

HOBBS OCD

## OPERATOR'S COPY

Form 3160-3  
(August 2007)

MAY 08 2012

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
RECEIVED BUREAU OF LAND MANAGEMENT

**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.**

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

5. Lease Serial No.

NM-120355

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

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

8. Well Name and No.

Drickey Queen Sand Unit #902

9. API Well No.

30-005-00911

10. Field and Pool or Exploratory Area

Caprock; Queen

11. Country or Parish, State

Chaves, NM

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)

660' FSL & 1980' FEL  
Sec 34, T13S, R31E (O)

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

## TYPE OF SUBMISSION

## TYPE OF ACTION

☐ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☒ Subsequent Report☐ Casing Repair☐ New Construction☐ Recomplete☐ Other☐ Final Abandonment Notice☐ Change Plans☒ Plug and Abandon☐ Temporarily Abandon☐ Convert to Injection☐ Plug Back☐ 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.)

This well was plugged on 6/19/2004.

I have attached a detailed report which I received from David Glass at the BLM. He pulled this information from AFMSS made by Stan Mayo, Petroleum Engineering Technician (retired) regarding the plugging of this well in 2004. Also, I have attached a picture of the P&A marker. Federal V #2 was the previous name on this well.

APPROVED FOR 6 MONTH PERIOD  
 ENDING DEC 19 2004

APPROVED AS TO PLUGGING OF THIS  
 WELL BORE. LIABILITY UNDER BOND  
 IS RETAINED UNTIL SURFACE RESTORATION  
 IS COMPLETED

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 05/04/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

David R. Glass

PETROLEUM ENGINEER

Title

Date

MAY 07 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

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)

MAY 08 2012

# Well and Notice Remarks

Job Number 96AIR0537A Doc. Type WELL Case Number MNM70895X Type 318220 Name DRIKEY QUEEN SAND UNIT

API 30005009110051 Well Name DRIKEY QUEEN SAND UNIT Number 802 Operator CELERO ENERGY II LP

Doc. Number	Date	Author	Subject	Category
11RJS02348	03/18/2011	RUBEN SANCHEZ	OTHER	APPROVAL
10DGB1239	07/18/2010	DAVID GLASS	UPD	APPROVAL
RV	08/28/2010	LINDA JIMENEZ	INSP	GENERAL
PI	02/11/2010	GEORGE "EDDIE" FITZPATRICK	INSP	GENERAL
04LAD0245	10/01/2008	brw	SUCCESS	APPROVAL
09D03339	03/07/2008	DAVID GLASS	UPD	APPROVAL
08L200228	02/08/2006	DAVID GLASS	SUCCESS	APPROVAL
96AIR0537A	05/29/2004	STAN MAYO	WELL	MAINT
0804SM050	04/25/2004	STAN MAYO	INC	FOLLOWUP
0804SM050	04/23/2004	STAN MAYO	INC	GENERAL
04AL00108	01/09/2004	ARMANDO LOPEZ	ABO	ENGINEER
PI	12/15/2003	STAN MAYO	INSP	GENERAL
08004SM010	12/04/2003	STAN MAYO	INC	FOLLOWUP
08004SM010	12/04/2003	STAN MAYO	INC	GENERAL
PI	10/18/1998	Stan Mayo	INSP	INSP
08099SM003	10/03/1998	Stan Mayo	INC	GENERAL
PI	04/19/1998	Stan Mayo	INSP	INSP
08099SM023	03/10/1998	brw	INC	GENERAL
08099SM11	11/05/1997	Stan Mayo	INC	GENERAL
PH	05/29/1996	S MAYO	INSP	INSP
PH	05/29/1996	S MAYO	INSP	INSP
PH	05/29/1996	S MAYO	INSP	INSP
PH	11/20/1996	S MAYO	INSP	INSP
PH	02/17/1995	S MAYO	INSP	INSP
PH	02/17/1995	S MAYO	INSP	INSP
PH	02/17/1995	S MAYO	INSP	INSP
PH	05/27/1992	I STOUT	INSP	INSP
PA	03/18/1992	J HOGWOOD	INSP	INSP
96LND1018	03/02/1993	brw	DISPOSE	APPROVAL
96AIR0537A		AIRS Well Conversion	WELL	GENERAL

