

HOBBS OCD

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

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

JAN 30 2012

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.

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)

1980' FSL & 660' FWL

UL: L, Sec 34, T13S, R31E

5. Lease Serial No.

NM-03927

6. If Indian, Allottee or Tribe Name

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

Drickey Queen Sand Unit

8. Well Name and No.

Drickey Queen Sand Unit #7

9. API Well No.

30-005-00902

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Reactivate

injector

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.)

1. POOH w/ injection equipment.

2. RIH w/bit to TD @ 2907'.

3. Run pkr to 2840', load annulus & pressure test.

4. Acidize w/ 1500 gals inhibited 7.5% NEFE HCL. Swab back load. POOH.

5. RIH w/ inj tbg & pkr. Load annulus & perform MIT.

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, During Office Hours Or After Office Hours Call (575) 627-0205.

APPROVED FOR 3 MONTH PERIOD

ENDING APR 25 2012

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 12/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

JAN 25 2012

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.

Office

ROSWELL FIELD OFFICE

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)

FEB 01 2012

CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Drickey Queen Sand Unit
COUNTY: Chaves

DATE: Dec. 14, 2011
BY: MWM
WELL: 7
STATE: New Mexico (Federal)

Location: 1980' FSL & 660' FWL, Sec 34L, T13S, R31ECM

SPUD: 2/55 COMP: 2/55

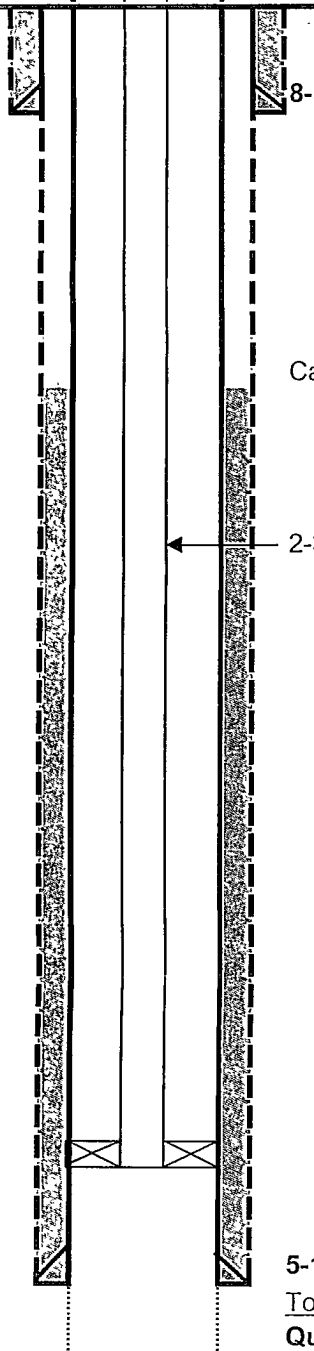
CURRENT STATUS: Injector

Original Well Name: Government "C" #3

KB = 4284'

GL =

API = 30-005-00902



8-5/8" 22.7#/ft @ 173' w/125 sx; calc'd TOC at surface

Calc'd TOC @ 1548'; enlargement = 15%, yld = 1.26 ft³/sk

2-3/8" EUE 8R 4.7#/ft J-55 tbg (93 Jts) @ 2843' w/ BOT Tension pkr @ 2846'

5-1/2" 14# @ 2887' w/300 sx

Top of Queen @ 2891':

Queen Open Hole: 2891' - 2907' (2-55)

PBTD - 2907'
TD - 2907'