁹ Contractor Union Drilling Inc.	²⁰ Spud Date 11/30/2010

21 Proposed Casing and Cement Program

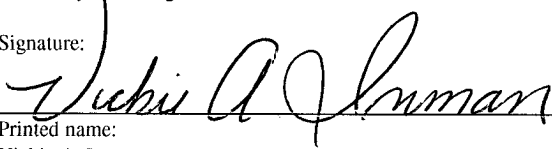
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	350'	135	Surface
7-7/8"	5-1/2"	15.5#	3100'	680	Surface

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 & 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:
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 <input type="checkbox"/>	

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


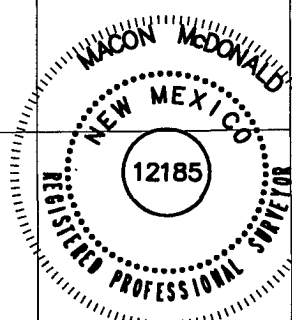
Surface Location

UL or lot No. C	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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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 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

<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> <div>I hereby certify the information contained herein to be 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.</div> <div> Signature Date 11/17/10</div> <div>Vickie A. Inman Printed Name Agent</div>	
	<div>SURVEYOR CERTIFICATION</div> <div>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.</div> <div>November 17, 2010 Date of Survey</div> <div>LVA Signature & Seal of Professional Surveyor</div> <div></div>	
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).	<div>W.O. Num. 2007-0943</div> <div>Certificate No. MACON McDONALD 12185</div>	

See Amended CIDR

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
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

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"

RISING STAR SERVICES**HOBBS, NM**

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'

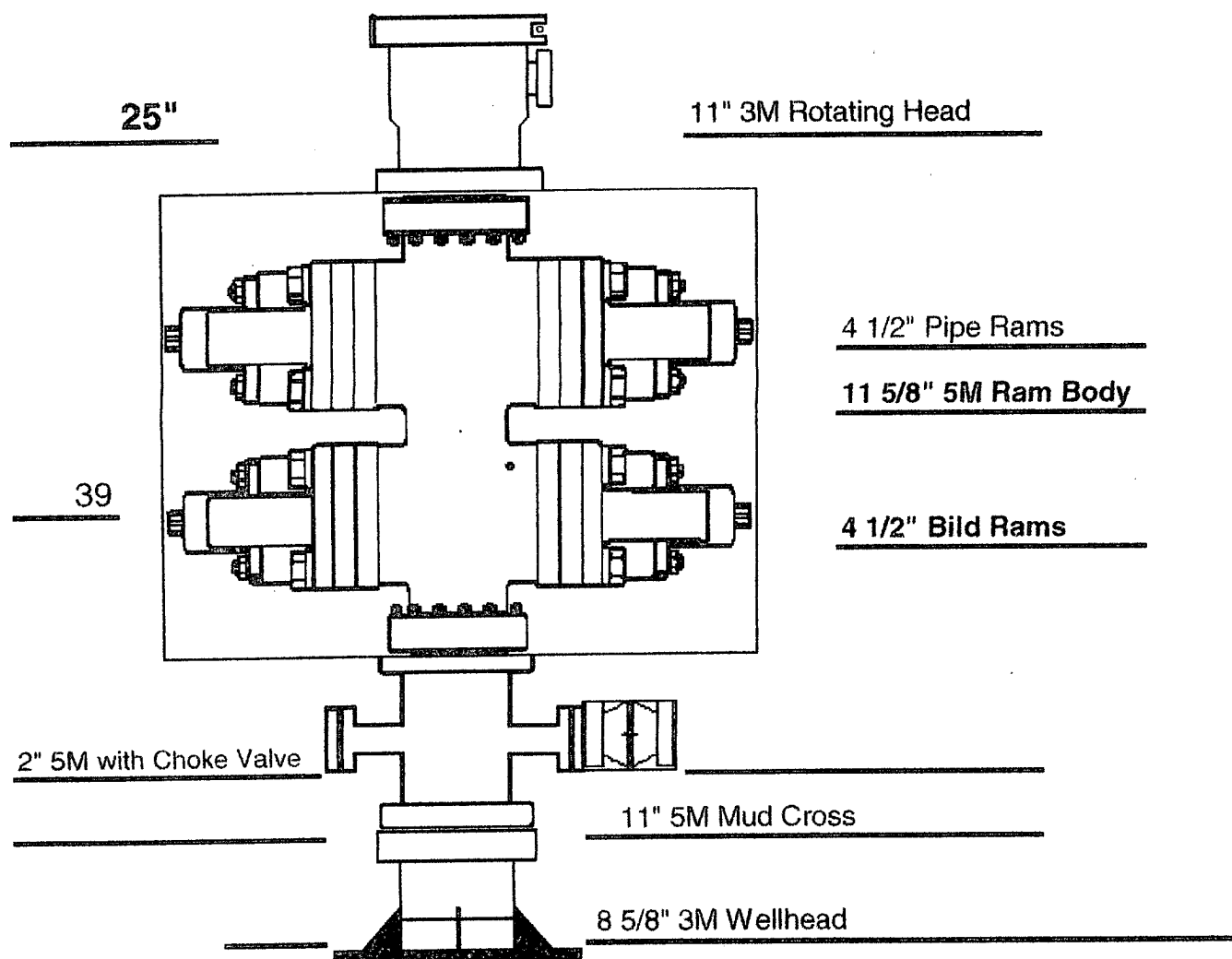
Type of Plug: TRP

Size of Plug: 8 5/8"

UDI RIG 201 Surface - BOP

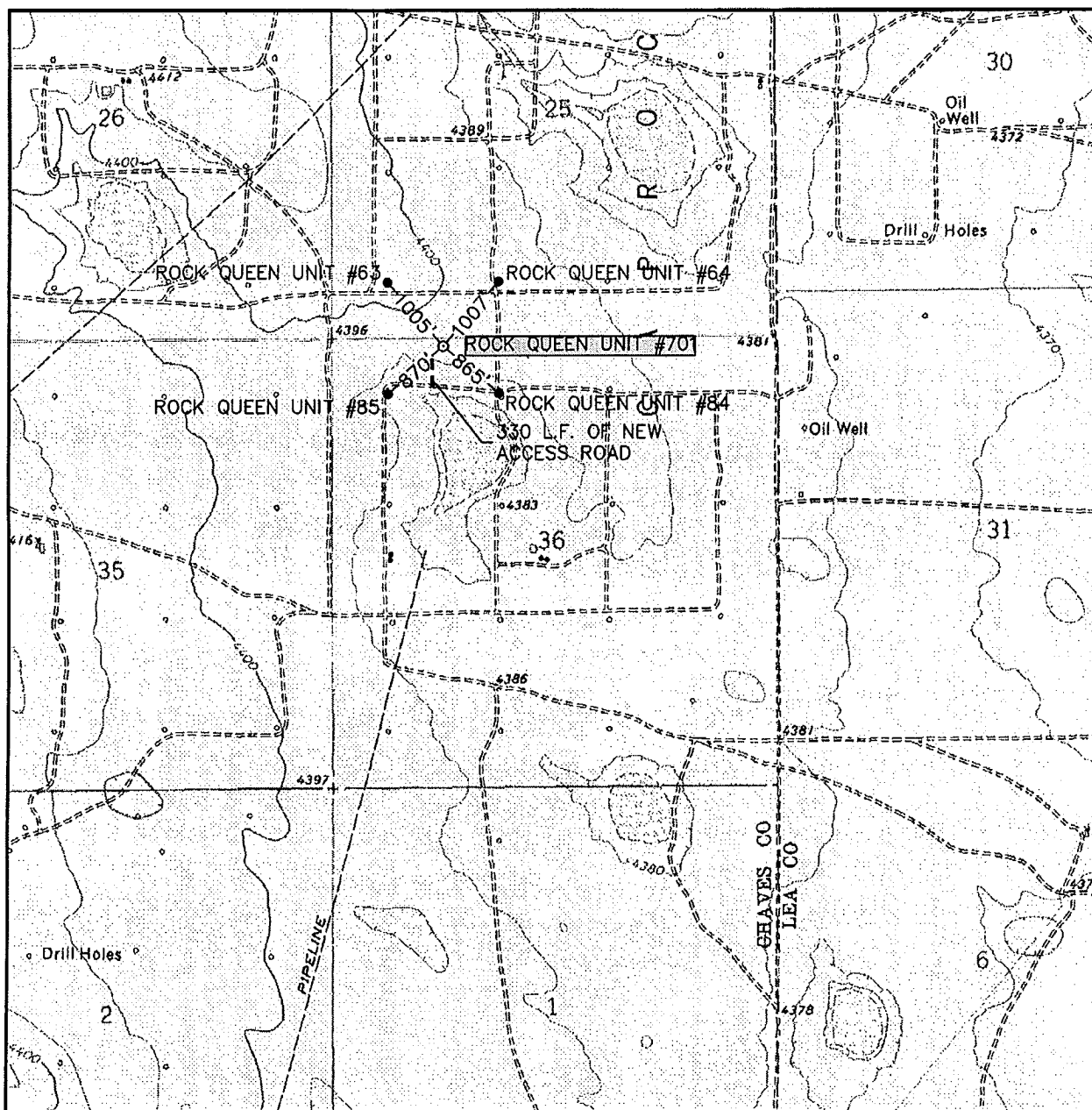
Length

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.

