

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

RECEIVED

APR 19 2011

HOBBSD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-05145

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

T D Pope 26

8. Well Number 10

9. OGRID Number

247128

10. Pool name or Wildcat

Denton; Devonian

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 ☒ Gas Well ☐ 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 P : 660 feet from the South line and 660 feet from the East line
Section 26 Township 14S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3805' GR

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: ☐OTHER: Return to production ☒

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.

3/1/11 - 3/25/11 - POOH w/ all tbg & pkr. RIH w/ 2 7/8" notched collar, 371 jts of 2 7/8" tbg to 12,000'. Dump 8 cubic feet of sand & gravel mixture down tbg. RIH to 12,541'. No tag. POH to 12,000'. Start dumping sand & gravel mixture, tbg bridged off. POH w/ 267 jts of tbg to plug, rest of tbg clean. Drop 16 cubic feet of sand & gravel mixture down tbg, flush tbg w/ 20 BFW. RIH w/ 386 jts of tbg, tag gravel @ 12,488'. Wash down to 12,530'. Mix 15 sx of Class "H" cmt containing 0.75 C-37, 1% salt, .25% R-38 @ 17 ppg, yield 1.0, 3.76 gal/sx. Displace w/ 71 bbls wtr, attempt to pull tbg, pull 144,000, unable to move, attempt to pump down tbg. Pressure up to 2000# psi, unable to move. RIH w/ 40 arm caliper. Run CIL from 11,985' to surface. Fluid level - 1530' FFS. POH w/ tools. RIH w/ radial bond/GR/CCL. Run bond log from 11,985' - 1530'. Circ well clean w/ 240 BFW. Sting into CICR, establish inj rate of 0.8 BPM @ 2750 psi, sting out of CICR, mix 80 sx of Class "H" cmt, .35% C-20, 0.4% FL -10, 0.25% R-38 @ 15.6 ppg, 1.18 yield, 5.19 gal/sx. Displace w/ 43 bbls wtr, sting into CICR, continue displacement of 64 bbls, pressure up to 4500 psi, rate slowed to .6 BPM, wash up pump & lines, open tbg - 1900 psi, hesitate 3 times, obtain 3500 psi squeeze, sting out of CICR, rev clean w/ 100 bbls wtr, 4 bbls of cmt to pit.

*Continued on attached sheet

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 04/15/2011

Type or print name Lisa Hunt

E-mail address: lhunt@celeroenergy.com

PHONE: (432)686-1883

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

APR 28 2011

Conditions of Approval (if any):

T D Pope 26 #10 – C103 continued

4/1/11 - RIH w/ GR/CCL/CNL. Run log from 12,350' - 11,350'.

4/4/11 - RIH w/ 3 1/8" slick gun, 0 degree phasing, correlate back to CNL, perf 1 shot per foot as follows:

12,054' – 12,134' = 80 holes

12,154' – 12,194' = 40 holes

12,216' – 12,246' = 30 holes

12,270' – 12,330' = 60 holes

4/7/11 - RIH w/ 11 jts of 2 7/8" tbg to 12,343', spot 250 gal of 15% NEFE inhibited HCL across perfs. POH & set pkr @ 11,780', load backside & pressure up to 500# psi. establish injection rate of 6 BPM @ 3900# psi. Treat well w/ 26,000 gal of 15% NEFE inhibited HCL mixed w/ 208 gal inhibitor, 26 gal GP3 NG agent, 130 gal LCA liquid citric acid, 112 gal AFR. Drop 325- 7/8" 1.3 ball sealers evenly throughout acid, flush w/ 170 BFW, release pkr. RIH to 12,343' to knock off balls. POH LD 33 jts of 2 7/8" tbg.

4/11/11 - PU sub pump as follows: 1- Phoenix sensor, 1- 456 Dominator 156 Hp 2588V 38.5A motor, 2- LSBPB seals, 1- DRS intake, 3- DN725 pumps – 678 stages, 1- 2 3/8" Std SN, x-over, 231 jts of 2 7/8" 6.5# L-80 8rd tbg (7541.04'), x-over, 141 jts of 2 7/8" PH-6 tbg (4405.59').

4/12/11 - Splice lower pigtail into new #4 flat lead cable, land donut into seaboard WH, WIR – 114,000. NDBOP, build new WH, setup drive, check rotation, start pump up @ 60 Hz straight frequency. Return to production.