

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

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DEC 20 2010  
HOBBSOCD

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

### 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, Ste. 1601 Midland, TX 79701		<sup>2</sup> OGRID Number 247128
<sup>5</sup> Property Code 307125	<sup>3</sup> Property Name B C Dickinson D	<sup>4</sup> API Number 30 - 025-40017
<sup>9</sup> Proposed Pool 1 Denton; Devonian		<sup>10</sup> Proposed Pool 2

### <sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline	Feet from the	East/West line	County
F	35	14S	37E		2631	North	1332	West	Lea

### <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

### 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 P	<sup>15</sup> Ground Level Elevation 3810'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 12,800'	<sup>18</sup> Formation Devonian	<sup>19</sup> Contractor Pinpoint Drilling	<sup>20</sup> Spud Date 01/03/2011

### <sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54.5	350'	600	Surface
12-1/4"	9-5/8"	36.40	4800'	1150	Surface
8-3/4"	7"	26.29.32	12,100'	1700	4700'

<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 & rig up drilling rig. Install riser & bell nipple. Spud well.
2. Drill 17-1/2" surface hole to a depth of 350'. Set 13-3/8" casing & cement to surface. Install & test BOP's.
3. Drill 12-1/4" intermediate hole to 4800'. Set 9-5/8" casing & cement to surface. Install & test BOP's.
4. Drill 8-3/4" production hole to 12,100'. Set 7" casing & cement to 4700'.
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:

Lisa Hunt

Printed name: Lisa Hunt

Title: Regulatory Analyst

E-mail Address: lhunt@celeroenergy.com

Date: 12/17/2010

Phone: 432 686-1883 Ext 157

### OIL CONSERVATION DIVISION

Approved by:

*[Signature]*  
PETROLEUM ENGINEER

Title:

Approval Date: JAN 19 2011

Expiration Date: JAN 19 2013

OCD CONDITION OF APPROVAL of Drilling:  
Intent to drill ONLY --- CANNOT produce until the Non-Standard  
Location has been approved by OCD Santa Fe office.

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DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

DEC 20 2010

HOBBS

CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-40017</b>		Pool Code <b>16910</b>	Pool Name <b>Denton; Devonian</b>
Property Code <b>307125</b>	Property Name <b>BC DICKINSON D</b>		Well Number <b>7</b>
OGRID No. <b>247128</b>	Operator Name <b>CELERO ENERGY II LP</b>		Elevation <b>3810'</b>

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	35	14-S	37-E		2631	NORTH	1332	WEST	LEA

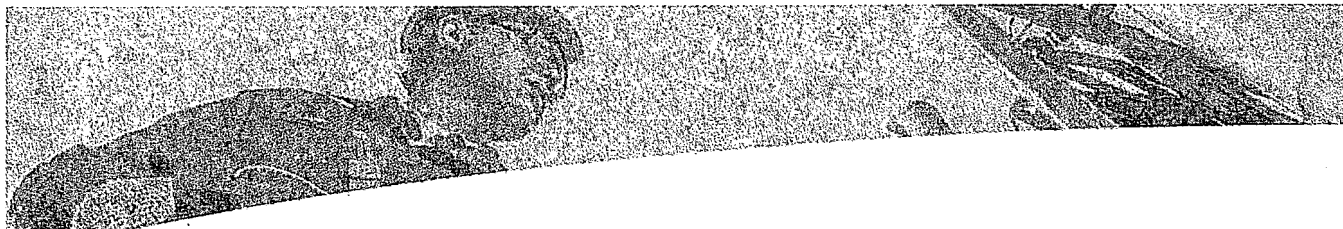
### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST line	County

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Lisa Hunt</i> 12/16/10 Signature Date</p> <p><b>Lisa Hunt</b> Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <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> <p>DECEMBER 01, 2010</p> <p>Date Surveyed LA</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 12/14/2010 Professional Surveyor 3339</p> <p>Certification of Ronald J. Eidson 12641 RONALD J. EIDSON 3239</p>



