

HOBBS OCD

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
 (August 2007)

MAY 01 2012

UNITED STATES

DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

RECEIVED

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.

FORM APPROVED
 OMB No. 1004-0137
 Expires: July 31, 2010

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

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

UL: H, Sec 5, T14S, R31E
1989' ENL & 330' FEL

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

8. Well Name and No.

Drickey Queen Sand Unit #835

9. API Well No.

30-005-00996

10. Field and Pool or Exploratory Area

Caprock, Queen

11. Country 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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 recompleat 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 recompleat 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.)

1. Spot 40 sx Class C @ 2684'. WOC 4 hrs & tag TOC. Circ salt mud to 1920'.
2. Perf 4 @ 1920'. RIH w/ pkr & sqz 40 sx Class C. After 4 hrs WOC, tag & circ salt mud to 1027'.
3. Perf 4 @ 1027'. RIH w/ pkr & sqz 40 sx Class C. After 4 hrs WOC, tag & circ salt mud to surface.
4. Perf 4 @ 157'. RIH w/ open tbg to 207' & circ 4 1/2" & 4 1/2" x 8 5/8" full w/ min 50 sx.
5. RD, set P&A marker & reclaim location.

- All cmt plugs are Class C w/ 2% CaCl2

- Min 9.5 ppg salt mud between all plugs

APPROVED FOR 3 MONTH PERIOD
 ENDING JUL 26 2012

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 04/26/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date

APR 26 2012

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.

(Instructions on page 2)

SEE ATTACHED FOR
 CONDITIONS OF APPROVAL

MAY 02 2012

CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: DQSU (formerly Trigg Federal #35)
COUNTY: Chaves

DATE: Apr. 26, 2012
BY: MWM
WELL: 835
STATE: New Mexico

Location: 1989' FNL & 330' FEL, Sec 5H, T14S, R31ECM

SPUD: 04/30/59 COMP: 05/59

CURRENT STATUS: Injector

Original Well Name: Federal Trigg #35-5

KB =

GL =

API = 30-005-00996

11"

8-5/8" 24# J-55 @ 107' w/50 sx. Calc'd TOC at surface

T-Anhy @ 1027'

T-Salt @ 1136'

B-Salt @ 1773'

T-Yates @ 1925'

T-Queen pay @ 2684'

Found 2-3/8" 4.7# J-55 cmt lined injection tubing and Guiberson Shorty packer @ 2479'-recovered packer and tubing.

7-7/8"

Calc'd TOC @ 2356'; enlargement = 15%, yld = 1.26 ft³/sk

Top of Queen @ 2684'

Queen: 2684' - 2698' (4 spf) (05-59)

4-1/2" 9.5# J-55 @ 2730' w/100 sx

PBTD - '
TD - 2730'

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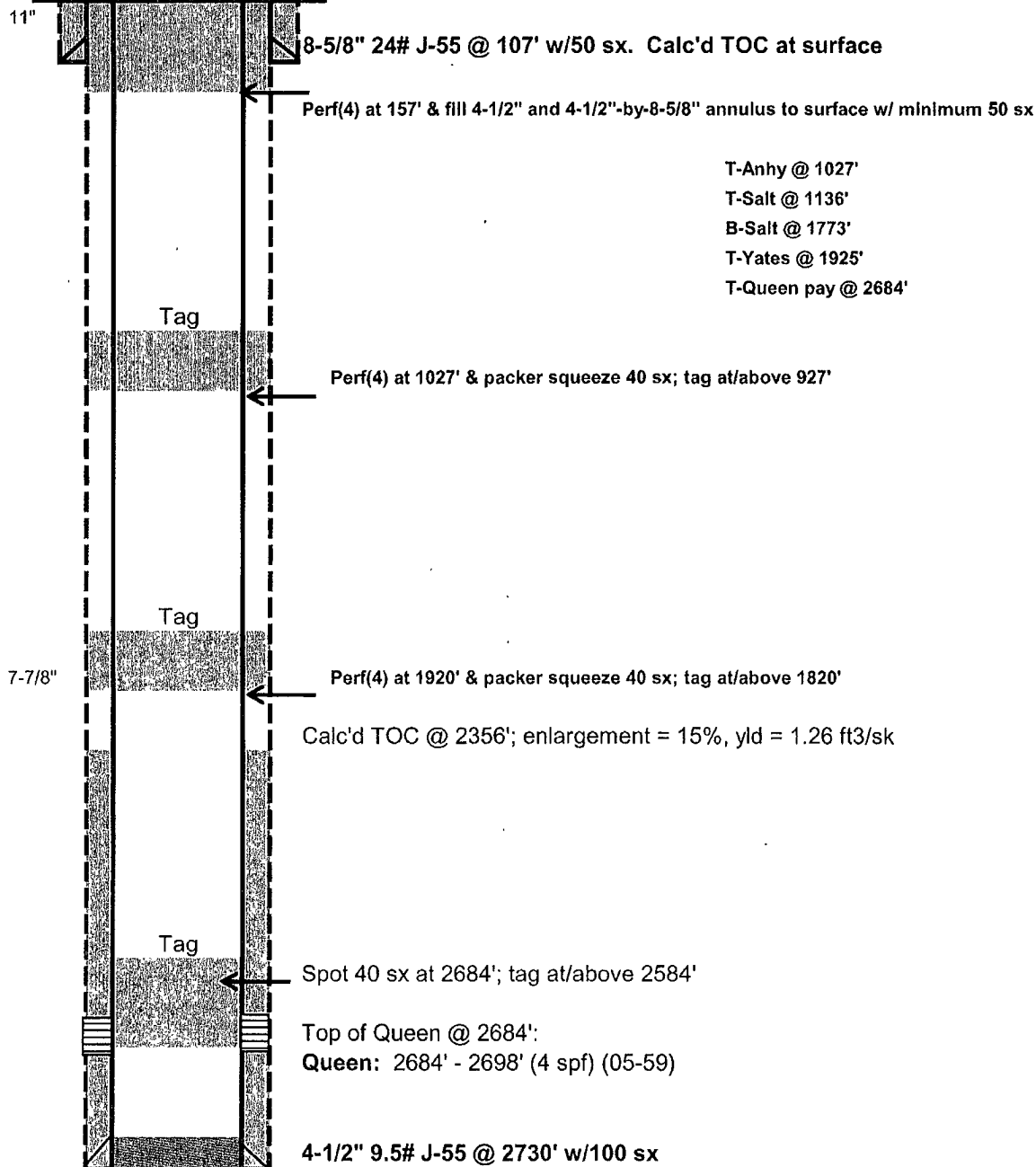
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PBTD - '
TD - 2730'

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide the appropriate BLM office, prior to the 90th day, with the reason for not meeting the deadline and a date when the appropriate BLM can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (575) 627-0272, in Eddy County call (575) 361-2822; for wells in Lea County call (575) 393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.