

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

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, Ste. 1601 Midland, TX 79701		² OGRID Number 247128
³ Property Code 306081	⁵ Property Name State A	⁴ API Number 30 - 025 - 90074
⁹ Proposed Pool 1 Denton; Devonian		¹⁰ Proposed Pool 2 3

7 Surface Location

UL or lot no. L	Section 2	Township 15S	Range 37E	Lot Idn	Feet from the 1470	North/South line South	Feet from the 880	East/Westline West	County Lea
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no. L	Section 2	Township 15S	Range 37E	Lot Idn	Feet from the 1372	North/South line South	Feet from the 1273	East/Westline West	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 3802'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,800'	¹⁸ Formation Devonian	¹⁹ Contractor Pinpoint Drilling	²⁰ Spud Date 03/08/2011
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> milthick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 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	11,650'	1700	4700'

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. MIRU drlg rig. Install riser & bell nipple. Spud well.
2. Drill 17-1/2" surface hole to a depth of 350'. Set 13-3/8" csg & cmt to surface. Install & test BOP's.
3. Drill 12-1/4" intermediate hole to 4800'. Set 9-5/8" csg & cmt to surface. Install & test BOP's.
4. Drill 8-3/4" production hole to 11,650'. Set 7" csg & cmt to 4700'.
5. Drill out to TD of 12,750' & 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. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Lisa Hunt

Title: Regulatory Analyst

E-mail Address: lhunt@celeroenergy.com

Date: 02/22/2011

Phone: (432)686-1883

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

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

Revised October 12, 2005
Submitted to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 16910	Pool Name Denton; Devonian
Property Code 306081	Property Name STATE A	Well Number 3
OGRID No. 247128	Operator Name CELERO ENERGY II LP	Elevation 3802'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	15-S	37-E		1470	SOUTH	880	WEST	LEA

Bottom Hole Location If Different From Surface

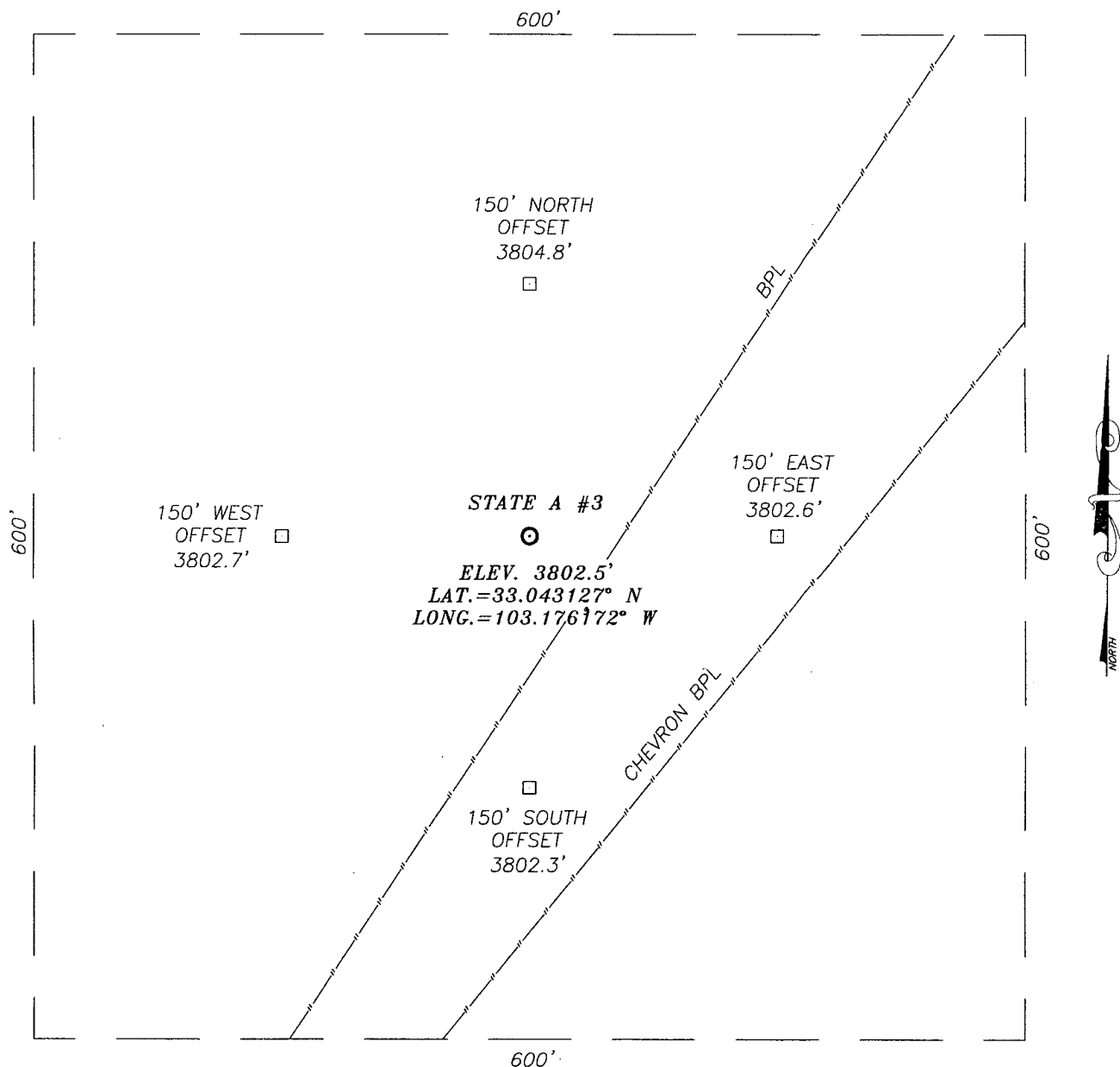
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST line	County
L	2	15-S	37-E		1372	SOUTH	1273	WEST	LEA

