

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

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

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

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.

JUL 20 2011

RECEIVED

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		7. If Unit of CA/Agreement, Name and/or No. Drickey Queen Sand Unit
2. Name of Operator Celero Energy II, LP		8. Well Name and No. Drickey Queen Sand Unit #821
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701	3b. Phone No. (include area code) (432)686-1883	9. API Well No. 30-005-00986
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 2310' FWL Sec 4, T14S, R31E (N)		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 Attempt to convert to injection
	<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.)

5/3 - 5/10/11 PU 3 7/8" bit, BS & 6- 3 1/8" DC's. TIH w/ 6 jts 2 3/8" WS. Tag pipe w/ 3' in on jt #7 @ 375'. TOH & PU 3 3/4" impression block & TIH. Set block @ 375' & TOH. Showed to have parted csg. TIH open ended tagged w/ 31 jts @ 1002'. Worked through to jt # 38 & tagged again. Could not work through. TIH w/ 3 3/4" bit & tag @ 375'. Worked pipe through. Continued TIH & tagged @ 1002'. Worked pipe through. Continued TIH & tagged @ 1214'. Could not work through. Drl from 1214' - 1246' w/ full returns. Lost returns @ 1246' & drilled to 1311' w/ no returns. Well went on vacuum. TIH to 1262' & tagged up. Hole had fell in. TOH. Well had 150# on csg, blew well down & open well. TIH to parted csg @ 375'. Pump 90 bbls 50 vis mud DH. TIH & tag @ 1262'. Drl from 1262' - 1437'. Pumped 15 bbls mud every other connection. Never got returns, but did have some flow on connections. Spotted 30 bbls mud on btm & pulled 10 jts. Had 5K drag on 1st 6 jts but none on last 4 jts. TIH to 1262' & tagged up. Wash & ream back to 1437'. TIH to 1256' & tag up. Wash & ream from 1256' - 1473'. TIH & tag up @ 2343'. Wash & ream from 2343' - 2788' TD. TOH to 1100'. LD 3 jts. TIH & wash 3 jts back to btm w/ no fill. TOH to 1100'. Had no returns on well from 1226' - TD. TIH from 1100' - 2788' TD. Had no fill, but had tight spot @ 2408', worked through w/ little problem. TOH for logs. RIH w/ 3 5/8" csg inspection tool to 375'. Could not work tool through parted csg. Ran log from 375' - surface. RIH w/ 1 11/16" collar locator tool to 2788' TD. Logged from TD - surface. TIH open ended w/ 2 3/8" WS & LD same. PU 14 jts 2 3/8" 4.7# J-55 w/ RC & RIH to 451'. NDBOP & NUWH. Install 2 3/8" EUE 8rd x 2" swedge & valve in tbg. SWI. Prepare to send sundry to P&A.

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 06/28/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ACCEPTED FOR RECORD

/S/ DAVID R. GLASS

Title

Date

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, or to furnish any information to any department or agency of the United States as to any matter within its jurisdiction.

RETROLEUM ENGINEER

(Instructions on page 2)