

HOBBS OGD

JUN 08 2011

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010SUBMIT IN TRIPLICATE - Other instructions on page 2.
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Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

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)

(H), Sec 10, T14S, R31E
1980' FNL & 660' FEL

5. Lease Serial No.

LC-068474

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Drickey Queen Sand Unit #33

9. API Well No.

30-005-01025

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			
<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 <u>Reactivate injector</u>
	<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 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.)

4/11 - 4/15/11 - Installed 8 5/8" x 5 1/2" csg head & 5 1/2" x 2 3/8" x 2 7/8" tbg head. NU 3K hyd BOP. TIH. Ran & tag @ 2955'. Knock out bridge @ 2955', lower to btm of 5 1/2" csg @ 3042'. Rotate through tight spot. Fell through & ran bit to TD of 3066'. TIH w/ pkr to 3003'. Set RBP @ 3000'. Ran pkr to 2990' & test RBP to 600#, held okay. Test csg from 30' - 2840'. Unable to get csg to test. LD pkr. Ran CIL from surface to 3025'. Ran GR/CCL/CBL from 2250' - 3025'. Set RBP @ 504'. Back off 5 1/2" csg @ 135'. Pull 4 jts of 5 1/2", 14# csg + 1- 3' piece of csg (135'). Found 2 holes in 1st jt of csg @ 12' & 16'. Ran 3 jts of 5 1/2" 15.5# J-55 LT&C csg + 1- 7' piece of 5 1/2" csg (*135') & screwed into top of 5 1/2" csg fish @ 135'. Set pkr @ 25' testing down tbg to RBP. Unable to load hole pumping @ 2 1/2 BPM. Unable to pressure up. Pull tbg & pkr. Pull 20K on 5 1/2" csg & set slips. Locate holes in 5 1/2" csg from 283' to 314'. Pumping @ 2 BPM & 0# psi. 8 5/8" x 5 1/2" annulus but did not break circ. Recovered RBP @ 504'. Ran & set @ 2718'. Spot sand on RBP. TIH w/ 5 1/2" AD-1 pkr. Ran & set @ 500'. Test csg from 500' to top of RBP @ 2718' w/ 550#, held okay. Raise pkr to 95'. Circ down tbg out 8 5/8" x 5 1/2" annulus w/ 30 BPW. Perf 5 1/2" csg w/ 3 1/8" gun w/ 2 shots, 180 degree phasing @ 366'. Break circ down tbg out 8 5/8" x 5 1/2" annulus w/ 10 BPW. Pump 10 bbls of 10# salt mud. Displaced mud into perfs, closed 8 5/8" x 5 1/2" annulus & squeezed mud away. Mixed 300 sx of 14.8 ppg, 1.32 yield cmt w/ 2% CaCl2 & SD. Wash up & displaced cmt 1.5 bbls below pkr circ 30 sx of cmt out 8 5/8" x 5 1/2" annulus w/ a SD pressure of 100#. Staged cmt, displacing cmt a total of 2 3/4" bbls below pkr w/ a SD pressure of 1000# leaving estimated TOC @ 200'.

* Continued on attached sheet

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 05/17/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

MAY 24 2011

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

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.

APPROVED FOR 6 MONTH PERIOD
ENDING NOV 05 2011

Drickey Queen Sand Unit #33 – Sundry continued

4/18/11 – WOC. TIH w/ tbg, DC's & 4 ¾" bit. Tag @ 162'. Test to 550#, held okay. Drl cmt from 162' – 172' & fell out of cmt to 200'. Drl to 210' & fell to 215'. Drl cmt from 215' – 357'. Pumped into perfs @ 400# & 1 BPM. Ran tbg w/ pkr. Isolated csg leak from 283' – 314' & perfs @ 366'. The csg leak held 550#, the perfs @ 366' took fluid @ 400# & 1 BPM. TOH w/pkr. C/O from 2710' – 2718' to top of RBP. Circ clean.

4/19/11 – Tag @ 3006'. Drl new hole from 3006' – 3074' w/ no circ. Ran 4" duplex shoe, 1 jt (39.18') of 4" 9.5# UFJ J-55 csg, 7 jts (275') of 4" 9.5# UFJ J-55 csg for a total of 8 jts (314') of csg. RIH on 2 3/8" & 2 7/8" tbg & set liner from 2759' – 3073'. Pump & mix 100 sx Class "C" cmt w/ 2% CaCl₂ (14.8 ppg & 1.32 yield) & displaced @ 1 BPM, no pressure leaving 0.6 bbls of cmt above duplex shoe. Liner came out w/ tbg. The releasing tool for the duplex shoe failed to release liner. Unscrewed tbg from duplex shoe tied to liner @ surface & LD liner.

