

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

HOBBS OCD

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.

DEC 12 2011

SUBMIT IN TRIPLICATE - Other instructions on page 2. RECEIVED

| | | |
|--|--|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. LC 070336 |
| 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. |
| 4. Location of Well (Footage, Sec., T., R., M. or Survey Description) 660' FNL & 1988' FWL (C) Sec 22, T14S, R31E | | 8. Well Name and No. Drickey Queen Sand Unit #50 |
| | | 9. API Well No. 30-005-01133 |
| | | 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>Unsuccessful attempt to TA</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 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.)

11/2 - 11/8/11

MIRU. PU 4 3/4" bit, BS, 6- 3 1/2" DC's, x-over & TIH w/ 90 jts 2 7/8" WS. Tag @ 3087'. C/O to TD @ 3102'. Recovered paraffin in returns. Circ hole clean & TOH w/ bit. Make scraper run to 3060'. PU 5 1/2" AS1-X pkr & TIH w/ 93 jts 2 7/8" WS to 3005'. Set pkr & attempt to test csg. Csg would not pressure up. Established inj rate of 2.2 BPM @ 250#. Hook up to 8 5/8" x 5 1/2" annulus, load & pressure up. Unseat pkr & TOH. TIH & set RBP @ 645', load hole & attempt to test. Did not test. Inj rate 1.7 BPM @ 400#. Move RBP down to 774', re-test & test RBP to 700#, test ok. Set pkr @ 677', test ok. Move pkr up to 612', no test, hole between 612' & 645'. Inj rate 1 BPM @ 200#. Pulled pkr out of hole. Had large rocks & red bed stuck in pkr. TIH to recover RBP. Had to wash over RBP to latch on. TOH w/ RBP. TIH w/ CIBP to 3000' w/ 93 jts 2 7/8" WS. Set CIBP & TOH. Load hole w/ 24 BPW. Run CBL. TIH & TOH LD 93 jts 2 7/8" WS. NDBOP. Install 1 jt w/ valve & NUWH. SWI. RD.

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 11/28/2011

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS

DEC 6 2011

Title

Date

Office

ROSWELL FIELD OFFICE

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.

DAVID R. GLASS
PETROLEUM ENGINEER

ECG 12-13-2011

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)

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