

New Mexico Oil Conservation Division, District 1

Form 3160-5
(March 2012)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT1635 N. 1st Ave
HOBBS, NM 88401FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**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.

MAY 23 2012

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2.		5. Lease Serial No. NM-03927
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>Try</u>		6. If Indian, Allottee or Tribe Name
2. Name of Operator Celero Energy II, LP		7. If Unit of CA/Agreement, Name and/or No. Drickey Queen Sand Unit
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701		8. Well Name and No. Drickey Queen Sand Unit #13
3b. Phone No. (include area code) (432)686-1883		9. API Well No. 30-005-00895
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980 FSL & 1980 FEL UL: J, Sec 33, T13S, R31E		10. Field and Pool or Exploratory Area Caprock; Queen
		11. County 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 Unsuccessful attempt to TA
	<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 recomplate 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 recomplate 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.)

5/8/12 - Release pkr & TOH w/ 82 jts of 2 3/8" OD cmt lined tbg. Left 7 jts in hole w/ 5 1/2" pkr. Have 2 3/8" upset w/ collar looking up. Tbg had broken off. 1st 9 jts had heavy scale on outside & inside. Remainder of tbg had moderate scale w/ holes in tbg throughout the entire string. Twisted off 5 jts when breaking the connections.

5/9/12 - TIH w/ 3 7/8" O.D., overshot w/ grapple for 2 3/8" O.D. tbg collar (3 1/16" O.D.) & 3 1/8" O.D. bumper sub. Ran on 2 3/8" O.D. tbg & tag at 1147'. Pump 30 BFW w/ no circ & work to 1574'. Circ hole. Work downhole to 2217'. Wash & circ fill from 2217' to 2227', recovering a lot of iron sulfide & other scale. Work DH & lost circulation. Tag at 2498', circ hole, lower overshot 2' to 2500' & latched onto fish. Recovered iron sulfide & some paraffin. No evidence of formation cuttings and/or red bed. Pulled 15K over string weight & fish came loose. TOH & recovered 1 jt of 2 3/8" O.D. cmt lined tbg w/ 60% of the pin end corroded off, leaving a 2 3/8" O.D. tubing collar looking up. Latched onto fish at 2532'. Pulled up hole 15' & stop moving. Lower down to 2538' & fish will not move. Pulled 45K over string weight, attempt to rotate, beat up & down with bumper sub. Unable to free after 1-1/2 hours. Circ hole, recovered very little scale. Release overshot, TOH, LD tbg w/ fishing tools. NDBOP & NU WH. Installed 2 3/8" tbg sub w/ collar on bottom with 2" valve on top of sub. CWI. Prepare sundry to P&A well.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt	Title Regulatory Analyst
Signature <u>Lisa Hunt</u>	Date 05/16/2012

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>DAVID B. GLASS</u>	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 these rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 49 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)