

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I

1624 Hobbs OGD 240
Hobbs, NM 88240

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

JAN 18 2012
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.

5. Lease Serial No.	LC-070336(a)
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 #52
9. API Well No.	30-005-01121
10. Field and Pool or Exploratory Area	Caprock; Queen
11. Country or Parish, State	Chaves NM

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <i>Ing</i>	
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: F, Sec 22, T14S, R31E 1980' ENL & 1980' FWL	

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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.)

Request 1 year temporary abandon status. Subject well is in a part of the Caprock Queen field where water injection at this time is not needed. However, the well may have future utility as an injection well in the event that Rock Queen Unit pilot CO2 project to the North is successful.

1. POOH w/ injection tbg & pkr.
2. RIH w/ CIPB & set @ 3015'. Dump bail 35' of cmt on CIBP.
3. RIH w/ tbg & circ hole w/ inhibited FW. POOH w/ tbg & perform MIT

APPROVED FOR 3 MONTH PERIOD
ENDING APR 12 2012

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt		Title Regulatory Analyst
Signature <i>Lisa Hunt</i>		Date 12/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS	PETROLEUM ENGINEER	Date JAN 12 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. <i>MIN/OGD 1-20-2012</i>		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.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

JAN 24 2012 *Cott*

CELERO ENERGY

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

DATE: Dec. 13, 2011
BY: MWM
WELL: 52
STATE: New Mexico

Location: 1980' FNL & 1980' FWL, Sec 22F, T14S, R31ECM

SPUD: 6/55 COMP: 6/55

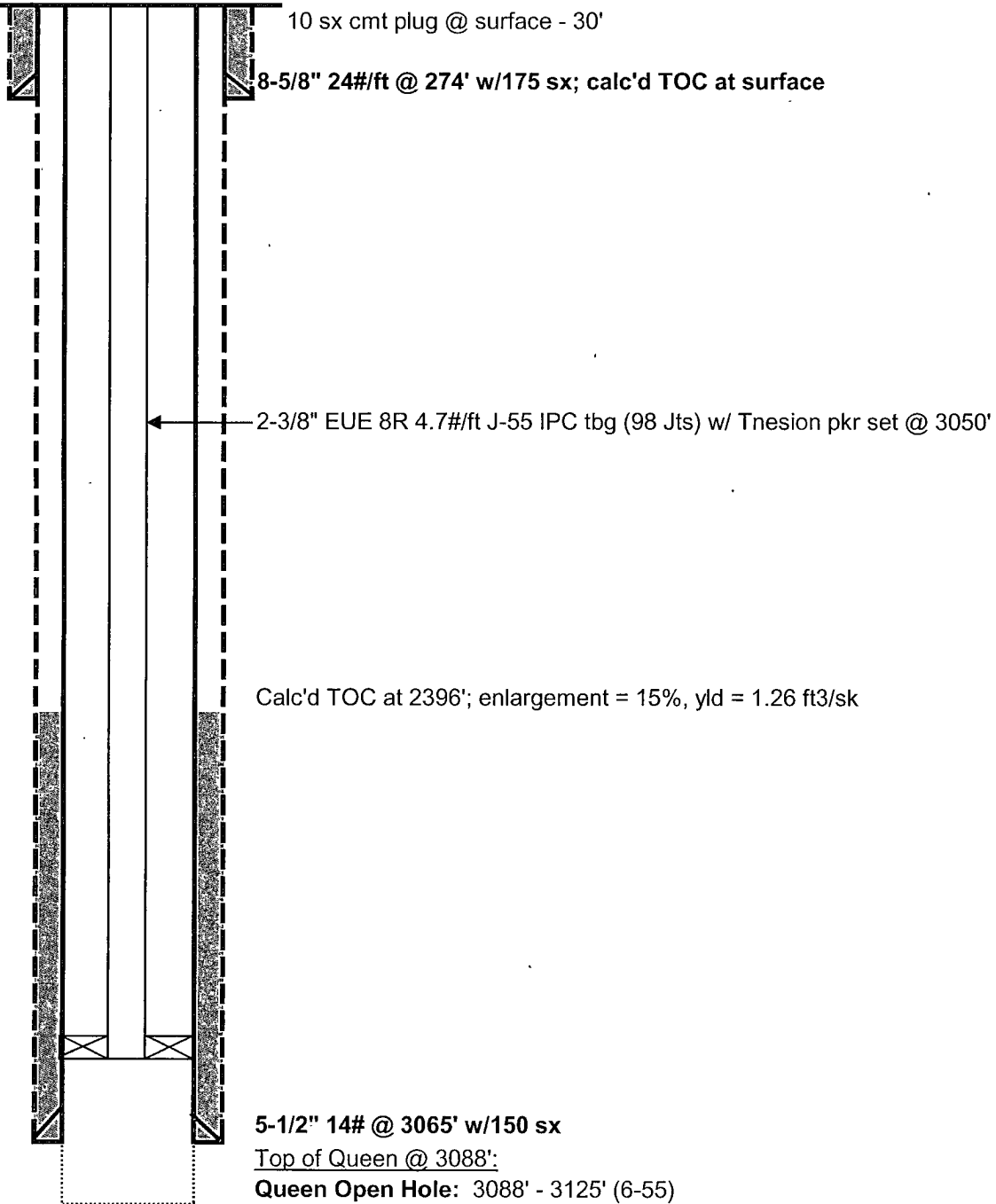
CURRENT STATUS: Injector

Original Well Name: Federal Medlin #1

KB = 4431'