Category MAINT

Date 05/29/2004

FOUND AT THE TOP OF HOLE 4 1/2 Csg INSTEAD OF 5 1/2 SO ALL WATER, MUD, & CEMENT FIGURED ON 4 1/2 Csg (INSTEAD OF 5 1/2) WITH 2 3/8 TUBING AS WORK STRING. RECORDS SHOW OPEN HOLE COMPLETION 3040 TO 3055 (18 FT). GO IN HOLE WITH Tbg TO TAG BOTTOM - TAG BOTTOM AT 3048 FL. SET Tbg AT 3025 FT TO SET 1st PLUG. BATCH MIXED 20 SK PLUG. PUMPED AND DISPLACED WITH 11.4 Bbls. PULL UP HOLE AND WAIT AND TAG IN THE AM

6-18-04 TRIP IN HOLE WITH THE Tbg DID NOT TAG PLUG. THE PLUGGING OPERATOR WANTED TO SHUT THE PLUGGING DOWN UNTIL HE COULD PULL RODS AND TUBING FROM 3 WELLS AND SET CIBP

IN EACH OF THE WELLS TO PLUG IN A SERIES. I CALLED ALEXIS SWOBODA, Eng. ASKED HER IF SHE HAD A PROBLEM (IN THESE SHALLOW WELLS) TO DROP SAND IN THE WELL AND TAG THE BAND AT LEAST 50 FT ABOVE THE TOP PERM OR 50 FT ABOVE THE TOP OF THE OPEN HOLE AND THEN SPOTTING AT LEAST 100 FT CEMENT PLUG ON TOP OF THE SAND. SHE HAD NO PROBLEM WITH THE IDEA. SHUT DOWN UNTIL THE COMPANY COULD GET THE SAND ON LOCATION.

5-19-04 WHEN ON LOCATION CREW WAS POURING SAND DOWN THE CASING. USED 18 SKs. TAGGED THE TOP OF SAND @ 2935 FL. (CIBP w/35 FT CEMENT WAS TO BE AT 2990 FL). TAG W/WIRELINE

5-20-04 CREW RUNNING Tbg. TAG TOP OF SAND WITH TUBING. LAY DOWN JOINT TAGGED WITH AND A FULL JOINT TALLEY SHOWS END OF Tbg @ 2905 FL. START MIXING MUD TO CIRCULATE THE CLEAN (SHOULD LOAD 48 Bbls). PUMPED MUD FLUID AT TOP OF HOLE. SHUT DOWN TO WAIT ON FRESH WATER. BATCH MIX 16 SK PLUG AND SPOT. PULL OUT OF CEMENT AND WAIT TILL THE AM TAG. HAD TO WAIT UNTIL MONDAY 5-24-04 TO START IN THE HOLE. GROUND WAS TO WET TO GET INTO THE WELL

5-24-04 TAG TOP TO PLUG 2748 FL. (FROM 2905 TO 2748 = 158 FT OF FILL. ONLY 4 MORE PLUGS TO GO.

WHEN THE TUBING IS LAID DOWN TODAY THE PULLING UNIT OPERATOR IS GOING INTO THE HOSPITAL. WHEN HE RETURNS THE PLUGGING WILL START UP AGAIN ON THIS WELL. 6-14-04 Benny Grayson (pumper) CALLED WANTED TO KNOW IF BILLY MORRIS GOT FAR ENOUGH ALONG WITH THE WORK IF MR MORRIS COULD SHOOT THE 4 1/2 WITHOUT BLM BEING ON LOCATION. I TOLD MR. GRAYSON IF BILLY MORRIS WAS OUT OF THE HOSPITAL TO GO AHEAD AND SHOOT THE CASING AND GET THE TUBING SET TO RUN THE NEXT PLUG.