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSL-6340
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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

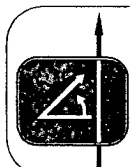
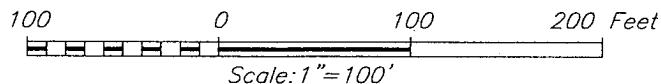
	<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=745155.7 N X=854603.6 E</p> <p>LAT.=33.043127° N LONG.=103.176172° W</p> <p>SURFACE LOCATION Y=745060.2 N X=854997.3 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge 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> 2/22/11 Signature Date</p> <p>Lisa Hunt Printed Name</p>
	<p>SURVEYOR CERTIFICATION</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>JANUARY 27, 2011</p> <p>Date Surveyed LA REV: 2/15/11</p> <p>Signature & Seal of Professional Surveyor <i>Ronald T. Eidson</i> 02/15/2011 NEW MEXICO 11-11-02835</p> <p>Certificate No. GARY G. EIDSON 12641 RONALD T. EIDSON 3239</p>	

SECTION 2, TOWNSHIP 15 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. #137 (ANGELL RD.), GO SOUTHWEST ON U.S. HWY. #82 FOR APPROX. 1.0 MILE. TURN RIGHT AND GO NORTH APPROX. 800 FEET. GO WEST APPROX. 0.2 MILES. THIS LOCATION IS APPROX. 400 FEET SOUTH.