## FLUID SYSTEMS

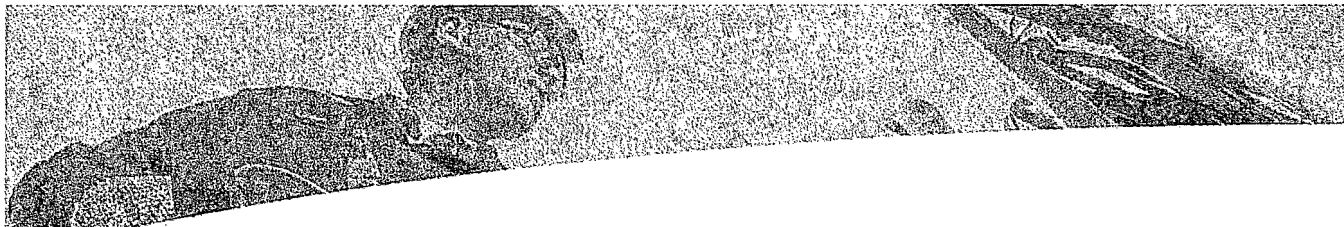
Fresh Water			
System	Water		
Density	8.32 lb/gal		
Total Volume	84.9 bbl		
Additives	Code	Description	Concentration

Tail Slurry (600 sacks, 94 lb per sack of Blend)			
System	Class "C"		
Density	14.80 lb/gal		
Yield	1.35 ft <sup>3</sup> /sk		
Mixed Water	6.191 gal/sk		
Mixed Fluid	6.191 gal/sk		
Total Volume	144.3 bbl		
Additives	Code	Description	Concentration
	C	Cement	94 lb/sk WBWOB
	S001	CaCl <sub>2</sub>	1.0 % BWOB
	D042	Extender	3 lb/sk WBWOB
	D130	Lost Circulation Control Agent	0.125 lb/sk WBWOB

Some of the chemicals specified in this program may have toxic properties. All personnel should be familiar with the inherent dangers and appropriate safeguards to prevent accidental injury. Use of the chemicals may be governed by certain laws and regulations and should only be used in accordance with such. Please refer to the MSDS sheets for the recommended safety precautions and required minimum personal protective equipment.

*13-3/8" CASING*

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## FLUID SYSTEMS

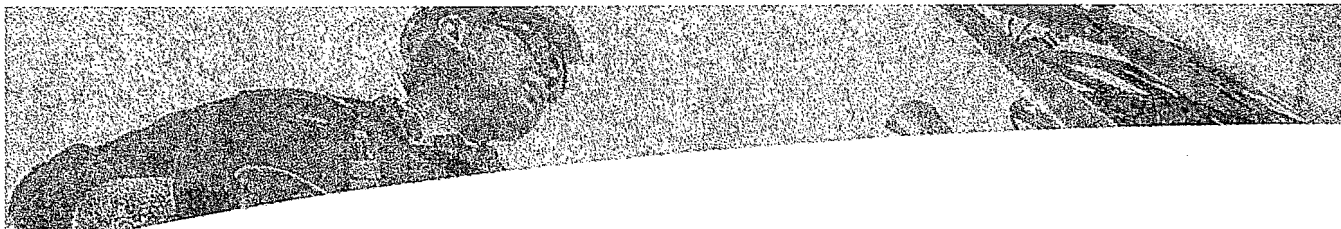
Fresh Water			
System	Water		
Density	8.32 lb/gal		
Total Volume	384.9 bbl		
Additives	Code	Description	Concentration

Lead Slurry (950 sacks, 88 lb per sack of Blend)			
System	35/65 (P/C)		
Density	12.60 lb/gal		
Yield	2.06 ft <sup>3</sup> /sk		
Mixed Water	11.348 gal/sk		
Mixed Fluid	11.348 gal/sk		
Total Volume	349.8 bbl		
Additives	Code	Description	Concentration
	D044	NaCl	5.0 % BWOB
	C	Cement	61 lb/sk WBWOB
	D132	Extender	27 lb/sk WBWOB
	D020	Extender	6.0 % BWOB
	D046	Anti Foam	0.2 % BWOB
	D042	Extender	3 lb/sk WBWOB
	D130	Lost Circulation Control Agent	0.125 lb/sk WBWOB

Tail Slurry (200 sacks, 94 lb per sack of Blend)			
System	Class "C"		
Density	14.80 lb/gal		
Yield	1.33 ft <sup>3</sup> /sk		
Mixed Water	6.347 gal/sk		
Mixed Fluid	6.347 gal/sk		
Total Volume	47.3 bbl		
Additives	Code	Description	Concentration
	C	Cement	94 lb/sk WBWOB
	D130	Lost Circulation Control Agent	0.125 lb/sk WBWOB
	D013	Retarder	0.1 % BWOB