6-15-04 0538 LEFT OFFICE. 0900 BILLY MORRIS SAID THAT HE SHOT THE 4 1/2 @ 2084'. LOCATED A COLLAR. HE SHOT ON 6-14-04

0946 START IN HOLE W/TBG 1120 T89 @ 2105 (58 ps X 31=2105). SET T89 TO PLACE PLUG. 10 SKS OUT LEAVE 10 SKS IN 4 1/2

1130 RIG UP TO TRY AND BREAK CIRCULATION. 1140 LOAD HOLE AND BREAK CIRCULATION 1250 CLOSE BOP & BACKSIDE VALVE TO SQUEEZE CEMENT OUT THE 4 1/2. 1300 PUMP 3 Bbls MUD INTO SHOT HOLE NO PRESSURE SHOWN ON GAUGE 1315 BATCH MIXING 20 SK PLUG. TO SQUEEZE AND SPOT PLUG FROM 2105 - 2005 1407 PLUG PUMPED 20 SK 8.18 Bbls DISPLACEMENT 1411 START OUT OF HOLE WITH TUBING. TAG IN THE AM OF 6-17-04

0538 START IN HOLE TO TAG PLUG THAT WAS SET 6-18-04 0915 TAG AT 1987 FL. 1131 CEMENT LEFT IN THE 4 1/2. 0925 START OUT OF HOLE WITH Tbg TO SHOOT AT 1325 FL 1020 OUT OF HOLE W/Tbg GETTING EQUIP. READ TO SHOOT 1151 FOUND COLLAR AT 1339 FL. INSTEAD OF 1325 FL. 1162 CONSIDER RIGED. START OUT OF HOLE 1330 START IN HOLE TO 1389 FL. 5.4 Bbls OF DISPLACEMENT 21 SKS 6.3 X 21 = 132.3 = 3.15 Bbls MIX WATER 1340 START IN HOLE W/Tbg FOR 3rd PLUG 1343 BATCH MIXING 21 SK PLUG 1404 START IN HOLE 1405 HOLE LOADED 1406 CLOSED BACKSIDE VALVE. START SQUEEZING SHOT HOLE @ 1339 FL 1410 CEMENT PUMPED. START DISPLACEMENT 1412 CEMENT ON SPOT 11 SKS IN 10 SKS OUT 1421 START OUT OF HOLE WITH Tbg WILL TAG IN THE AM 6-18-04

0958 TAG TOP OF CEMENT AT 1259 FL. 125 FT CEMENT INSIDE OF THE 4 1/2. BILLY MORRIS CALLED SHOT THE 4 1/2 AT 203 FL. PUMPED 40 Bbls FRESH WATER OUTSIDE THE 4 1/2. DIDN'T BREAK CIRCULATION. WILL MIX 80 BAGS CEMENT. WILL TAG THE TOP OF CEMENT IN THE AM.