GL =

API = 30-005-01121



PBTD - 3125'
TD - 3125'

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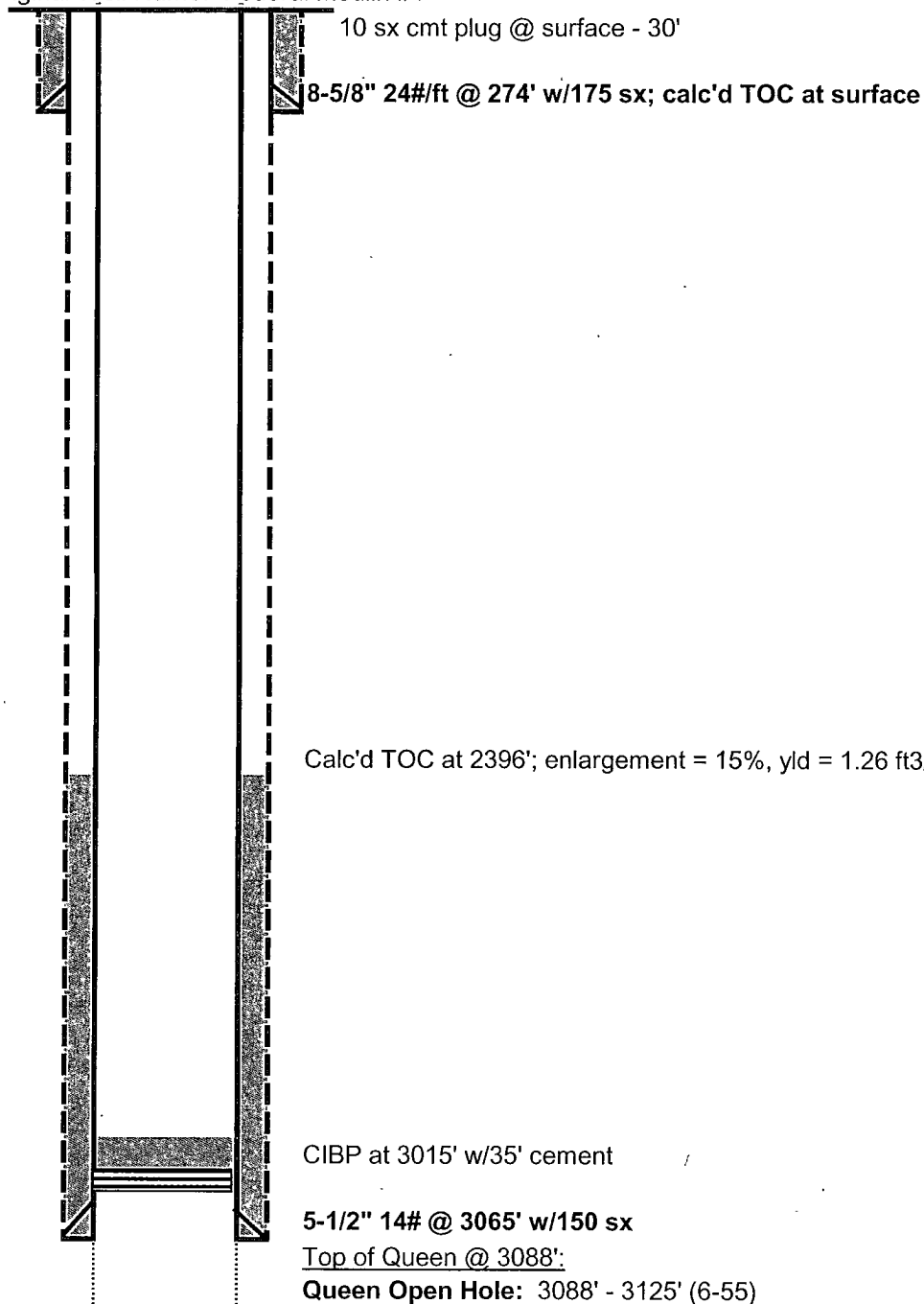
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BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272

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 call (575) 420-2832 or after office hours call (575) 627-0205.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided by the operator.

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.

Ref: IM: NM-95-022 (12/16/1994)