

HOBBS OCD

NOV 16 2011

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I

1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010SUNDARY 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-068288-A

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

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

R1541

8. Well Name and No.

Rock Queen Unit # 301

9. API Well No.

30-005-29192

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

660' FNL & 860' FWL

(D) Sec 25, T13S, R31E

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 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 type="checkbox"/> Other
	<input checked="" 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 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.)

Proposed work going forward from the current daily report (11/3/11):

- 1) Run 5-1/2" casing to 2900' and cement in two stages using 175 sx in first stage and 425 sx in second stage.
- 2) RD drilling rig and move to RQU 317.
- 3) RU conventional workover unit, BOP, choke manifold and mud pit.
- 4) RIH and drill out 5-1/2" casing shoe. Continue drilling out to prior TD of 3125'.
- 5) RIH with 11-jts (approximately 464') of 4", 11ppf UFJ casing from 3125'-2661' and cement with minimum 100 sx Class C w/2% CaCl₂.
- 6) RIH and test top of liner to 1000 psi. If liner fails to test, squeeze top of liner with minimum 100 sx Class C w/2% CaCl₂.
- 7) Drill out/clean out 4" liner. Perforate Queen formation at roughly 3045'-3060'. Run packer, acidize, and flow/swab back load.
- 8) Run injection packer and tubing. Circulate hole with inhibited freshwater packer fluid and perform MIT.

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

Lisa Hunt

Title Regulatory Analyst

Signature

Date 11/03/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

NOV 07 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 1717, prohibiting fictitious or fraudulent statements or representations as to

(Instructions on page 2)

Please Contact The BLM Roswell Field Office At Least 24 Hours Prior To The Scheduled BOPE Or Casing Integrity Test. For Wells In Chaves And Roosevelt County, During Office Hours Or After Office Hours Call (575) 627-0205 Engineer On Call During Office Hours Phone (575) 627-0275 Or Phone (After Hours) Call (575) 626-5749

ROSWELL FIELD OFFICE

Department or agency of the United States any false,

MN/OCD 11-18-2011