

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Albuquerque, NM 88240

Form 3160-5.
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

NOV 07 2012

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.

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)

5. Lease Serial No.

NM-120355

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 #902

9. API Well No.

30-005-00911

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	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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 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 PERIODENDING 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

Date 05/04/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

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

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)

NOV 08 2012

Well and Notice Remarks

Doc. Number 96AIR0537A Doc. Type WELL Case Number NMNM70935X Type 318220 Name ORICKEY QUEEN SAND UNIT

API 300050091100S1 Well Name ORICKEY QUEEN SAND UNIT Number 802 Operator CELERO ENERGY II LP

Doc. Number	Date	Author	Subject	Category
11RJS0234S	03/18/2011	RUBEN SANCHEZ	OTHER	APPROVAL
10DGD123S	07/16/2010	DAVID GLASS	UPD	APPROVAL
RV	05/26/2010	LINDA JIMENEZ	INSP	GENERAL
PI	02/11/2010	GEORGE "EDDIE" FITZPATRICK	INSP	GENERAL
03LA0024S	10/01/2008	tasking	SUCCESS	APPROVAL
09DGD0333S	03/07/2008	DAVID GLASS	UPD	APPROVAL
06DGD0082S	02/08/2006	DAVID GLASS	SUCCESS	APPROVAL
96AIR0537A	05/25/2004	STAN MAYO	WELL	MAINT
09004SM050	04/20/2004	STAN MAYO	INC	FOLLOWUP
09004SM050	04/20/2004	STAN MAYO	INC	GENERAL
04AL0010S	01/08/2004	ARMANDO LOPEZ	ABD	ENGINEER
PI	12/16/2003	STAN MAYO	INSP	GENERAL
09004SM010	12/04/2003	STAN MAYO	INC	FOLLOWUP
09004SM010	12/04/2003	STAN MAYO	INC	GENERAL
PI	10/16/1998	Stan Mayo	INSP	INSP
09699SM003	10/09/1998	Stan Mayo	INC	GENERAL
PI	04/18/1998	Stan Mayo	INSP	INSP
06598SM023	03/10/1998	louise notes	INC	GENERAL
06598SM11	11/09/1997	Stan Mayo	INC	GENERAL
PH	05/29/1996	S MAYO	INSP	INSP
PH	05/28/1996	S MAYO	INSP	INSP
PH	05/28/1996	S MAYO	INSP	INSP
PA	11/30/1995	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
PA	05/27/1992	L STOUT	INSP	INSP
PA	03/18/1992	J HOGWOOD	INSP	INSP
98LN0101S	03/02/1995	louise notes	DISPOSE	APPROVAL
96AIR0537A		AIRS Well Conversion	WELL	GENERAL

Category MAINT

Date 05/25/2004

FOUND AT THE TOP OF HOLE 4 1/2 Csg INSTEAD OF S 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 3059 (18 FT). GO IN HOLE WITH Tbg TO TAG BOTTOM - TAG BOTTOM AT 3048 FT. SET Tbg AT 3026 FT TO SET 1st PLUG. BATCH MIXED 28 SK PLUG. PUMPED AND DISPLACED WITH 11.4 Bbls PULL UP HOLE AND WAIT AND TAG IN THE AM

5-18-04 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 SAND AT LEAST 50 FT ABOVE THE TOP PERF 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 15 SKs TAGGED THE TOP OF SAND @ 2935 FT. (CIBP w/35 FT CEMENT WAS TO BE AT 2990 FT). TAG WWW/RELIN

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 FT. 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 18 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 FT. (FROM 2905 TO 2748 = 159 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 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 0558 LEFT OFFICE. 0900 BILLY MORRIS SAID THAT HE SHOT THE 4 1/2 @ 2664'. LOCATED A COLLAR. HE SHOT ON 6-14-04

0248 START IN HOLE W/TBG 1120 Tbg @ 2109 (59 lbs X 31=2109). SET Tbg 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 2109 - 2009 1407 PLUG PUMPED 20 SK 8.18bbls DISPLACEMENT 1411 START OUT OF HOLE WITH TUBING. TAG IN THE A.M. OF 6-17-04

6-17-04 0939 START IN HOLE TO TAG PLUG THAT WAS SET 6-15-04 0915 TAG AT 1897 FT. 1131 CEMENT LEFT IN THE 4 1/2. 0928 START OUT OF HOLE WITH Tbg TO SHOOT AT 1325 FT. 1020 OUT OF HOLE W/Tbg GETTING EQUIP. READ TO SHOOT 1151 FOUND COLLAR AT 1339 FT. INSTEAD OF 1325 FT. 1152 CONISTER FIRED. START OUT OF HOLE 1330 START IN HOLE TO 1389 FT. 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 1405 CLOSED BACKSIDE VALVE. START SQUEEZING SHOT HOLE @ 1339 FT 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 0955 TAG TOP OF CEMENT AT 1259 FT 125 FT CEMENT INSIDE OF THE 4 1/2 BILLY MORRIS CALLED SHOT THE 4 1/2 AT 265 FT. PUMPED 40 Bbls FRESH WATER OUTSIDE THE 4 1/2. DIDNT BREAK CIRCULATION. WILL MIX 80 SACKS CEMENT. WILL TAG THE TOP OF CEMENT IN THE