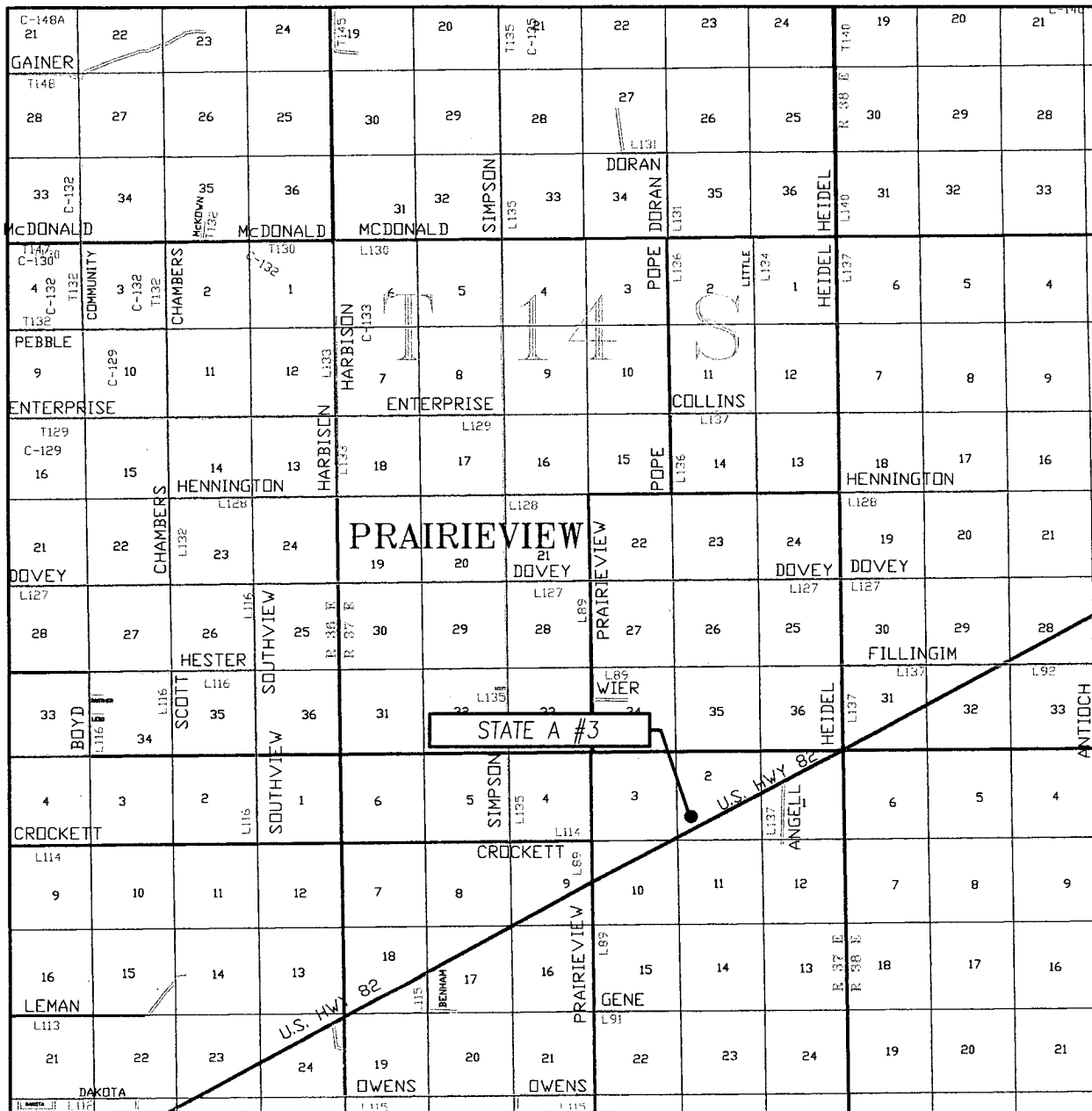
PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

CELERO ENERGY II LP

STATE A #3 WELL
 LOCATED 1470 FEET FROM THE SOUTH LINE
 AND 880 FEET FROM THE WEST LINE OF SECTION 2,
 TOWNSHIP 15 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 1/27/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0283	Dr By: LA
Date: 2/2/11	11110283
	Scale: 1"=100'

VICINITY MAP



SCALE - 1"=2 MILES

SEC. 2 TWP. 15-S RGE. 37-E

SURVEY N.M.P.M.

