

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., 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-103  
October 13, 2009

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-05204
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name W T Mann A
8. Well Number 2
9. OGRID Number 247128
10. Pool name or Wildcat Denton; Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Celero Energy II, LP	
3. Address of Operator 400 W. Illinois, Ste. 1601 Midland, TX 79701	
4. Well Location Unit Letter B : 660 feet from the North line and 2310 feet from the East line Section 36 Township 14S Range 37E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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 SWD



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) RIH and drill out cement and CIBP at 12316'. Continue cleaning out to plugback depth.
- 2) Run cement retainer and squeeze cement perforations at 12417'-12620'.
- 3) Drill out retainer, cement, and continue to drill new hole from 12639'-12900'.
- 4) RIH with 4-1/2" liner, liner packer, and tieback receptacle and cement with minimum 100 sx Class H.
- 5) Make bit run and clean out liner; dress out tieback receptacle.
- 6) Perforate 4-1/2" liner at 12725'-12900'.
- 7) Run 4-1/2" IPC casing as injection tubing, land in tieback receptacle, and pressure test.
- 8) Acidize with 17500 gals inhibited 15% HCL.
- 9) Place well on disposal of produced water per NMOCD order SWD-1257.

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 01/12/2011

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

*1-19-2011*

Conditions of Approval (if any):



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jim Noel**  
Cabinet Secretary

**Karen W. Garcia**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Administrative Order SWD-1257  
December 16, 2010

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

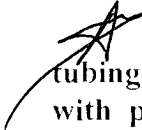
Under the provisions of Division Rule 26.8B., Celero Energy II, LP seeks an administrative order to utilize its W.T. Mann "A" Well No. 2 (API 30-025-05204), located 660 feet from the North line and 2310 feet from the East line, Unit Letter B of Section 36, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

### IT IS THEREFORE ORDERED THAT:

The applicant, Celero Energy II, LP, is hereby authorized to utilize its W.T. Mann "A" Well No. 2 (API 30-025-05204), located 660 feet from the North line and 2310 feet from the East line, Unit Letter B of Section 36, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) through perforations in the Devonian formation from approximately 12725 feet to 12900 feet, and through lined tubing and a packer set onto the new 4-1/2 inch liner at the liner top of approximately 12300 feet.

 If at any future date, it becomes impossible for the operator to tie-on the injection tubing to the 4-1/2 inch liner (PBR with seals), the operator shall install a tapered tubing with packer located no higher than 100 feet above the approved, perforated disposal interval.

### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only



the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 2545 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



MARK E. FESMIRE, P.E.  
Acting Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs