

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1025 N. ... Drive Hobbs, NM 88240

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. NM-02419 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well [X] 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. (432)686-1883 4. Location of Well (A) Sec 33, T13S, R31E 990' FNL & 330' FEL

7. If Unit of CA/Agreement, Name and/or No. 8. Well Name and No. Drickey Queen Sand Unit #10 9. API Well No. 30-005-21115 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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, and various actions like Acidize, Deepen, Production, etc.

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA.

Celero would like to request a 1 year TA status.

- 1. POOH and LD rods & pump. Stand back tubing. 2. Make a bit and scraper run to 2796'. 3. RIH w/CIBP and set between 2746' and 2786'. 4. RIH and spot 25 sx Class C w/2% CaCl2 on CIBP. 5. PU tubing, circulate clean, WOC a minimum of 4 hours, and tag TOC. 6. Pressure test casing to 500 psi. 7. Circulate hole with inhibited freshwater and POOH LD tubing. 8. Schedule and perform MIT.

HOBBS OCD

MAY 01 2013

RECEIVED

RECEIVED APR 22 PM 10:15

APPROVED FOR 3 MONTH PERIOD ENDING JUL 26 2013

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt Title Regulatory Analyst Signature Lisa Hunt Date 04/17/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] DAVID R. GLASS PETROLEUM ENGINEER Date APR 26 2013 Office ROSWELL FIELD OFFICE

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.

CONDITIONS OF APPROVAL

PM

MAY 20 2013

AM

# CELERO ENERGY

FIELD: Caprock  
LEASE/UNIT: Drickey Queen Sand Unit  
COUNTY: Chaves

DATE: 17-Apr-13  
BY: MWM  
WELL: 10  
STATE: New Mexico

Location: 990' FNL & 330' FEL, Sec 33A, T13S, R31E

SPUD: 5/93 COMP: 5/93

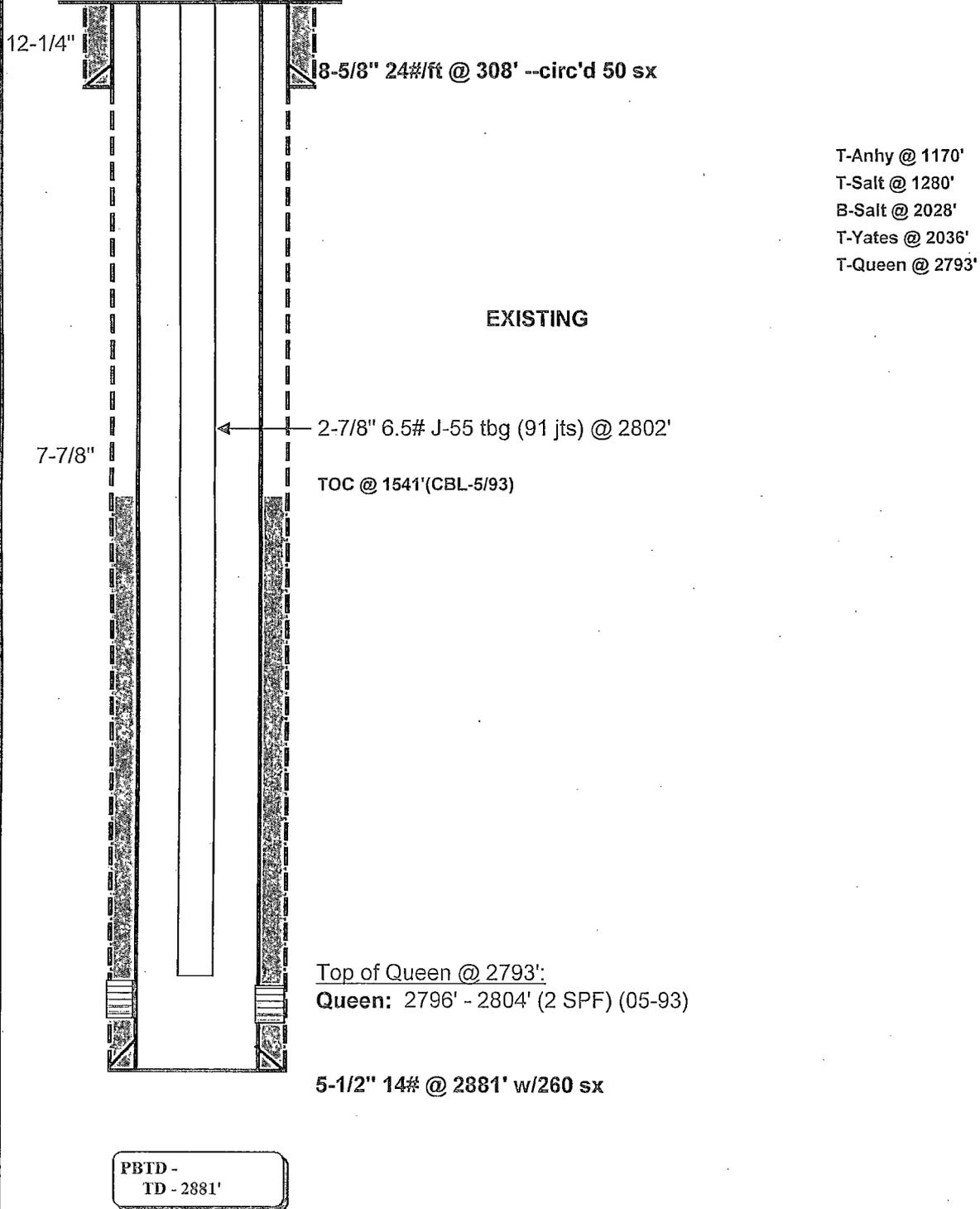
CURRENT STATUS: SI Producer

Original Well Name: Circle Ridge Production Drickey Queen Sand Tract 12 #2

KB =

GL = 4200'

API = 30-005-21115

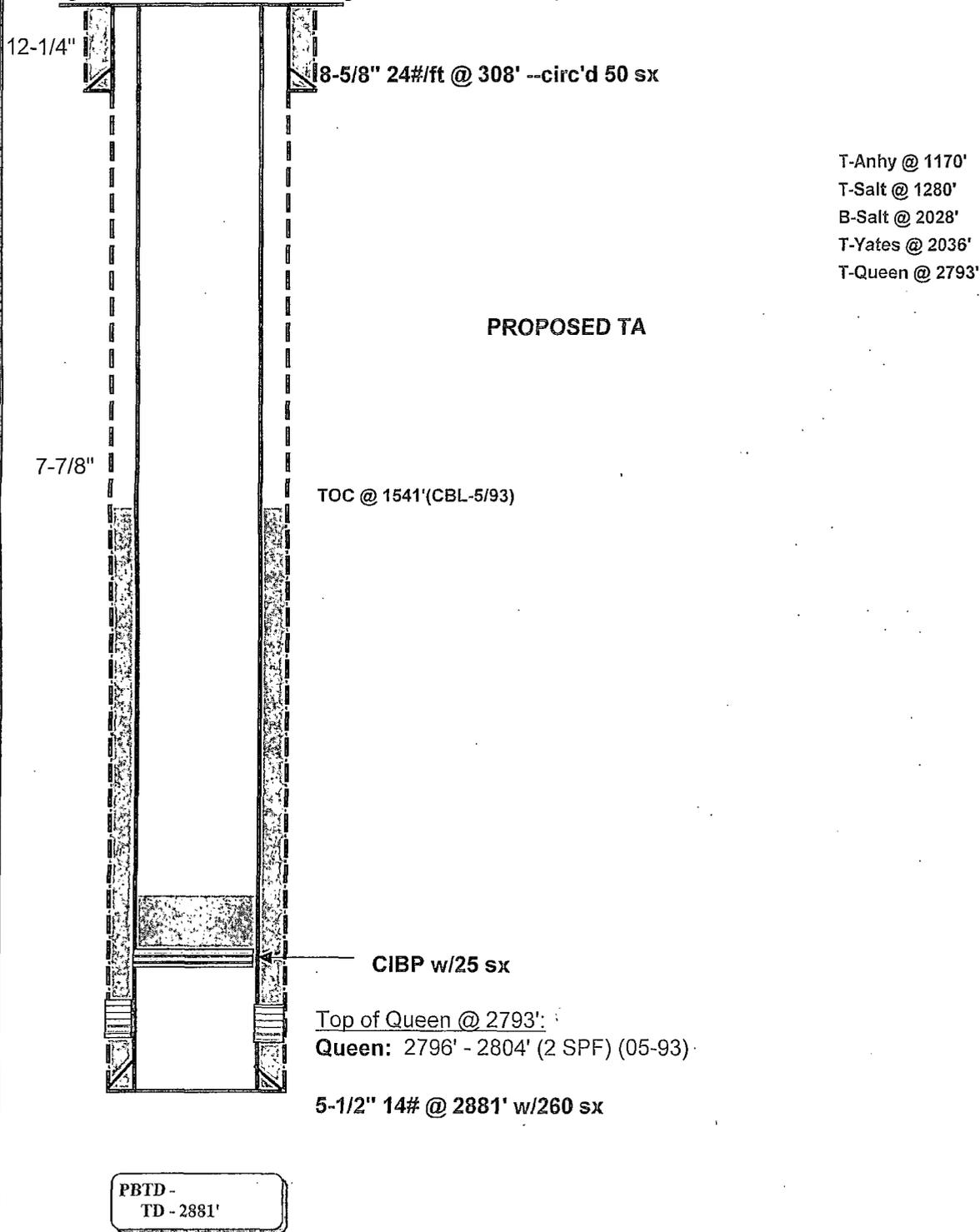


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<b>LEASE/UNIT:</b>	Drickey Queen Sand Unit	<b>BY:</b>	MWM
<b>COUNTY:</b>	Chaves	<b>WELL:</b>	10
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PBD -  
TD - 2881'

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.