4/20/11 – WOC. Ran bit to 3074'. TIH w/ 8 jts of 4" 9.5# UFJ J-55 csg liner (314') w/ 4" Watson's duplex shoe. Lowered liner on tbg WS to 3066'. Wash to 3070'. Unable to go deeper. Drl & C/O from 3066' – 3079' cutting an additional 4' of new hole. Pumped a total of 150 BPW w/ no returns. TOH

4/21/11 – TIH w/ 8 jts of 9.5# UFJ J-55 csg as liner w/ 4" Watson duplex shoe. Lower liner w/ tbg & set liner from 2765' – 3079'. Pumped tbg volume, followed w/ 125 sx of Class "C" cmt w/ 2% CaCl₂. Displaced @ 1 BPM, no pressure leaving 0.6 bbls of cmt in tbg above duplex shoe. Did not have circ. WOC. TOL @ 2765'. No cmt. TIH w/ tbg & 5 ½" AD-1 tension pkr to 2623'. Mix & pump 100 sx Class "C" cmt w/ 2% CaCl₂. Displaced @ 1 BPM w/ 200# psi, 1.4 bbls below pkr & SD. SD pressure = 190#. Staged cmt to try & cmt squeeze zone. Able to get to only 300# psi. Over displaced cmt w/ 5 BFW. WOC.

4/25/11 – Pumped 100 BPW @ 1.5 BPM & 300# psi. Pump 5 BFW spacer, mix & pump 100 sx of Class "C" cmt w/ 2% CaCl₂, SD, wash up & displaced cmt down tbg through pkr @ 2623' @ 1 BPM w/ 1 bbl below pkr @ 500# psi. Staged cmt displacing cmt 61' (1.5 bbl) below pkr w/ 1100# squeeze pressure.

4/26/11 – Release pkr & TOH. Tag cmt in 5 ½" csg @ 2661'. D/O cmt from 2661' – 2765' to TOL. Circ hole clean. Ran 5 ½" pkr to 600'. Test 5 ½" csg from 600' to TOL @ 2765'. Held 550# for 15 min. Tag cmt @ TOL @ 2765'. Drill cmt inside of 4" liner from 2765' – 2782'. Ran bit to TD of 3079'. Circ hole clean. Ran GR/CCL/CNL from 2000' – 3073'. Ran CBL from 2750' – 3073'.

4/27/11 – Run 4" 10.7# UFJ L-80 csg. Ran 4" alignment tool, 1 jt (42.89') of 4" UFJ csg, 4" weld on float collar & 64 jts (2745') of 4" UFJ csg. Tag top of btm 4" liner @ 2765'. Raise top liner up 3'. Tied onto csg & circ csg & annulus volume w/ produced wtr.

4/28/11 – 4" liner tie back string in hole from surface to 2765'. Pumped 5 BFW w/ good circ. Cemented down 4" liner w/ 120 sx Class "C" cmt w/ 2% CaCl₂ (1st 30 sx contained ¼# celloflakes per sx of cmt.) & displaced w/ 31 BFW @ 1 BPM & 1200# psi. Did not bump FC @ 2722'. Check float & held. Circ 9 sx cmt out 4" x 5 ½" csg annulus. Lower 4" csg liner & land 4" alignment tool into 4" collar on top of btm 4" liner @ 2765'. WOC.

4/29/11 – TIH w/ 2 3/8" tbg WS w/ 3 ¼" bit. Tag cmt in 4" tie back liner @ 2569'. Drill cmt from 2569' – 2721' & rubber plug & float collar from 2721-22'. D/O cmt in btm jt of 4" top liner to 2754'.

5/2/11 – D/O alignment tool @ 2765' & cmt from 2765' – 2791'. Ran bit to TD of 3072' & circ hole clean. TOH. Perf 4" liner w/ 2 ½" cased gun, 2 SPF, 120° phasing from 3044' – 3060'; 17' & 34 holes. TIH w/ tbg & 4" AD-1 pkr. Ran to 2978'.

5/3/11 – Pkr @ 2978'. Load tbg-csg annulus & placed 500# psi on same. Acidz perfs 3044-60' w/ 1500 gal of 7 ½% NEFE acid & 50-7/8" ball sealers. Displaced acid w/ 23 BFW, 10 bbls overflush. Treating pressures: Max = 3000#; Avg = 673#; Avg rate = 4 BPM. ISIP = 0# psi. TLTR = 70 bbls. Release pkr, lower, knock off ball sealers off perfs, pull & LD tbg WS & pkr.

5/4/11 – Ran 93 jts (3004') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg w/ 4" plastic coated AD-1 pkr & ran to 3004'. With pkr swinging @ 3004', circ hole w/ pkr fluid. Set pkr, pulled pts of tension. Ran MIT pre-test. Tested to 500# & held okay. NDBOP & NUWH, 4 ½" x 2000# Larkin type tbg WH w/ 2 3/8" Al-Br tbg valve.

5/5/11 – Ran MIT. Tested to 600# & held for 34 min. Original chart sent to OCD Hobbs & copy to BLM. Well is shut in waiting on battery to be built.