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*9-5/8" CASING*



## FLUID SYSTEMS

Fresh Water			
System	Water		
Density	8.32 lb/gal		
Total Volume	318.0 bbl		
Additives	Code	Description	Concentration

CW100			
System	CW100		
Density	8.33 lb/gal		
Total Volume	20.0 bbl		
Additives	Code	Description	Concentration

Lead Slurry (900 sacks, 89 lb per sack of Blend)			
System	35/65 (P/H)		
Density	12.40 lb/gal		
Yield	2.19 ft <sup>3</sup> /sk		
Mixed Water	12.247 gal/sk		
Mixed Fluid	12.247 gal/sk		
Total Volume	351.5 bbl		
Additives	Code	Description	Concentration
	D044	NaCl	5.0 % BWOW
	H	Cement	61 lb/sk WBWOB
	D132	Extender	28 lb/sk WBWOB
	D020	Extender	6.0 % BWOB
	D046	Anti Foam	0.2 % BWOB
	D042	Extender	3 lb/sk WBWOB
	D112	Fluid loss	0.5 % BWOB
	D130	Lost Circulation Control Agent	0.125 lb/sk WBWOB

Tail Slurry (800 sacks, 74 lb per sack of Blend)			
System	TXI		
Density	13.20 lb/gal		
Yield	1.32 ft <sup>3</sup> /sk		
Mixed Water	6.627 gal/sk		
Mixed Fluid	6.627 gal/sk		
Total Volume	184.5 bbl		
Additives	Code	Description	Concentration
	D049	Cement	74 lb/sk WBWOB
	D167	Fluid loss	0.5 % BWOB
	D065	Dispersant	0.2 % BWOB
	D046	Anti Foam	0.2 % BWOB
	D130	Lost Circulation Control Agent	0.125 lb/sk WBWOB

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*7" PRODUCTION CASING*

# Pin Point Rig 12 BOP

Length

Description

29"

13 5/8" 5M Rotating Head

36"

13 5/8" 5M Spacer Spool

53"

13 5/8" 5M Annular

40"

13 5/8" 5M Ram Body

2" 5M with Choke Valve

4" 5M HCR Valve

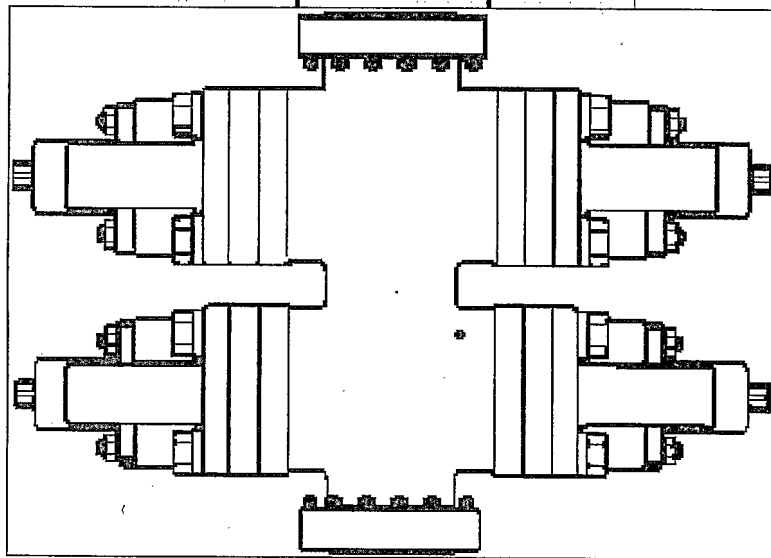
23 1/2"

