

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, Hobbs, NM
1625 N. French Drive
Hobbs, NM 88240
FORM 3160-5
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.		5. Lease Serial No.
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other IN/5		6. If Indian, Allottee or Tribe Name
2. Name of Operator Celero Energy II, LP		7. If Unit of CA/Agreement, Name and/or No.
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701		8. Well Name and No. Drickey Queen Sand Unit #816
3b. Phone No. (include area code) (432)686-1883		9. API Well No. 30-005-00985
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (B) Sec 4, T14S, R31E 665' FNL & 1980' FEL		10. Field and Pool or Exploratory Area Caprock; Queen
		11. County or Parish, State Chaves, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Response to Written Order
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This well is on our Inactive Well Agreed Compliance Order #259 with the OCD. Also, it is on our 2012 Plan of Development with the BLM. I have attached copies of both agreements.

I have also attached a copy of the sundry to TA this well that was approved on 4/30/13 by David Glass.

HOBBS OCD
MAY 29 2013
RECEIVED

OCD Compliance Orders do NOT meet federal regulatory requirements.
Sundry Accepted for Record 05/23/2013.
Plan of Development was approved with this well being brought into compliance during 2013. Submit Notice of Intent (Form 3160-5) to BLM Roswell Field Office by January 1, 2014 for approval bring the well into compliance.

ACCEPTED FOR

MAY 20 2013

NAME IS/ Angel Mayes

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt		Title Regulatory Analyst	
Signature <u>Lisa Hunt</u>		Date 05/15/2013	

~~Assistant Field Manager,~~
Lands And Minerals

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
	Office ROSWELL FIELD OFFICE	

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

JUN 04 2013

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*5. Lease Serial No.
LC-062486

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Celero Energy II, LP

3a. Address

400 W. Illinois, Ste. 1601 Midland TX 79701

3b. Phone No. (include area code)

(432)686-1883

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

Drickey Queen Sand Unit #816

9. API Well No.

30-005-00985

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

(B) Sec 4, T14S, R31E
665' FNL & 1980' FEL

10. Field and Pool or Exploratory Area

Caprock; Queen

11. County or Parish, State

Chaves, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

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Celero would like to request 1-yr TA because the well was repaired in 2011 when a liner was set and cemented at 2223'-2820' & a pkr & tbg string was installed at 2731'. The well has future utility as WAG injector should the RQU CO2 Project to the northeast be expanded to the Drickey Queen Unit.

1. POOH with packer and tubing.
2. RU wireline and set a CIBP at 2755'. RIH with tubing and spot 10 sx Class C on CIBP.
3. PU tubing, reverse circulate tubing and casing clean. Pressure test to 500 psi.
4. Circulate hole with inhibited FW, POOH LD tubing, and leave one joint with a valve in wellhead. Schedule MIT.

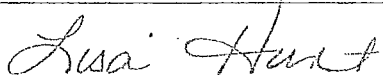
**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Lisa Hunt

Title Regulatory Analyst

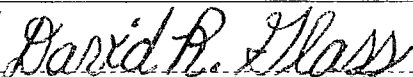
Signature



Date 04/24/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by



PETROLEUM ENGINEER

Title

Date

APR 30 2013

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 18 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**APPROVED FOR 3 MONTH PERIOD
ENDING JUL 30 2013**

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - B. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - E. Contact the BLM Roswell Field Office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status up to 12 months.

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Attaches a clear copy of the original pressure test chart.
3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.