

HOBBS OCD

MAY 08 2012

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1625 N. Pecos Drive Hobbs, NM 88240

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

RECEIVED

1. Type of Well [X] 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. (432)686-1883
4. Location of Well 660' FNL & 1988' FWL (C) Sec 22, T14S, R31E
5. Lease Serial No. LC 070336
6. If Indian, Allottee or Tribe Name
7. If Unit of CA/Agreement, Name and/or No.
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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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.

11/2-11/7/11 PU 4 3/4" bit, BS, 6- 3 1/2" DC's, x-over & TIH w/ 90 jts 2 7/8" WS. Tag @ 3087'. PU swivel & C/O to TD @ 3102'. Circ hole clean & TOH. PU 5 1/2" csg scraper & 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 injection rate of 2.2 BPM @ 250#. Hook up to 8 5/8" x 5 1/2" annulus, load & pressure up. Unseat pkr & TOH PU 5 1/2" RBP & pkr. TIH & set RBP @ 645', load hole & attempt to test. Did not test. Injection rate 1.7 BPM @ 400#. Move RBP down to 774', re-test & test RBP to 700#, test ok. Set pkr @ 677', test ok. Moved pkr up to 612', no test, hole between 612' & 645'. Injection rate 1 BPM @ 200#. POOH w/ 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 CIL & CBL. TOH LD 93 jts 2 7/8" WS

3/21-3/22/12 TIH to 2988' w/ PS & BP. Circ salt mud to 2260'. Pump 25 sx Class "C" cmt w/ 2% CaCl2. Displace w/ 9 bbls brine mud. TOH 16 stds. TIH w/ PS & BP, tag @ 2780'. Circ mud to 2260'. Raise tbg to 2260' & spot 25 sx plug. Pump 25 sx Class "C" cmt w/ 2% CaCl2. Lead w/ 5 bbls mud. Displace w/ 7 bbls mud. TOH w/ 16 stds. WOC 4 hrs. TIH w/ PS & BP, tag @ 1980'. Circ mud to 1500'. Raise tbg to 1510'. Pump 25 sx Class "C" cmt w/ 2% CaCl2. Displace w/ 4 bbls. TOH 16 stds & WOC 4 hrs. TIH w/ PS & BP, tag @ 1320'. TOH. RU & run WL, shoot 6 SPF @ 377' TIH w/ PS & BP to 440'. Try to circ 5 1/2" x 8 5/8" annulus. Could not circ. Psi varied from 500-300# @ 2 BPM. Tried to rev, still would not circ. TOH. * Continued on attached sheet

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt Title Regulatory Analyst Signature Lisa Hunt Date 04/12/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS PETROLEUM ENGINEER Title Date MAY 02 2012 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.

APPROVED FOR 6 MONTH PERIOD ENDING SEP 28 2012

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

MAY 09 2012

Drickey Queen Sand Unit #50 – Sundry continued

3/23/12 - TIH w/ PS, BP & 2 jts. TOH. PU AD-1 pkr. TIH w/ 2 jts. Set pkr @ 61'. Pump 110 sx Class "C" cmt w/ 2% CaCl₂. Displace w/ 5 bbls mud to 250'. Inj psi 300#. SWI. WOC 4 hrs. TIH w/ PS & BP. Tag @ 312', no circ. TOH. RU & run WL. Shoot perfs 6 SPF @ 100'. TIH to 150' & circ. Would not circ, @ 300# popped off BOP flange. Per BLM @ 150', fill to surface w/ cmt 20 sx Class "C" cmt w/ 2% CaCl₂.

✘ 3/28/12 - Set marker & reclaim location. Well is now P&A'd.