13 5/8" 5M Mud Cross

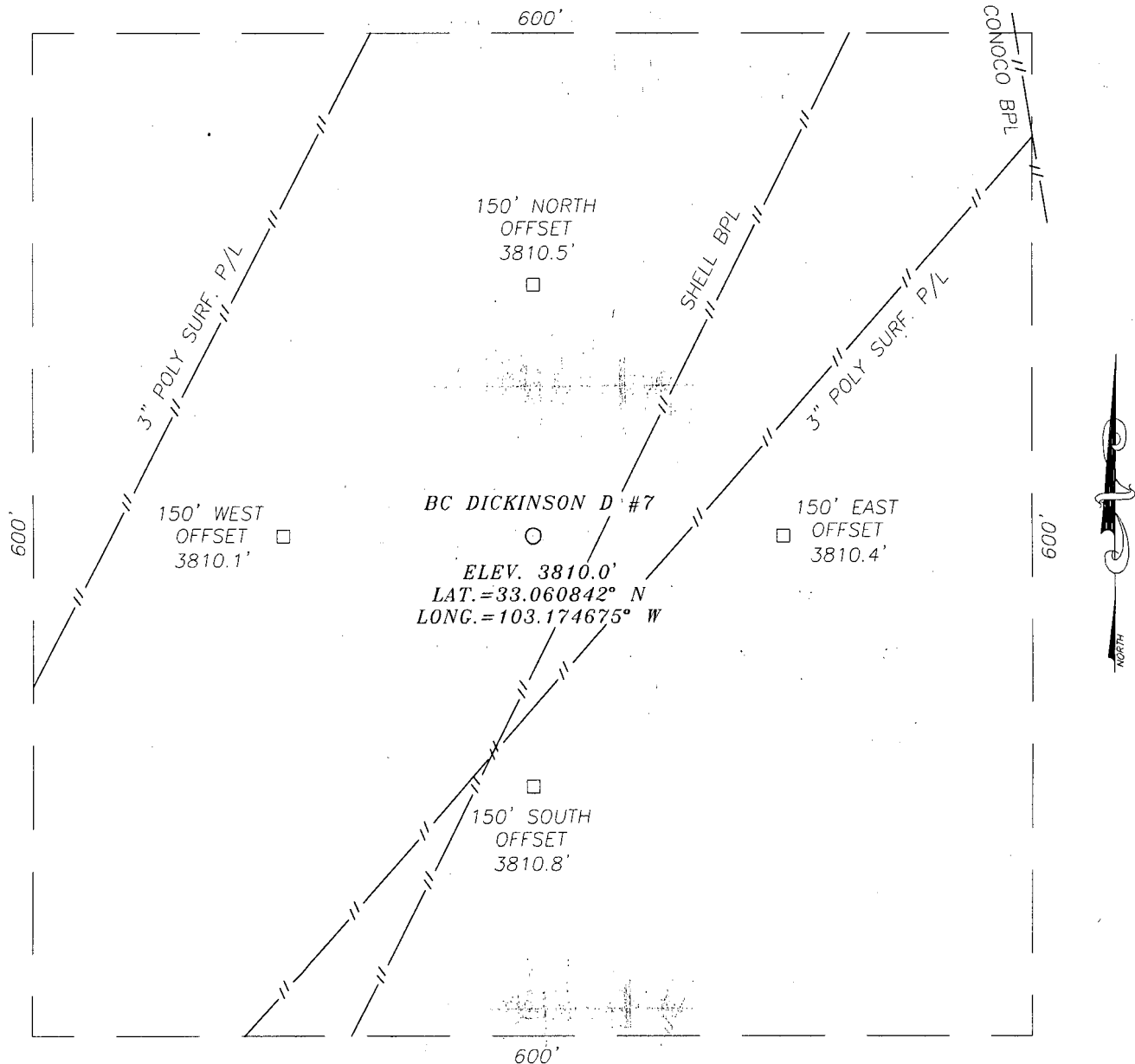
22"

13 5/8" 5M X 13 3/8" 3M Spacer Spool

13 3/8" 3M Wellhead

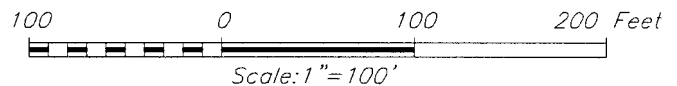


SECTION 35, TOWNSHIP 14 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO.  
RD. #89 (PRAIRIEVIEW RD), GO NORTHEAST APPROX.  
1.4 MILES. TURN LEFT AND GO NORTH APPROX. 1.3  
MILES. THE LOCATION STAKE IS APPROX. 750 FEET  
WEST IN OPEN FIELD.