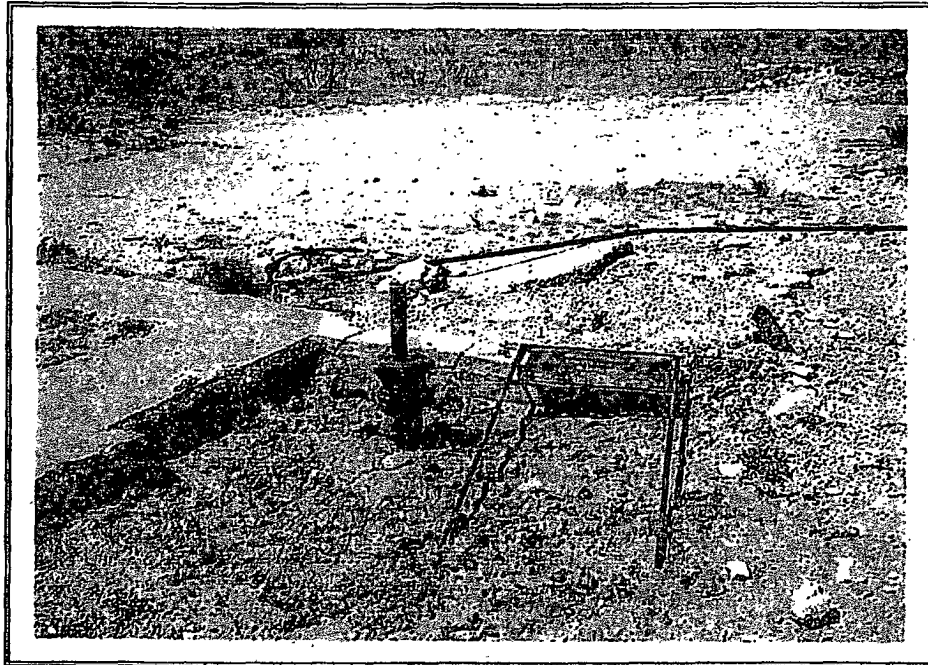
6-19-04 0930 TUBING WAS AT 310 FL WHEN SQUEEZED THE SHOT HOLE AT 295 FL. 1025 TAG TOP OF CEMENT 142 FL. INSIDE 4 1/2. 168 FT CEMENT INSIDE 4 1/2. WILL SHOOT PLUSMINUS 90 FL AND CIRCULATE CEMENT TO SURFACE ON BOTH SIDES OF 4 1/2 1525 Mr. MORRIS CALLED GOT CEMENT TO SURFACE ON BOTH BETWEEN THE 13 3/8 IN AND THE 4 1/2 IN LEFT BOTH SIDES FULL.

**PHOTOGRAPHIC DOCUMENTATION**

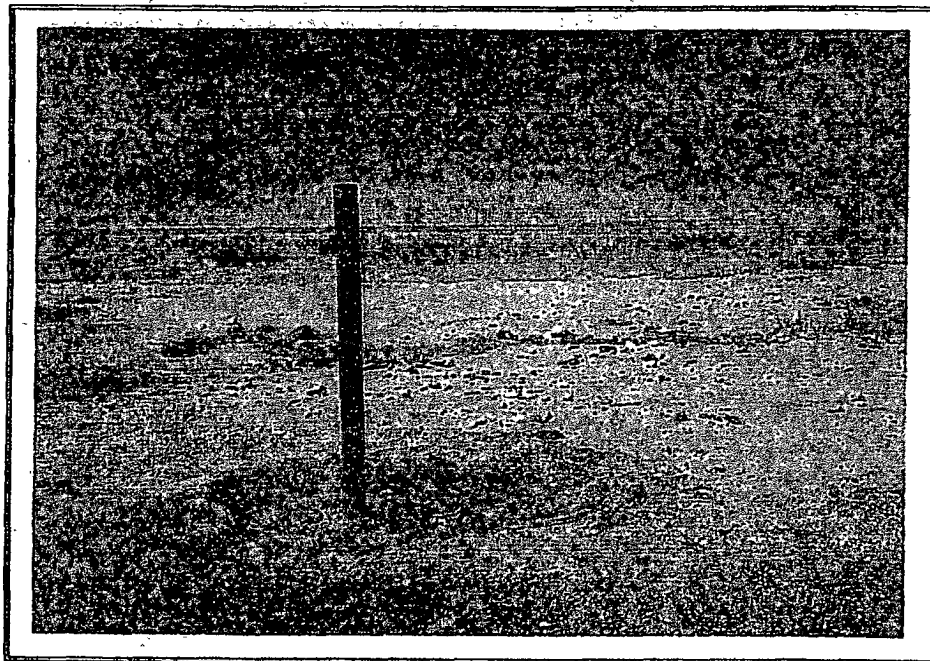
Palisades Asset Holding Co., LLC

Federal V Lease

Chaves County, New Mexico



5. Federal V #1 - inactive well with open tubing.



6. Federal V #2 - plugged well.