

New Mexico Oil Conservation Division, District I

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1625 N. French Drive
HOBBS, NM 88240

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

SUNDRY NOTICES AND REPORTS ON WELLS 12 2011

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Lease Serial No. LC-068288-A
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. R1541
4. Location of Well (Footage, Sec/T, R., M., or Survey Description) 660' FNL & 860' FWL (D) Sec 25, T13S, R31E		8. Well Name and No. Rock Queen Unit # 301
		9. API Well No. 30-005-29192
		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 <u>Released rig</u>
	<input 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 recomplate 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 recomplate 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.)

11/4 - 11/6/11

RIH, hit 1-2' thick intermittent cmt bridges from 2669' to 2890'. Tag solid cmt, dress off TOC from 2890' to 2900', pull up 60' off btm. Circ & cond mud in pits. Lost returns while circulating 2 1/2 hrs into circulation time. Pull 5 stands. Build & spot 30 ppb LCM pill. Set for 30 min & had full returns. Pull 15 stands. Displace brine wtr in hole w/ 10.1 wt, 46 vis, 3.2 wl mud. Install 5 1/2" csg rams & test BOP. RU & run 2900' of 5 1/2" 15.50# J-55 csg. Start cmt job csg was plugged pressured up to 7000 psi. Perf csg @ 2800'. 15' below collar (collar at 2785') top of plug @ 2815'. Circ & removed 80% of LCM from system. Pumped 425 sxs 2.3 yield on lead cmt = (174 bbls) and 200 sxs 1.3 yield = (46 bbls) on tail cmt, lost partial returns 35 bbls into tail and lost all returns 53 bbls into displacement (total displacement volume was 63 bbls) Bumped plug & SI csg for 6 hrs w/ 350 psi. Released rig at 1:30 am 11/6/2011.

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 11/28/2011

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS	Title REGULATORY ANALYST
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.	Date DEC 13 2011
	Office ROSWELL FIELD 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 statements or representations or to any matter within its jurisdiction

(Instructions on page 2)

DEC 13 2011