

## New Mexico Oil Conservation Division, District 1

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.**

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC-068474
2. Name of Operator Celero Energy II, LP		6. If Indian, Allottee or Tribe Name
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701	3b. Phone No. (include area code) (432) 686-1883	7. If Unit of CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 1980' FEL (G) Sec 10, T14S, R31E		8. Well Name and No. Drickey Queen Sand Unit #32
		9. API Well No. 30-005-01023
		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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 recompleate 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 recompleation 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.)

6/16/11 - MIRU. Remove pump. LD polish rod & liner, 3- 7/8" subs, 1- 1 1/4" sub, 112- 7/8" & 1 rotor. NDWH & NUBOP. LD 92 jts of 2 7/8" 6.5# J-55.

6/17/11 - PU 4 3/4" bit, BS & 4- 3 1/2" DC's. TIH w/ 89 jts of 2 7/8" WS & tag @ 2954'. Wash & ream from 2954'-2980'. Well did not circ. TOH w/ bit. PU 5 1/2" csg scraper & TIH w/ 84 jts of 2 7/8" WS. TOH w/ scraper.

6/20/11 - Open well, 50# on csg. Bleed down psi & PU 5 1/2" pkr. TIH to 2893', test csg to 500# for 30 min. Tested okay. TOH w/ pkr. LD pkr & TIH open ended. TOH, LD 2 7/8" WS. Change out & strap pipe. PU 5 1/2" AS1-X IPC inj pkr. TIH w/ 89 jts of 2 3/8" 4.7# J-55 IPC w/ TDC to 2897'.

6/21/11 - Pump 50 bbls pkr fluid. Set pkr @ 2888'. Test csg to 500# w/ no loss.

7/27/11 - Ran OCD required MIT. Tested for 32 min @ 530# psi. No pressure loss. MIT witnessed & approved by Maxey Brown w/ OCD. David Glass w/ BLM was contacted but a representative was not present for MIT. Original chart to OCD and copy of chart to BLM. Shut well in pending injection permit.

ACCEPTED

APPROVED FOR 12 MONTH PERIOD FOR T/ASI

ENDING JUL 27 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 08/01/2011

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS AUG 10 2011	Title	Date
Conditions of approval, if any, 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 18 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 statement or report which is material to any matter within its jurisdiction.

(Instructions on page 2)

AUG 17 2011

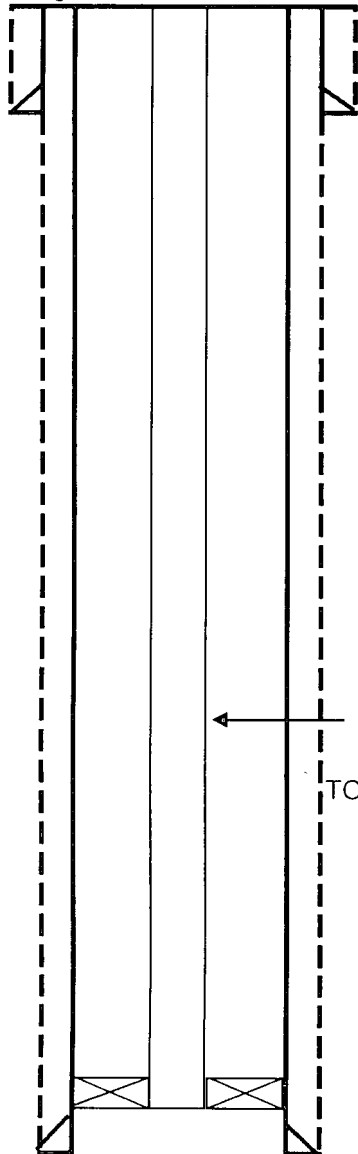
# CELERO ENERGY

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

DATE: Aug. 06, 2011  
BY: MWM  
WELL: 32  
STATE: New Mexico

Location: 1980' FNL & 1980' FEL, Sec 10G, T14S, R31ECM  
SPUD: 5/54 COMP: 5/54  
CURRENT STATUS: Producer  
Original Well Name: Government B #2

KB = 4319'  
GL =  
API = 30-005-01023



13-3/8" 48#/ft @ 277' w/225 sx-calc'd TOC at surface

8-5/8" was used as protection string at 1285' while drilling to 2935' with cable tools. Csg was recovered prior to running the 5-1/2".

