

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
 (August 2007)

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

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

HOBBS OCD
AUG 26 2011

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 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

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

Drickey Queen Sand Unit

8. Well Name and No.

Drickey Queen Sand Unit #18

9. API Well No.

30-005-00977

10. Field and Pool or Exploratory Area

Caprock; Queen

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

665' FNL & 660' FWL

UL: D, Sec 3, T14 S, R31E

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 checked="" 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 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 <u>Squeeze</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>csg leak</u>
	<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.)

1. Drill to new TD @ 2960'-16' below current TD.
2. Run 11 jts 4" UFJ liner @ 2498'-2960' & cement w/50 sx Class C. Pressure test top of liner.
3. Squeeze csg leak @ approximately 1500' w/ 40 sx Class C.
4. Perf 5 1/2" csg @ 225' & circulate cmt to surface on 5 1/2" x 8 5/8" annulus using 70 sx Class C.
5. Drill out cmt to top of 4" liner.
6. Run 4" liner from 2498' - surface & cmt to surface using 120 sx Class C.
7. Drill out/clean out to 2950'.
8. Perf Queen formation @ 2917'-2932" & acidize w/ 1500 gals 7.5% HCL.
9. RIH w/ IPC AS 1X packer on 2 3/8", 4 7#, J-55, 8rd EUE, IPC tbg & set @ 2880'. Perform MIT & return well to injection.

APPROVED FOR 3 MONTH PERIOD
ENDING NOV 22 2011

Approval Subject To Calling The BLM Roswell Field Office At Least 24 Hours Prior To The Scheduled Mechanical Integrity Test (MIT). For Wells In Chaves And Roosevelt County, Call (575) 627-0205 Or After Office Hours Call (575) 420-2832.

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 08/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date

AUG 22 2011

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.

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)

Condition of Approval Notify OCD Hobbs office 24 hours prior of running MIT Test & Chart

AUG 29 2011