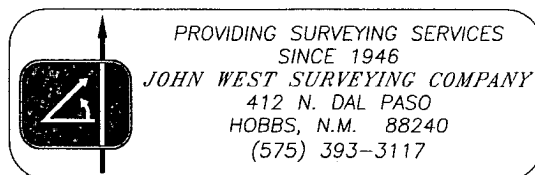
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1470' FSL & 880' FWL

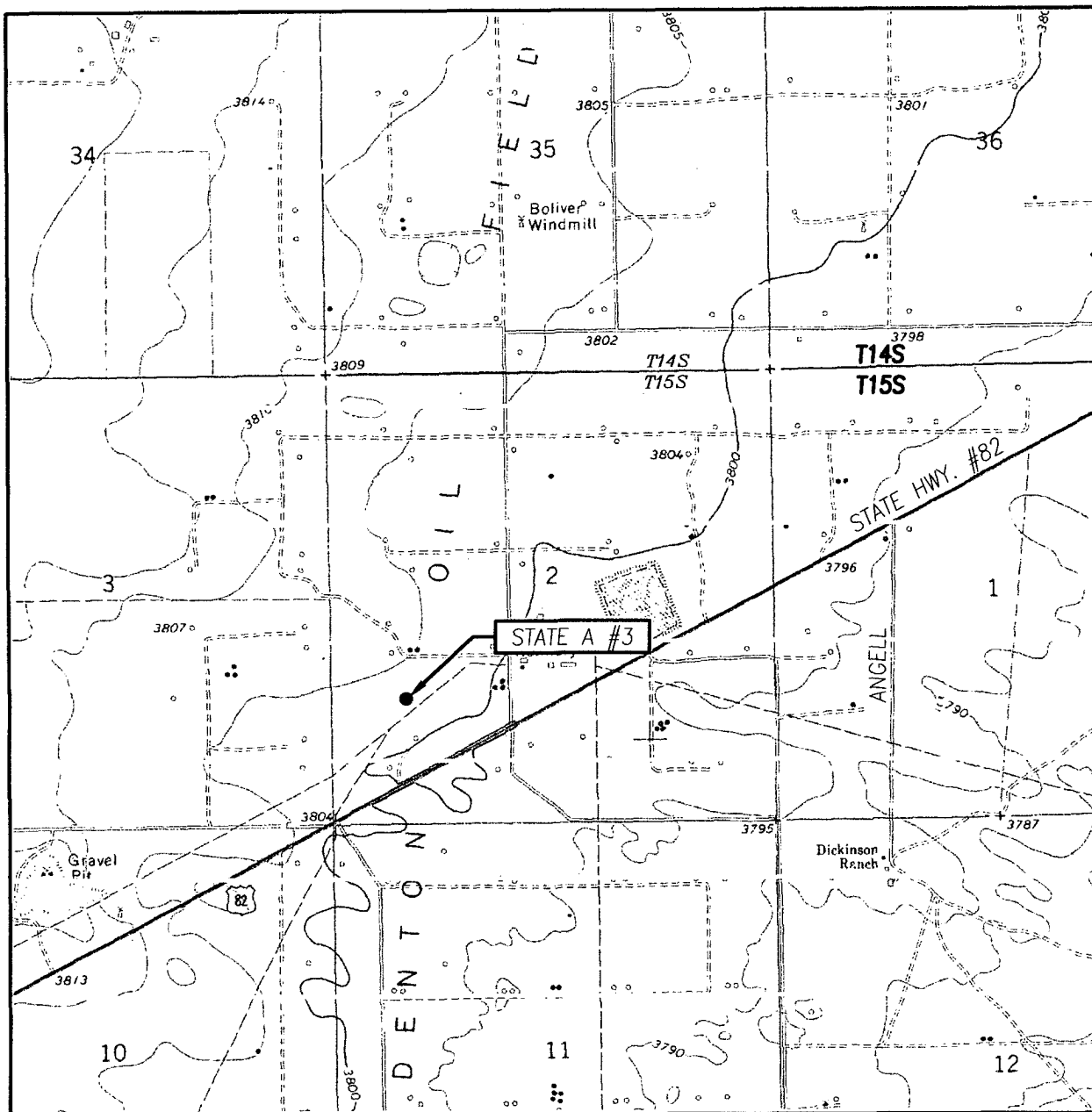
ELEVATION 3802'

