HOBBS OCD — OPERATOR'S COPY

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 08 2012

RECEIVED

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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

5. Lease Serial No.: LC-068288-A
6. If Indian, Allottee or Tribe Name:
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
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' FNL & 860' FWL (D) Sec 25, T13S, R31E

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
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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 recomplete 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 recompletion 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.)

2/15/12 - Release pkr & TOH w/ 2 3/8" IPC tbg with 4" AS1-X pkr. PU 4" RBP & 4" pkr. Ran on 2 3/8" OD tbg WS. Ran & set RBP @ 3003'. Set pkr @ 2971'. Test tbg-csg annulus w/ 1000# w/ no pressure lost. Pump down tbg @ 1/2 BPM & 1000#. Lwr pkr to 2993' & tbg stopped flowing but well flowed out tbg-csg annulus. Reset RBP @ 2971' w/ pkr swinging @ 2955'. Test RBP @ csg to 1000# & held. 4" liner is leaking between 2971' & 2993'.

2/16/12 -Set Kenco's, 5K, 4" CIBP @ 3040'. PU 2 3/8" OD tbg WS w/ 4" AD-1 pkr. Ran to 3028'. Test CIBP to 1500# & held. Raise pkr to 2654'. Load & test tbg-csg annulus to 500# & held. Pump 15 BFW down tbg into 4" csg leak from 2971' to 2993' at 1.5 BPM & 1600#. Pump 50 sx of Class "C" cmt w/ 2% CaCl2, mixed at 14.8 ppg w/ a 1.32 yield. Displace cmt w/ 11.2 BFW (1 bbls below pkr) at 1 BPM & 900#. Pressure fell back to 475#. Staged cmt 3 times, pumping an additional 0.8 bbls and well squeezed with 2000# SD pressure, Left estimated TOC @ 2892'.

2/17/12 - WOC 20 hrs. Release pkr & TOH. TIH w/ tbg & 3 1/4" OD bit. Tag cmt in 4" liner @ '2779'.

2/20/12 - WOC 63 3/4 hrs. Drill cmt from 2779' to 2960'. Fell out of cmt @ 2960'. Circ hole clean. Test cmt sqz of 4" liner w/ 500# & held.

* Continued on attached sheet

WFX-880

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Lisa Hunt — Title: Regulatory Analyst

Signature: Lisa Hunt — Date: 02/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by: David R. Glass — Title — Date: MAY 3 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: BLM-R-2012

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.

DAVID R. GLASS
PETROLEUM ENGINEER

(Instructions on page 2)

MAY 08 2012

Rock Queen Unit #301 – Sundry continued

2/21/12 - TIH w/ tbg 3 - 2 7/8" DC's and 3 1/4" cone buster mill. Tag at 3036'. Top of 4" CIBP/ tally. D/O CIBP in 2 3/4 hrs & pushed same to 3113'. Did not find any cmt below CIBP & well started backflowing when CIBP was drilled. Circ hole clean.

2/22/12 - TOH w/ tbg, DC's & mill. TIH w/ 2 jts of 2 3/8" OD, 2500# WP fiberglass tbg (59'), 2 3/8" x 1.9" x-over, 4" AS1-X nickel plated pkr with 1.50" "F" profile nipple, T-2 on-off tool & 90 jts + 1-10' & 1-8' of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg (2941') with Hunting's special thread lubricant. Ran and set pkr from 2943' to 2949' w/ fiberglass tbg from 2949' to 3008' (G.L.). Release on-off tool from pkr, circ pkr fluid, lower on-off tool & latch back onto pkr, placing 6 pts of tension on same. NDBOP, install donut on 2 3/8" tubing below the 7 1/16" x 2 3/8" slip type WH flange install 2 1/6" SS tbg valve to prepare to start fluid injection.

2/23/12 - Ran MIT. Test for 31 minutes @ 540#. Test is good. Test was approved by Maxey Brown w/ OCD. Original chart is attached. Well ready for injection.