89 jts. 2-3/8", 4.7#, J-55, 8rd EUE, IPC tubing

TOC @ 2640' (CBL)

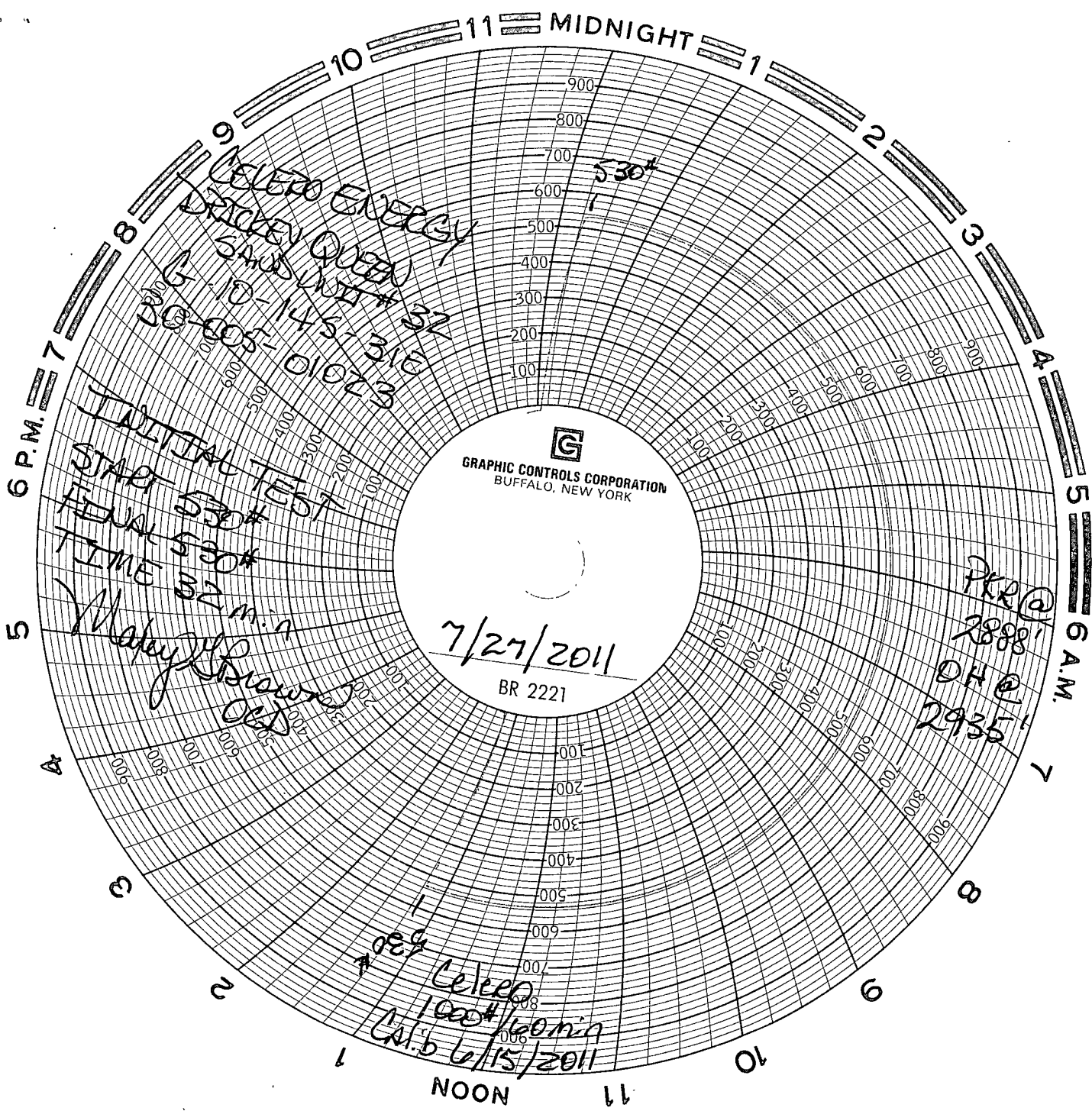
Packer at 2887'

5-1/2" 14# @ 2935' w/100 sx

Top of Queen @ 2940':

Queen Open Hole: 2940' - 2960' (5/54), 2940'-80'(4/08)

PBTD - 2980'  
TD - 2980'



GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

7/27/2011

BR 2221

PKR@  
2888  
OH@  
2935

Celesto  
1000#/min  
Cal. b 6/15/2011

HALT  
STAG  
FINAL 5:30#  
TIME 5:30#  
32 min  
Makyp Brown  
OED

CELESTO ENERGY  
DRIVER QUOTE  
10-145-3107  
01023107

530#