OPERATOR CELERO ENERGY II LP

LEASE STATE A



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 5'
PRAIRIEVIEW, NM

SEC. 2 TWP. 15-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

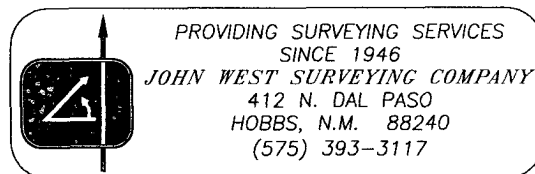
DESCRIPTION 1470' FSL & 880' FWL

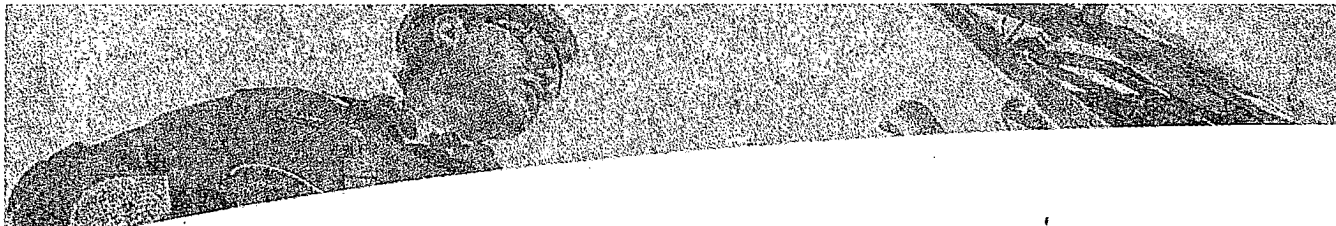
ELEVATION 3802'

OPERATOR CELERO ENERGY II LP

LEASE STATE A

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





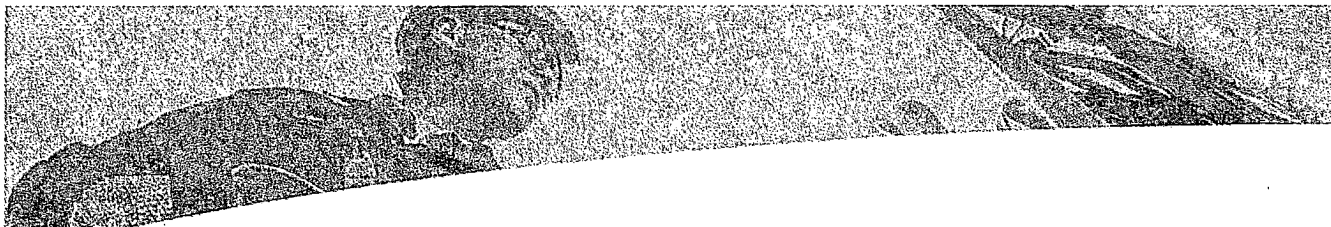
FLUID SYSTEMS

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 ³ /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 ₂	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



FLUID SYSTEMS

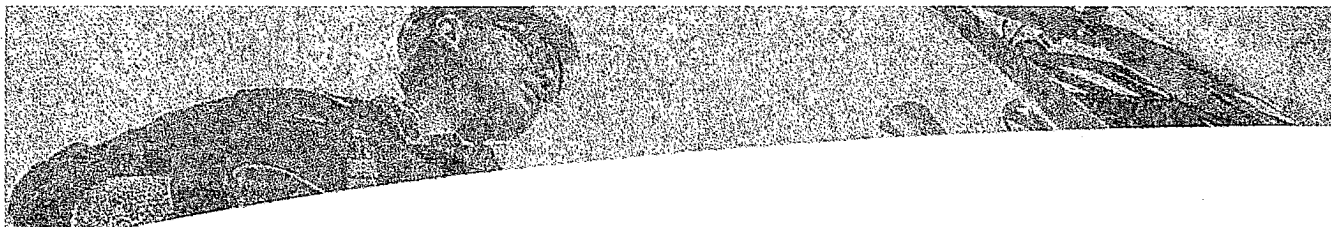
Fresh Water			
System	Water		
Density	8.32 lb/gal		
Total Volume	384.9 bbl		
Additives	Code	Description	Concentration

Lead Slurry (950 sacks; 88 lb per sack of Blend)			
System	35/65 (P/C)		
Density	12.60 lb/gal		
Yield	2.06 ft ³ /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 ³ /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 ³ /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 % BWOB
	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 ³ /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