CELERO ENERGY II LP

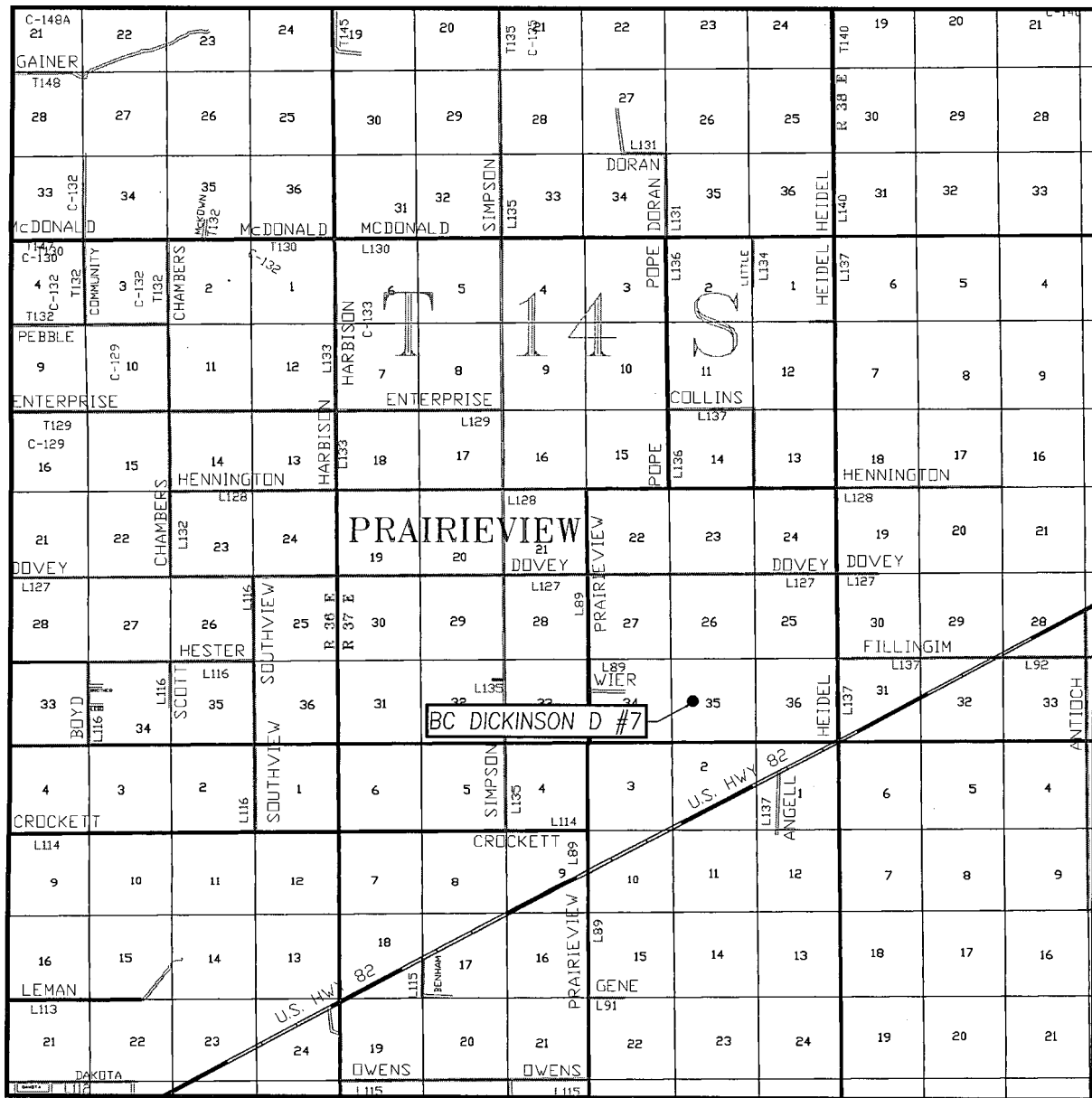
BC DICKINSON D #7 WELL  
LOCATED 2631 FEET FROM THE NORTH LINE  
AND 1332 FEET FROM THE WEST LINE OF SECTION 35,  
TOWNSHIP 14 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

Survey Date: 12/1/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1737	Dr By: LA
Date: 12/10/10	Rev 1: N/A
10111737	Scale: 1"=100'



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

# VICINITY MAP



SCALE - 1"=2 MILES

SEC. 35 TWP. 14-S RGE. 37-E

SURVEY N.M.P.M.

