

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

RECEIVED
AMENDED REPORT
DEC 17 2010
HOBBSOCD

**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 API Number 30 - 005 - 29166
³ Property Code 303735	⁵ Property Name ROCK QUEEN UNIT	⁶ Well No. 705
⁹ Proposed Pool 1 CAPROCK: QUEEN		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. M	Section 36	Township 13 S	Range 31 E	Lot Idn	Feet from the 1160	North/South line South	Feet from the 1305	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 4390'
¹⁶ Multiple N	¹⁷ Proposed Depth 3100'	¹⁸ Formation Queen	¹⁹ Contractor Union Drilling Inc.	²⁰ Spud Date 01/03/2011

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.

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

Signature:

Printed name:
Bruce Woodard

Title:
Operations Manager

E-mail Address:
bwoodard@CeleroEnergy.com

Date: 12/16/10
Phone: 432-686-1883

OIL CONSERVATION DIVISION

Approved by:

Title:
PETROLEUM ENGINEER

Approval Date:
DEC 17 2010

Expiration Date:

Conditions of Approval Attached ☐

K2 12/17/10

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
11160 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
11160 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

RECEIVED Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
DEC 17 2010
HOBBSOCD

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-29166	Pool Code 8559	Pool Name Caprock : Queen
Property Code 303735	Property Name ROCK QUEEN UNIT	Well Number 705
OGRID No. 247128	Operator Name CELERO ENERGY II LP	Elevation 4390'

Surface Location

UL or lot No. M	Section 36	Township 13-S	Range 31-E	Lot Idn	Feet from the 1160	North/South line SOUTH	Feet from the 1305	East/West line WEST	County CHAVES
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Bottom Hole Location If Different From Surface

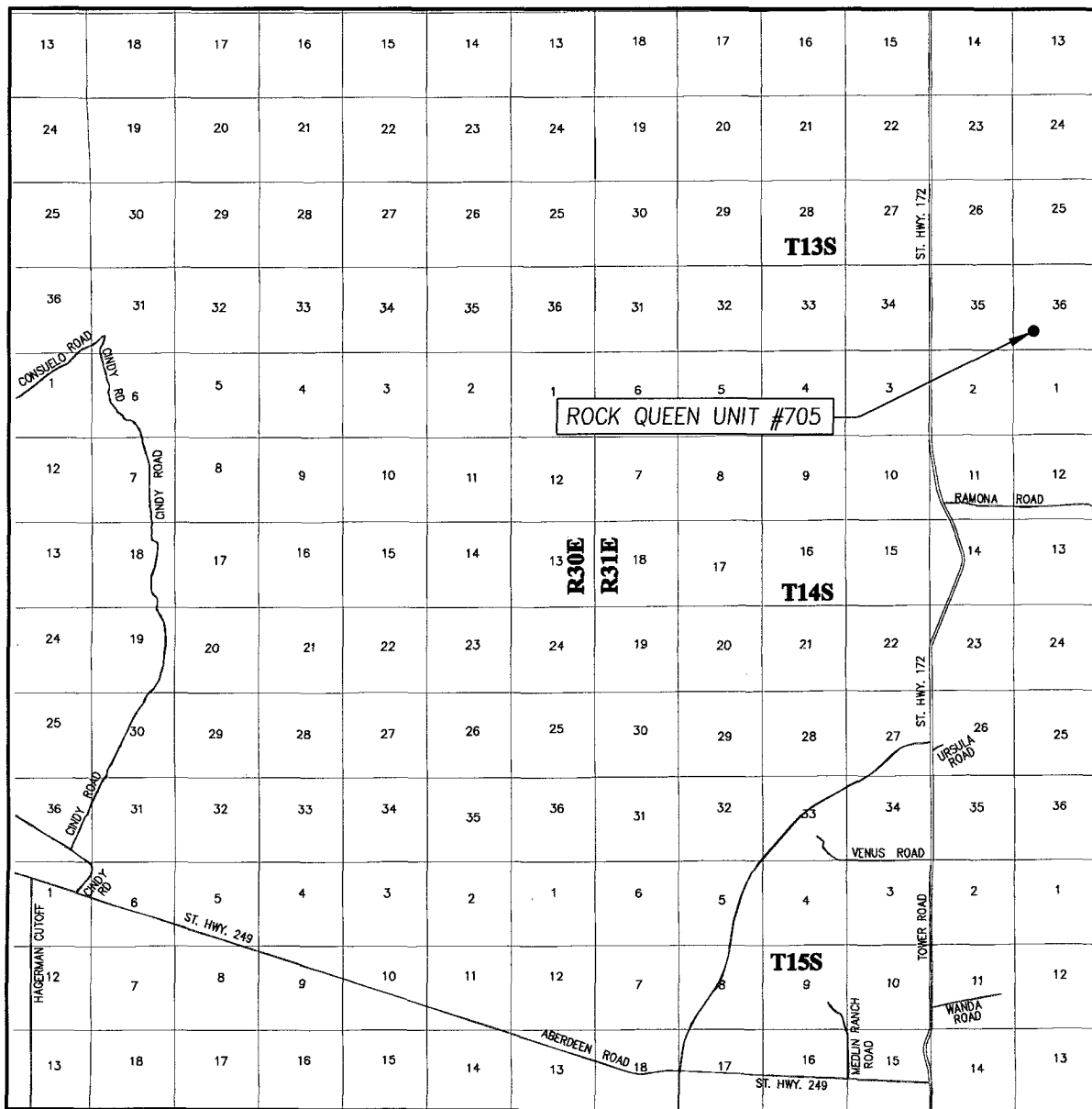
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=779810.0 N X=669718.7 E LAT.=33.142511° N LONG.=103.778863° W				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. <i>Lisa Hunt</i> 12/16/10 Signature Date Lisa Hunt Printed Name
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. NOVEMBER 12 2010 Date Surveyed Signature & Seal of Professional Surveyor RONALD J. EIDSON 3239 10.11.1702 Certificate No. 12641 RONALD J. EIDSON 3239				