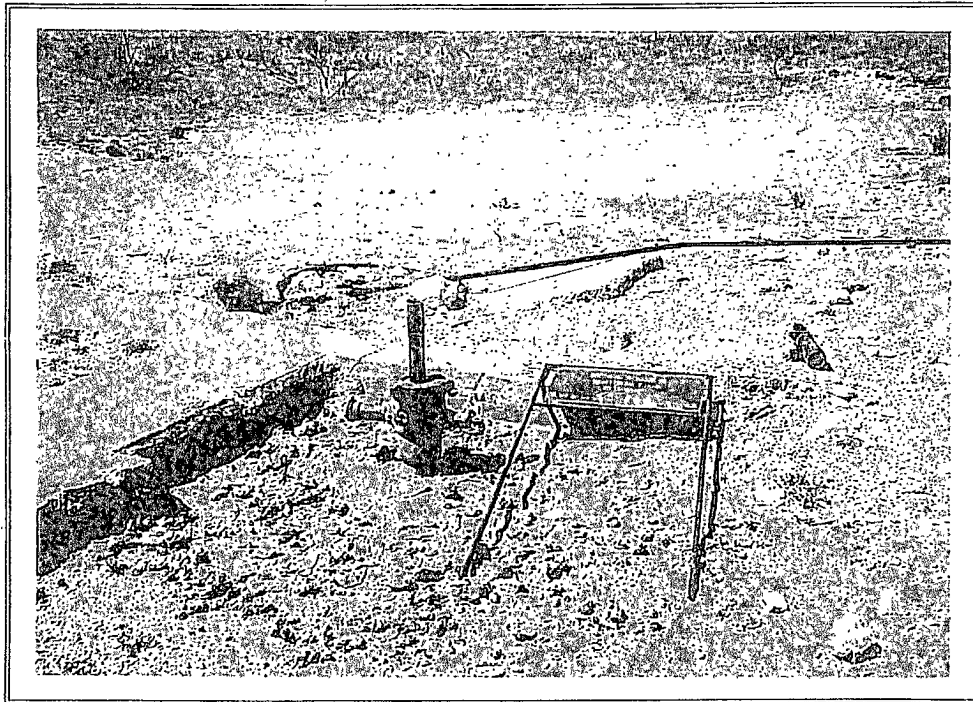
A.M. 8-19-04 0530 TUBING WAS AT 310 FT WHEN SQUEEZED THE SHOT HOLE AT 265 FT. 1029 TAG TOP OF CEMENT 142 FT. INSIDE 4 1/2. 168 FT CEMENT INSIDE 4 1/2. WILL SHOOT PLUGS/MINUS 90 FT. AND CIRCULATE CEMENT TO SURFACE ON BOTH SIDES OF 4 1/2 1523 Mr. MORRIS CALLED GOT CEMENT TO SURFACE ON BOTH BETWEEN THE 13 3/8 In AND THE 4 1/2 In LEFT BOTH SIDES FULL.

PHOTOGRAPHIC DOCUMENTATION

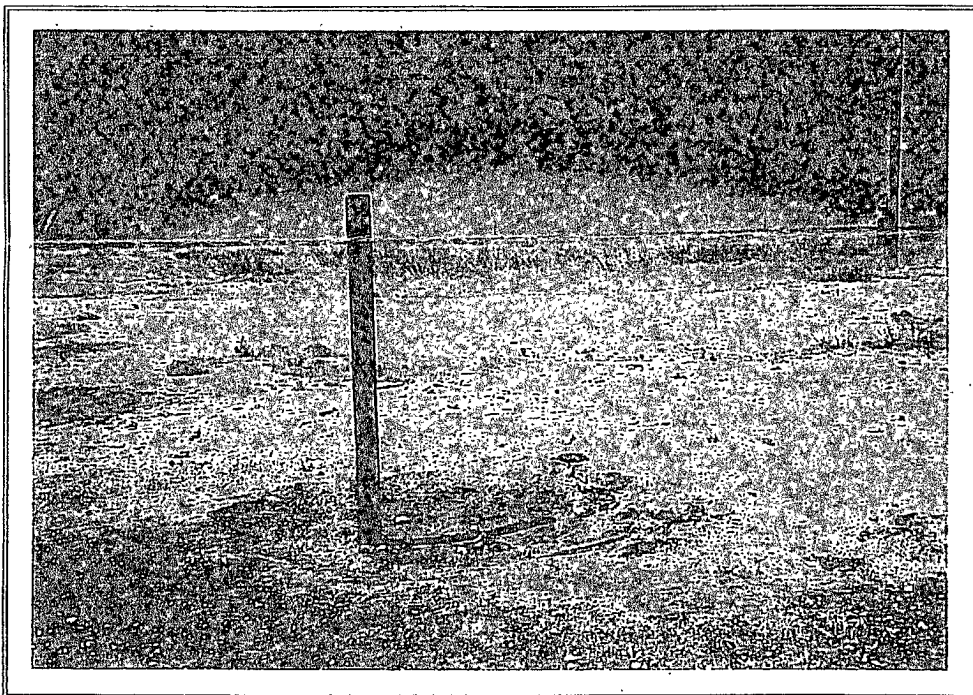
Palisades Asset Holding Co., LLC

- Federal V Lease

Chaves County, New Mexico



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



6. Federal V #2 - plugged well.