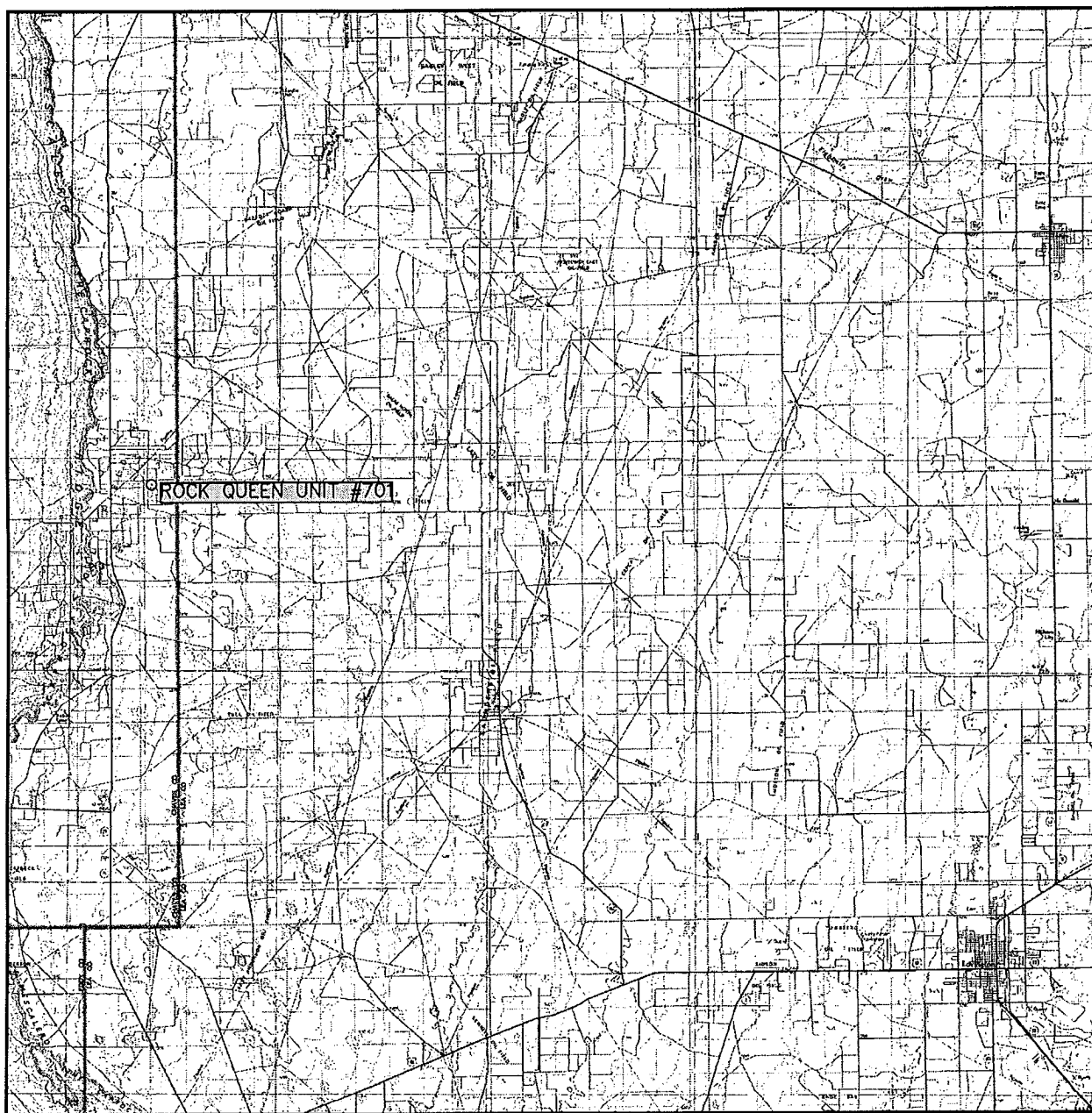
LEASE ROCK QUEEN UNIT

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



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
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