1305' S.L.
1160'

VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

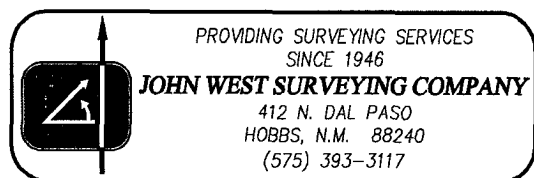
COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1160' FSL & 1305' FWL

ELEVATION 4390'

OPERATOR CELERO ENERGY II LP

LEASE ROCK QUEEN UNIT



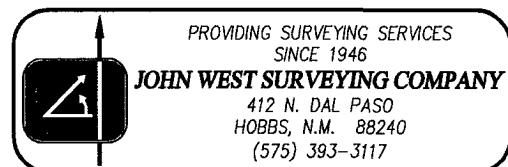
Topographic map showing the Rock Queen Unit #705 area. The map includes contour lines, a pipeline, and various landmarks. A specific point is marked with a black dot and labeled "ROCK QUEEN UNIT #705". Other features include "Drill Holes", "Oil Well", "Drill Pit", and section numbers 1, 2, 6, 7, 31, 35, and 36. Elevation points are marked with numbers like 4372, 4370, 4381, 4396, 4383, 4386, 4388, 4378, 4370, 4400, 4416, and 4397. Township and Range coordinates T13S, T14S, R31E, and R32E are also indicated.

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

ELEVATION 4390'

