

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 87400  
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

HOBBS OIL CONSERVATION DIVISION

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

APR 27 2011

WELL API NO.	30-025-05229
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	State T Devonian
8. Well Number	4
9. OGRID Number	247128
10. Pool name or Wildcat	Denton; Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3798' GL

SUNDRY RECEIVED 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 M : 660 feet from the South line and 660 feet from the West line  
Section 2 Township 15S Range 37E NMPM County Lea

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.

3/8 - 3/22/11 - RIH w/7" Rotovert csg scraper, x-over, 358 jts of 2 7/8" WS to 11,667'. POH. RIH w/ 7" TS bridge plug, 357 jts 2 7/8" tbg, set bridge plug @ 11,630', release overshot. RIH w/ 40 arm caliper. Tag @ 11,628', log to surface. RIH w/ GR/CCL/CBL. Tag @ 11,628', log up to 8150'. Pull up to 5850', log to 350'. RIH w/ 7" Cst pkr, 2 3/8" SN, x-over, 160 jts of 2 7/8" tbg to 5214'. Continue in hole to 328 jts in, set pkr @ 10,686'. RIH to 356 jts in, set pkr @ 11,599'. RBP is set @ 11,630', pkr set @ 11,404'. Release pkr spot 3 sx of sand on RBP @ 11,630'. Set RBP @ 4750' & pkr set @ 4550'. Ran log from surface to 11,616'. Log back up w/ well flowing, log indicates wtr flow from DV tool @ 10,492'. TIH w/ tbg to 10,525'. Set 7" map cmt retainer @ 10,230'. RIH w/ stinger, 2 7/8" SN, 11 jts of 2 7/8". RIH w/ 303 jts of 2 7/8" tbg to cmt retainer @ 10,230'. Pump tbg capacity w/ 60 bbls 10# brine for cool down. Sting into retainer, psi csg to 500# psi. Establish injection rate 2 BPM @ 1650# psi. Pump cmt job as follows: 5 BFW spacer, 10 BFW w/ 400# CaCl2, 5 BFW spacer, 24 bbls flow guard, 5 BFW spacer, 200 sx Class "H" cmt 0.4% FL-10, 0.3% C-20, 0.25% R-38 @ 15.6 ppg, 1.18 yield, 5.19 gps. Displace w/ 58 3/4 bbls, rate slowed to 0.4 BPM, psi gradually increased to 3500# psi. Csg was gradually increased by pump to maintain a 1500# psi differential. SD wash up pumps & lines. Open tbg 3000# psi, hesitate twice, obtained 3200# psi, squeeze for 15 min. Sting out of retainer, reverse out w/ 80 bbls brine, reversed 1/4 bbl good cmt.

\*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 04/25/2011

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):

**State T Devonian #4** - C103 Continued

**3/23/11** - RIH w/ 7" HD pkr, 2 7/8" SN, 168 jts 2 7/8" tbg. Set pkr @ 5474'. PIH w/ tbg & pkr. RIH w/ 7" AS1-X w/ H-valve, 7" HD pkr, 2 7/8" SN, 148 jts tbg.

**3/24/11** - Set BP @ 4800', set pkr @ 4790', load tbg w/ 8 bbls, test tools to 1200# psi, raise pkr to 4530', load csg, test to 500# psi. RIH & tag @ 4480', no fluid entry.

**3/25/11** - Tag @ 10,223' w/ 308 jts. Drill cmt to retainer.

**3/28/11** - Drill good cmt from 10,230' – 10,450', rev hole clean.

**3/29/11** - Resume drlg cmt, fell out @ 10,945'. RIH to 10,580', rev hole clean. RIH & wash sand off RBP. RIH w/ overshot, 7" Cst pkr, 2 7/8" SN, 247 jts of 2 7/8" tbg to 8070'.

**3/30/11** - Set pkr @ 10,304'.

**3/31/11** - Tag @ 4200'. Released pkr. Set pkr @ 11607'. TBP @ 11630'. Release & POH w/ pkr.

**4/5/11** - RIH w/ 7" Cst pkr, 2 7/8" SN, 317 jts of 2 7/8" tbg, set pkr @ 10,333', load csg w/ 38 bbls, test pkr to 500# psi..

**4/9/11** - POH w/ tbg, pkr, RBP, total 272 jts 2 7/8" 6.5# L-80 8rd tbg in derrick (8869.18'). PU 82 jts new 2 7/8" 7.9# L-80 PH-6 tbg (2582.07'). RIH w/ electro BHP tools. Tag @ 12,205', 11,935'-3803 psi, 163 F, 11,835'-3757 psi, 11,000'-3354 psi, 10,000'-2582 psi, 8000'-1868 psi, 6000'-925 psi, 3000'-18 psi, 0'-17 psi.

**4/11/11** - Unload Vector 7, 561 KVA drive & 600 VFD auto. PU sub pump as follows: 1- Smartguard sensor, 2- 540 180 Hp motors 1275V 89A, 2- 540 TR5-AR seals, 2- TR4 gas separators, 5- TD 1750 pumps – 600 stages, 2 3/8" SN, x-over, 1 Std tbg, RIH w/ 134 jts 2 7/8" 6.5# L-80 8rd tbg.

**4/12/11** Day 30: Continue in hole w/ 2 7/8" tbg. Total of 272 jts 2 7/8" 6.5# L-80 8rd tbg (8863.97'), x-over, 82 jts of 2 7/8" 7.9# L-80 PH-6 tbg (2582.07'), WIR – 82,000. NDBOP, NU Seaboard WH, splice lower pigtail onto new #2 flat lead cable, land donut into Seaboard WH, intake @ 11,560.66', btm of Smartguard @ 11,624.46', check rotation, start pumps @ 54 Hz @ 5:03 Cst. Leave well pumping to battery.