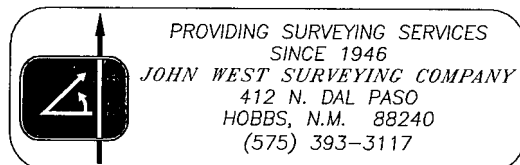
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 2631' FNL & 1332' FWL

ELEVATION 3810'

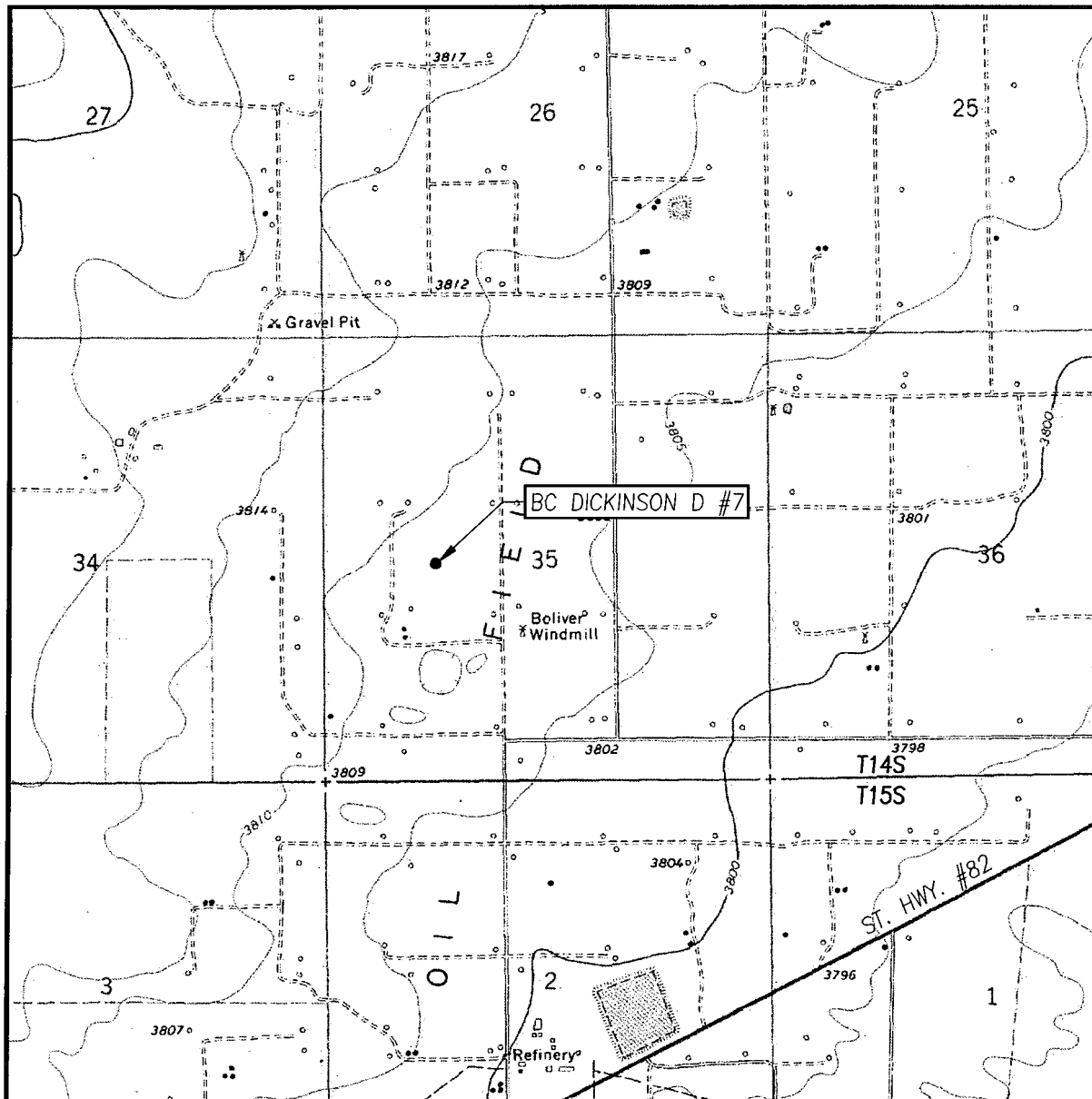
OPERATOR CELERO ENERGY II LP

LEASE BC DICKINSON D





# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 5'  
PRAIRIEVIEW, NM

SEC. 35 TWP. 14-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

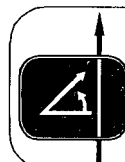
DESCRIPTION 2631' FNL & 1332' FWL

ELEVATION 3810'

OPERATOR CELERO ENERGY II LP

LEASE BC DICKINSON D

U.S.G.S. TOPOGRAPHIC MAP  
PRAIRIEVIEW, N.M.



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