LEASE ROCK QUEEN UNIT

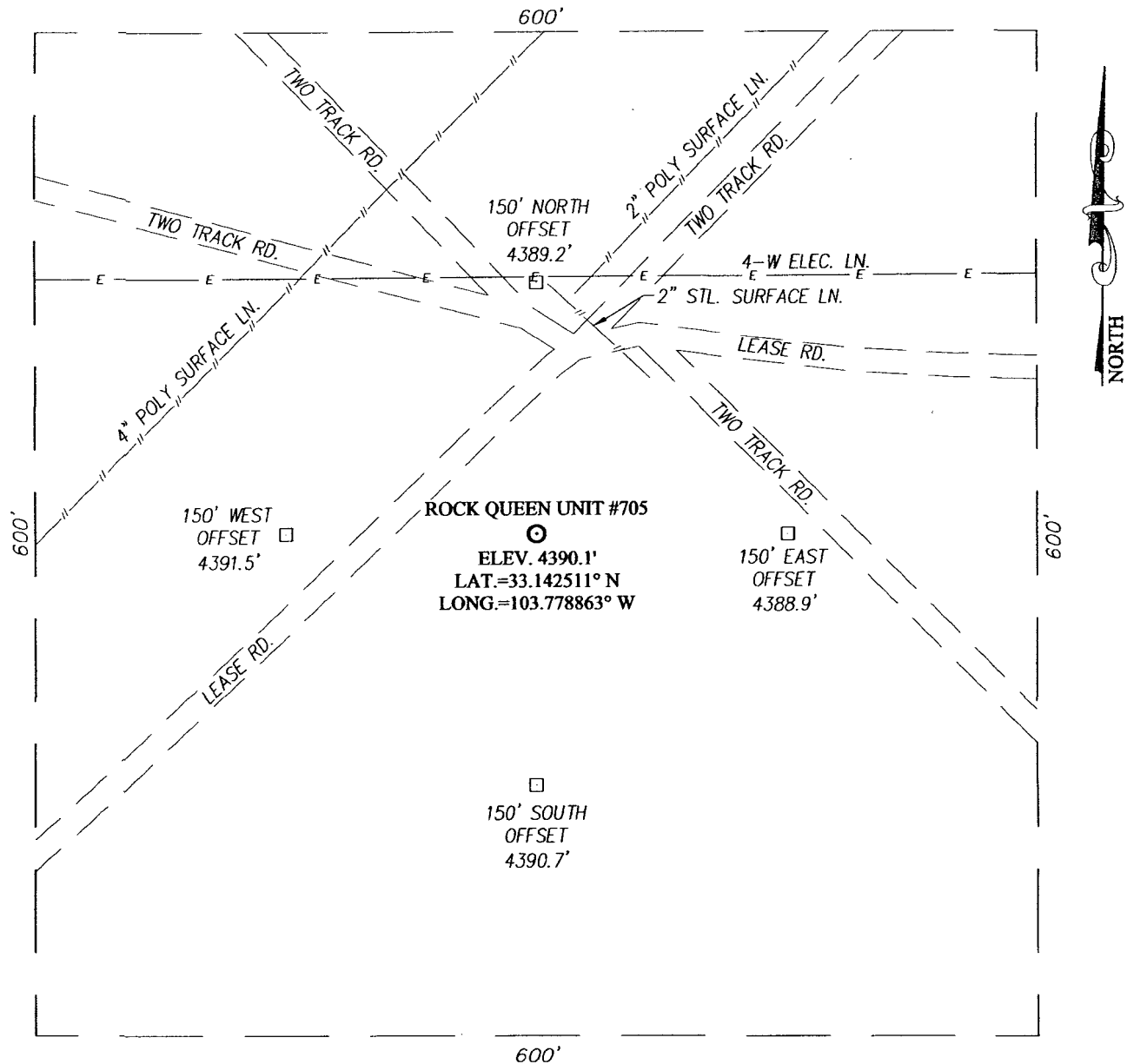
U.S.G.S. TOPOGRAPHIC MAP
CAUDILL RANCH, N.M.



SECTION 36, TOWNSHIP 13 SOUTH, RANGE 31 EAST, N.M.P.M.

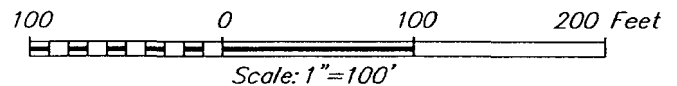
CHAVES COUNTY

NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #172 AND ST. HWY. #249, GO NORTH ON ST. HWY. #172 APPROX. 9.7 MILES. TURN RIGHT AND GO EAST-SOUTHEAST APPROX. 1.15 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.1 MILE. CONTINUE EAST-SOUTHEAST APPROX. 0.15 MILES. THIS LOCATION STAKE IS APPROX. 100 FEET SOUTH OF LEASE RD.



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

CELERO ENERGY II LP

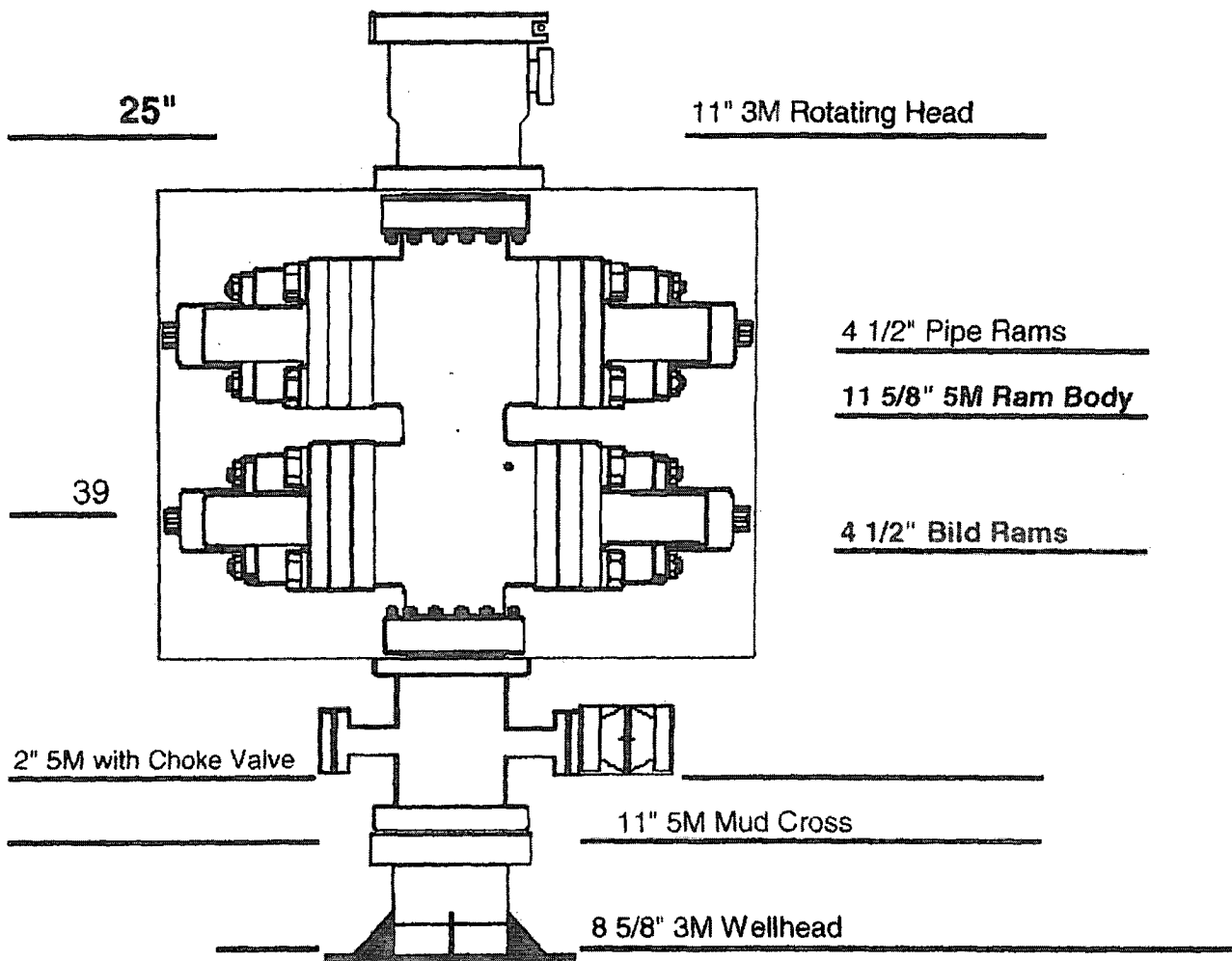
ROCK QUEEN UNIT #705 WELL
LOCATED 1160 FEET FROM THE SOUTH LINE
AND 1305 FEET FROM THE WEST LINE OF SECTION 36,
TOWNSHIP 13 SOUTH, RANGE 31 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO

Survey Date: 11/12/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1702	Dr. By: DSS
Date: 11/30/10	Rel. W.O.: 10111702
	Scale: 1"=100'

UDI RIG 201 Surface - BOP

Length

Description



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

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"

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

CEMENT AND ADDITIVES

175% Excess

100% Excess

	<u>Lead</u>	<u>Tail</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

Casing Size: 5 1/2" Casing Depth: 3100' Type of Plug: TRP
Size of Plug: 5 1/2"