

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Form 3160-5
(August 2007)UNITED STATES ^{Hobbs, NM 88240}
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

5. Lease Serial No.

LC-068474

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well☐ Gas Well☒ Other

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)

665' FNL & 1980' FWL

(C) Sec 3, T14S, R31E

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

8. Well Name and No.

Drickey Queen Sand Unit #17

9. API Well No.

30-005-00971

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.)

7/14/11 - MIRU. POOH w/production equipment. Rods parted. PU 1 11/16" overshot, TIH & latch onto fish. TOH w/ rods.

7/18/11 - Continued PU tbg & tagged w/ 91 jts 2 7/8" WS @ 3036'. PU swivel & drill from 3036'-3066' TD w/ no returns. TIH w/ bit & PU 5 1/2" csg scraper. TIH w/ 97 jts 2 7/8" WS to 3037'. PU 5 1/2" AS1-X pkr & TIH w/ 96 jts 2 7/8" WS to 3012', set pkr & load hole w/ 31 BPW. Well would not test fluid circ @ btm of 13 3/8" conductor we set over the 8 5/8" pipe. Unseat pkr & TOH.

7/19/11 - Run CIL. TIH w/ RBP & 96 jts of 2 7/8" WS. Set RBP @ 3012'. Load hole w/ 32 BPW. Run CBL. TIH w/ AS1-X pkr to 444'. Set pkr & test to 500#. Lost 20# in 15 min, but held steady for the next 15 min. Move pkr up to 320' Test to 500#, tested okay. Moved pkr up to 132', had leak. Pressured up on backside to 500#. Csg tested okay from 132' & up. Move pkr down to 163' & had leak. Hole between 163' & 195'.

7/20/11 - TIH w/ 2 7/8" WS to 2000' & spot 2 sx sand on top of RBP. TOH to 220' & pump through tbg to ensure it is clear. Pump 150 sx CL "C" neat beginning psi 0, SD psi 75. Circ 40 sx to surface through 13 3/8" & 5 1/2".

*Continued on attached sheet

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

Lisa Hunt

Title Regulatory Analyst

Signature

Date 08/11/2011

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

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 these rights in the subject lease which would entitle the applicant to conduct operations thereon.

ACCEPTED FOR TA/SI

APPROVED FOR 12 MONTH PERIOD

ENDING AUG 05 2012

Title 18, U.S.C. Section 1001 and Title 18, U.S.C. Section 212, make it a crime for any person who knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

(Instructions on page 2)

AUG 29 2011

Drickey Queen Sand Unit #17 – C103 continued

7/21/11 - Drl cmt from 40'-220'. Leak between 132' & 163'.

7/23/11 - Set AS1-X pkr @ 63'. Squeeze 150 sx of Class "C" cmt w/ 2% CaCl₂ & 3# sand per sx on 1st 100 sx. Pump rate 1.25 BPM. Starting psi 250#, max psi while pumping cmt 700#. Displace w/ 1 bbl. SI psi 225#.

7/25/11 - Unset pkr & TOH. Drl cmt from 80'-168'. Tried to test, had leak. Set inj rate of .5 BPM @ 400#. TIH to 189'. Set pkr & test against RBP @ 3012', tested okay. Tested @ 189' up & had leak. Moved pkr up to 158', tested okay. Moved pkr up to 127', had leak. Tested from 127' up, tested okay. Leak between 127' & 158'. Set inj rate of 1 BPM @ 400#. TOH w/ pkr.

7/26/11 - Drl from 3063'-3075'. Stopped making hole & swivel started stalling out.

7/27/11 - Wash & ream from 3065-3076'. Well started circ, it would circ @ 3 BPM, but would not @ 1 BPM. Circ hole clean. RU & run 10 jts 4" 10.5# J-55 UFJ csg, 1st 5 jts coated. Run 15 jts of 2 3/8" WS & sting into liner.

7/28/11 - TIH w/ 4" liner. Landed liner w/ 96 jts of 2 3/8" WS @ 3087'. Pump down & clear tbg. TOL @ 2670'. Cmt w/ 50 sx of Class "C" cmt w/ 2% CaCl₂. Displace w/ 11.4 bbls. Sting out of liner & TOH. WOC. TIH w/ Watson SL pkr to 260' & test to 500#, tested okay.

7/29/11 - Tag cmt @ 2385'. Drl cmt from 2385'-2670'. TIH w/ Watson 32A pkr & set @ 260'. Pressure up to 500#, lost 50# in 10 min.

8/1/11 - Unset & TOH w/ pkr. PU Hanson 3 3/8" RR bit. TIH to TOL @ 2670'. C/O liner from 2670'-2706'. Circ clean & TOH. RU & run 67 jts 4" 10.5# J-55 W/ TDC. Total pipe 2694'. Cmt w/ 125 sx Class "C" cmt w/ 2% CaCl₂. Max psi while pumping 200# bump plug w/ 1650#, check float, okay. Displaced w/ 30.8 bbls. Circ 25 sx to surface. Set aligning tool in btm liner @ 2670'. Shoe @ 3087'. Liner top @ 2670'.

8/2/11 - NDBOP & set slips on 4" liner. Cut off csg & weld on bell nipple. Install WH & NUBOP. PU 3 3/8" RR FBC Hanson bit, BS, 6- 2 7/8" DC's, x-over & 77 jts 2 3/8" WS. Tag @ 2624'. Drl plug from 2624'-2626', bit plugged. PU 3 3/8" bit L2 SN 668 & TIH in w/ same BHA. Drill from 2626'-2670'.

8/3/11 - Drlg alignment tool @ 2670' to 2673'. TIH w/ 2 3/8" WS to 2954'. Drl cmt from 2954'-3082'. Test to 500# for 30 min. Tested okay. Circ hole clean & TOH. LD 2 7/8" DC's.

8/4/11 - Run CBL & CNL. Perf 14', 2 1/2" gun, 2 holes SPF (28 holes). Top perf @ 3047'. PU Peak 32A pkr & TIH w/ 92 jts of 2 3/8" WS. Set pkr @ 2955'. Pressure up backside to 500#. Set injection rate @ 2.6 BPM, 29 bbls, 27 balls in 740#, 32 bbls 36 balls in 1872#. Start flush @ 35 bbls, 56 balls on @ 42 bbls, 3130#. Total load 52 bbls. Five min 487#, 10 min 23#.

8/5/11 - Hit fluid @ 1200'. 1st run recovered 2 bbls. Fluid fell 200'. Made 8 runs, recovered 19 bbls. LD swab tool. Unseat pkr, TIH & knock balls off. TOH, LD 2 3/8" WS. PU slip elevators & Peak AS-1 injection pkr. TIH w/ 92 jts of 2 3/8" 4.7# J-55 IPC w/ TDC to 2991'. NDBOP & pump pkr fluid. Set pkr @ 2981' & NUWH. Set 10K on slips. Ran MIT. Tested to 520#. Lost 20# in 30 min. SWI pending injection permit. Original chart to OCD Hobbs and copy of chart to BLM Roswell.

