

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

AUG 23 2011
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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. Drickey Queen Sand Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1990' FNL & 660' FWL UL: E, Sec 3, T14 S, R31E		8. Well Name and No. Drickey Queen Sand Unit #19
		9. API Well No. 30-005-00976
		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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	return to
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	production

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 must 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 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.)

5/23 6/1/11 - PU 4 1/2" impression block & TIH to 2649'. Worked block through & TOH. PU 4 3/4" watermelon mill & TIH to 2649'. PU swivel & mill from 2649' - 2651'. Went through spot, continued down to 2704' & tagged up. Could not drill. PU 4 3/4" bit & TIH to 2704', but could not drill. Sat down on block, obtained picture that showed parted csg. TIH w/ 2- 3 1/2" DC's & 87 jts 2 3/8" WS to 2704'. Drill from 2704'-2706'. Went through wiped out bad spot. Went down to 2720', tagged up. Drill from 2720'-2721' Mill from 2721'-2723'. Fell through, went down to 2741' & tagged up. Mill from 2741'-2744'. Fell through, went down to 2827' & tagged up. Milled from 2827'-2868' Mill stopped cutting, pulled up hole to 2636' then went back through w/o tagging. TOH w/ mill. PU 4 3/4" bit & TIH w/ 2- 3 1/2" DC's, BS & 92 jts 2 3/8" WS to 2868'. Tried to drill, but could not. TIH w/ 4 3/4" shoe w/ 5' extension. Tagged @ 2704'. Could not work or drill through. TOH w/ shoe & PU 3 1/4" taper tap. TIH to 2868'. Tried to screw into tbg body, but was unsuccessful. TIH w/ 4 3/4" taper mill to 2868'. Did not tag anything going in. Tried to mill. TOH w/ mill. Make wiper run from 2636'-2868' w/ no problems. Run CIL & CBL. TIH w/ 5 1/2" pkr to 2240'. Pressured up to 500#, leaked off in 3 mins. Tried to move up hole, but pkr would not unset. Kept working pkr down & finally got it to unset @ 2480'. TIH w/ 5 1/2" AS1-x pkr to 2300'. Load hole & test. Lost 200# in 10 min. Moved pkr up hole to 1500', re-tested w/ same results. Lost 200# in 10 mins. Moved pkr up hole to 620', re-tested w/ same results. TOH. PU 5 1/2" TS-RBP & TIH to 496'. Tested to 500#, tested okay. Moved TS-RBP down to 538', re-tested & had 200# loss in 10 min. Moved RBP down to 1503', set RBP & TOH. TIH w/ AS1-X 5 1/2" pkr, 47 jts 2 3/8" & set @ 1440'. * Continued on attached sheet

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 08/12/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by /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. <i>6-23-2011</i>	Office	
Title 18 U.S.C. Section 1001 and 1003, Section 1202, 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 claims as to any matter within its jurisdiction.		

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Drickey Queen Sant Unit #19 – Sundry continued

6/2-6/3/11 - Pressure up & test RBP, ok. Release pkr & moved up to 1170'. Re-tested, ok. Release pkr & move up to 1140'. Re-test. Had leak, set injection rate @ 1 BPM @ 900 psi. Release pkr & move up to 496'. Re-test, ok. Release pkr & moved down to 528'. Re-test, had leak lost 200# in 10 min. Moved up to 518' & re-tested, had same leak. Move up to 508' & re-test w/ same. Moved up to 503', re-test w/ same leak. Moved up to 498', re-test, ok. Leak between 498' & 503'. Cannot pump into it, moved pkr down to 1140', set pkr & pump down tbg. Well would not circ. TOH w/ pkr & RBP. RD. SWI.

7/13-7/15/11 - PU 4 ¾" taper mill, 4- 3 ½" DC's, x-over & TIH w/ 88 jts 2 7/8" WS. Tag w/ 8' in @ 2875'. LD 1 jt & PU swivel. Tried to mill through junk @ 2875' w/ no success. Well does not circ. TOH. PU 4 ½" shoe w/ cutrite on btm, 1 jt 4 ½" wash pipe, x-over, 4- 3 ½" DC's, x-over & 79 jts WS. Tag up @ 2662'. PU swivel & attempt to wash through but could work through. TOH w/ shoe. LD 1 jt wash pipe & TIH w/ 80 jts of 2 7/8" WS & same BHA. Tagged @ same spot. Could not work shoe through. TOH w/ shoe. TIH w/ 4 ¾" convex mill & went in to 2875' w/o tagging. TIH w/ 2- 4 7/8" watermelon mill, 4- 3 ½" DC's, x-over, & 79 jts of 2 7/8" WS. Tag @ 2662'. Wash & ream from 2662'-2785'. Continued down to TOF @ 2875'. TOH w/ watermelon mill. TIH w/ 4 ½" shoe. Tag up @ 2462'. Mill from 2462'-2465' & fell through w/ no torque. TOH & LD WS & DC's. TIH w/ 12 jts of 2 7/8" WS.

8/8-8/10/11 - PU 3 7/8" shoe w/ cutrite on btm. TIH w/ 86 jts of 2 7/8" WS & tag up @ 2712'. Work shoe through & continue down to 2873' to top of fish. Wash over from 2873'-2875'. Shoe stopped cutting. LD swivel & TOH w/ shoe. PU 3 5/8" overshot w/ 2 3/8" grapple. TIH w/ 86 jts 2 3/8" WS to 2712'. Work through tight spot. TIH to top of fish @ 2875', work overshot over fish & TOH. Had no recovery. Skirt had marks that appeared to be a 2 3/8" collar looking up. PU 3 7/8" overshot w/ 3 1/16" grapple. TIH to 2712' & work through tight spot. TIH to fish @ 2875'. Work over fish & TOH w/ no recovery. PU 4 ½" shoe w/ cutrite on btm. TIH to 2712', spot 250 gal acid w/ 15% HCL & flush w/ 16 bbls fresh wtr. Let soak for 1 hr. Work shoe in tight spot & drill from 2712'-2724'. Shoe did not fall through. TOH & recovered 3' piece of csg in top of shoe. PU 4 7/8" taper mill. TIH w/ 86 jts 2 7/8" WS to 2712'. Mill from 2712'-2714', mill not cutting. TOH. LD 4 7/8" taper mill & TIH. Mill from 2714'-2724', mill plugged off & blew nail on pump. Re-started pump & worked pipe. Kept going in formation & packing off. TOH w/ mill. TIH open ended to 2724'. Tried to work back in old hole, but kept going into formation. TOH. PU AS1-X pkr & TIH w/ 81 jts of 2 7/8" WS & set pkr @ 2550'. Loaded hole w/ 4 BPW. SWI.