

New Mexico Oil Conservation Division, District I
 UNITED STATES **1625 N. French Drive**
 DEPARTMENT OF THE INTERIOR
Hobbs, NM 88240
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB No. 1004-0137
 Expires: March 31, 2007

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-060811

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
 Drickey Queen Sand Unit #48

9. API Well No.
 30-005-01059

10. Field and Pool, or Exploratory Area
 Caprock; Queen

11. County or Parish, State
 Chaves, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other **Inj**

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)
 Sec 15, (L); T14S; R31E
 1980' FSL & 660' FWL

RECEIVED
 NOV 24 2010
 HOBBS, NM

12. CHECK 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

10/11 - 10/13/10

NUBOP for 1" CS Hydril Upset tbg. TIH w/1" tbg & 1 3/4" blade bit. Ran & tag @ 370'. Drl & C/O to 433'. TOH w/ tbg & blade bit. TIH w/ 1" tbg & 1 3/4" tapered mill. Ran to 2,100' & tag fill. Mill & C/O out from 2,100' to 2,328' w/no returns. Raise bit to 2,300'. Lwr 1 3/4" tapered mill to 2,328'. C/O to 2,359'. TOH. TIH w/1 3/4" blade bit. Ran to 470' & tagged. Ran to 776'. TOH w/bit. Re-worked tapered mill enlarging the btm outlet to 3/8". TIH & tag @ 2,359'. Mill & C/O from 2,359' to 2,763' pumping 0.8 bpm @ 1,000# w/no returns. Raise mill to 2,470'. Lower 1 3/4" OD tapered mill to 2,763' & C/O to TD of 2,945' w/no circulation. (Pumped down 1" tbg @ 1,350# & 1 bpm to establish rate to prepare to spot cmt). Pump 3 BFW followed w/15 sx of 14.8 ppg (yield = 1.32) Class "C" cmt w/ 2% CaC12 & spot a balanced cmt plug through 1" CS Hydril Upset tbg @ 2,945'. Displaced cmt @ 1 bpm & 1,400# pressure. Raise end of mill @ 2,857' & reversed out cmt. No recovery of cmt after 2 volumes of tubulars. TOH, LD 1" tbg. Ran free point. Locate pkr @ 2,870' & found 2 3/8" OD injection tbg free to pkr. Ran 1 7/16" OD jet cutter to cut 2 3/8" OD tbg @ 2,860', Mis-fired on 1st run, 2nd run the jet cutter was fired w/ partial cutting of 2 3/8" OD tbg. Unable to go below 2,864' (prior to firing jet cutter the tool would go below pkr @ 2,870'). Attempt to work tbg free @ tbg cut of 2,860'. Unable to work free.

* 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 10/27/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/S/ DAVID R. GLASS**

Title **PETROLEUM ENGINEER**

Date **NOV 12 2010**

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

12-1-10

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)

APPROVED FOR 6 MONTH PERIOD
ENDING APR 19 2011

Approved as to plugging of the well bore. Liability under bond is retained until surface restoration is completed.

Drickey Queen Sand Unit #48 C-103 Continued

10/14/10 - Braced around 9 5/8" OD surface csg. The surface csg was sinking @ the surface & had fallen 1' the previous evening. Ran 1 11/16" chemical cutter. Stopped going @ 1,190'. TOH. Ran 1 7/16" jet cutter to 2,860' & shot off 2 3/8" tbg. TOH w/ 3 jts of 2 7/8" tbg, 1- 4 11/16" OD overshot & 88 jts + 1- 20' piece of 2 3/8" cmt lined tbg (total footage for 2 7/8" = 95' & 2 3/8" = 2,765'). TIH w/ 93 jts + 8' tbg sub & ran to top of cut off 2 3/8" tbg @ 2,860'. Pumped 50 BPW to try & circ. hole. Failed. Mix & pumped @ 14.8 ppg (yield = 1.32), 25 sx of Class "C" cmt w/ 2% CaC12. Spot balanced plug through tbg in 7", 20# csg pumping 1 1/2 bpm @ 0#. SD, went on vacuum. Raise end of tbg to 2,246'. WOC 3 hrs. Lower tbg to 2,860'. Did not tag cmt. With tbg @ 2,860' pumped 37 BPW to try & circ. hole. No circ. Mix & pump @ 14.8 ppg (yield of 1.32), 25 sx of Class "C" cmt w/ 2% CaC12 & spot balanced cmt plug through tbg in 7", 20# csg pumping @ 1 bpm & 100#. SD pressure was slight vacuum. Raise end of tbg to 2,246'. Now WOC.

10/16/10 - After WOC 12 1/2 hrs, lower tbg to tag TOC. Ran to 2,860'. Did not tag cmt. Pump 25 BPW to establish circulation. Did not circulate. Pump 5 BFW followed w/ 25 sx of Class "C" cmt w/ 2% CaC12 & displaced w/ 9.5 BPW & SD in an effort to balance cmt plug in 7" 20# csg (total displacement = 16.5 bbls). Displaced @ 1 bpm & 100# pressure. SD. Tbg on slight vacuum. CWI. Raise tbg to 1,992'. WOC 3 hrs. Lower tbg & tag TOC @ 2,808' (cmt top had to be above 2,760'). Pump 27 BPW & established circulation. Pump 5 BFW followed w/ 25 sx of Class "C" cmt w/ 2% CaC12 + 2# sand/sx. Displaced @ 1 bpm & placed balanced plug in 7" 20# csg. Had circulation throughout job. Raise tbg to 1,992'. WOC 3 hrs. Lower tbg & tag TOC @ 2,680'. TOC okay. Witnessed by BLM rep. Eddie Fitzpatrick. Attempt to circulate hole w/ 10 ppg salt mud. Tbg was plugged. TOH w/ tbg & found 5 jts of tbg plugged w/ cmt. CWI.

10/18/10 - After WOC 70 hrs, TIH w/ open ended tbg to 2,680'. Circ. hole w/ 10 ppg salt mud. Raise EOT to 2,023'. Perf 7" csg w/ 4 shots @ 2,150' w/ 22 gram charges. Lower EOT to 2,207'. Pump 10 BPW to establish circ. Mix & pump 100 sx of Class "C" w/ 2% CaC12 & spot balanced cmt plug in 7", 20# csg from 2,207' to 1,586'. Raise tbg to 1,410' & circ. hole w/ 10 ppg salt mud fluid. WOC 3 hrs. Lower tbg & tag @ 1,586'. Raise tbg to 1,105'. Perf 7" csg w/ 4 shots @ 1,380' w/ 22 gram charges. Lower EOT to 1,410'. Pump 5 BPW & established circ. Mix & pump 60 sx Class "C" cmt w/ 2% CaC12 & spot a balanced cmt plug in 7", 20# csg. Pull & LD tbg. CWI. Now WOC.

* **10/19/10** - After WOC 8 hrs, LD tbg in derrick. Ran & tag TOC @ 1,028'. Perf 7" csg w/ 4- 22 gram shots @ 200'. LD 3 jts of 7" csg w/ 14' of 9 5/8" csg that was used to tie top of 7" production csg to surface. TIH w/ tbg, open ended to 245'. Pump 140 sx Class "C" cmt w/ 2% CaC12 & circulated out 12 sx of cmt. TOH, LD tbg. Finish filling up well bore w/ cmt. RDMO. Cap off well bore. Well now P&A.