

New Mexico Oil Conservation Division, District I  
 1625 N. French Drive  
 Hobbs, NM 88240

Form 3160-5  
 (March 2012)

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

FORM 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.

5. Lease Serial No. HL-062486  
 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Celero Energy II, LP		8. Well Name and No. Drickey Queen Sand Unit #833
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701	3b. Phone No. (include area code) (432)686-1883	9. API Well No. 30-005-00994
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (A) Sec 4, T14S, R31E 330' FNL & 990' FEL		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 <u>Response to</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Written Order</u>
	<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 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.)

This well is on our Inactive Well Agreed Compliance Order #259 with the OCD. Also, it is on our 2012 Plan of Development with the BLM. I have attached copies of both agreements.

I have also attached a copy of the sundry to TA this well that was approved on 3/29/13 by David Glass.

ACCEPTED FOR  
 RECORD

MAY 23 2013

OCD Compliance Orders do NOT meet federal regulatory requirements. Sundry Accepted for Record 05/23/2013. Plan of Development was approved with this well being brought into compliance during 2013. Submit Notice of Intent (Form 3160-5) to BLM Roswell Field Office by January 1, 2014 for approval bring the well into compliance.

HOBBS OCD  
 MAY 29 2013

RECEIVED

~~NAME~~ ISA Angel Mayes  
Assistant Field Manager,  
Lands And Minerals

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 05/15/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
	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 or to any matter within its jurisdiction.

(Instructions on page 2)

JUN 04 2013

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM 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.*

5. Lease Serial No. LC-062486  
6. If Indian, Allottee or Tribe Name \_\_\_\_\_

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)  
(A) Sec 4, T14S, R31E  
330 FNL & 990 FEL

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

8. Well Name and No.  
Drickey Queen Sand Unit #833

9. API Well No.  
30-005-00994

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 checked="" 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 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 type="checkbox"/> Plug and Abandon	<input checked="" 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 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.)

Celero would like to request TA status for 1 yr. This well has utility as a future WAGIW should the CO2 project in the RQU to the NNE be expanded to include the DQSU. Rig will be moving into the field the week of 3/25/13.

- MIRU unit, BOPE & workstring.
- RIH w/ 3 3/4" bit to 2850'.
- RIH w/ CIBP & set @ 2802'. Load csg.
- RIH w/ workstring & spot 25 sx class C on CIBP. Pressure test csg.
- Circ hole w/ inhibited FW. POOH LD workstring. Leave 1 jt & valve at surface.
- Schedule MIT.

Please Contact The BLM Roswell Field Office At Least 24 Hours Prior To The Scheduled Casing Or Mechanical Integrity Test. For Wells In Chaves And Roosevelt County, During Office Hours Or After Office Hours Call (575) 627-0205. Engineer On Call During Office Hours Phone (575) 627-0275 Or Phone (After Hours) Call (575) 626-5749.

APPROVED FOR 3 MONTH PERIOD  
ENDING JUN 29 2013

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

Title Regulatory Analyst

Signature *Lisa Hunt*

Date 03/18/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *David R. Glass*

PETROLEUM ENGINEER

Title \_\_\_\_\_ Date MAR 29 2013

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) **CONDITIONS OF APPROVAL**

**BUREAU OF LAND MANAGEMENT**  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201  
575-627-0272

**Temporary Abandonment of Wells on Federal Lands**  
**Conditions of Approval**

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
  - B. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
  - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - E. Contact the BLM Roswell Field Office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status up to 12 months.

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Attaches a clear copy of the original pressure test chart.
3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.