

HOBBS OCD

New Mexico Oil Conservation Division, District 1

Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED BLM No. 1004-0137 Expires: October 31, 2014

JUL 15 2013

RECEIVED 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. NMLC 062486

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

IAJ

8. Well Name and No. Drickey Queen Sand Unit #829

2. Name of Operator Celero Energy II, LP

9. API Well No. 30-005-00990

3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701

3b. Phone No. (include area code) (432)686-1883

10. Field and Pool or Exploratory Area Caprock; Queen

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (M) Sec 4, T14S, R31E 660' FSL & 990' FWL

11. County 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, 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

5/2/13 - MIRU P/U ON TBG & REMOVE SLIPS. ATTEMPTED TO UNSET PKR, TBG PARTED. PULLED (5) JTS PLUS (6") STUB. CHGD WH & NUBOP. P/U 3 11/16" OVERSHOT W/ 2 3/8" GRAPPLE & 3' EXT. TIH W/ (10) JTS 2 3/8" TBG 311'. TOP OF FISH APPROX 2437'. LATCH ONTO FISH. ATTEMPTED TO COME UP W/FISH BUT COULD NOT. SET SLIPS IN NEUTRAL & SWI ON BOP.

5/3/13 - RIH W/ 1.11 WT BAR TO 1632'. POH & R/D AXIS. TOH. P/U OVERSHOT & 1 JT 3-3/4" WASHPIPE & TIH. WORKOVER FISH @ 311' & GO DOWN TO 337'. RIH W/ SHOTROD TO 340'. PUT 3/4 ROUND TORQUE W/ 36" PIPEWRENCH. PIPE DID NOT BACKOFF. TRIED 2ND SHOT. COULD NOT GO THROUGH TBG. TRIED 1-7/16" & 1" WT BARS. COULD NOT GET BACK IN TBG. TRIED MANUAL BACKOFF. UNSCREWED SUB @ OVERSHOT. SCREWED BACK INTO OVERSHOT. RELEASED OVERSHOT & TOH.

5/6/13 - OPEN BOP. TIH W/3-11/16" OVERSHOT LOADED W/2-3/8" GRAPPLE & 1 JOINT WASHPIPE. WORKOVER FISH @ 311'. GO DOWN TO 330'. TIH W/1-7/8" BULLNOSE MILL & 9 JTS P1-10. ONE INCH. TAG FISH. LD 1 JT. PU SWIVEL.

*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 06/07/2013

RECEIVED 013 JUN 12 PM 1:07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

IS/ DAVID R. GLASS

REGULATORY ENGINEER

Date JUL 09 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.

APPROVED FOR 6 MONTH PERIOD ENDING NOV 15 2013

APPROVED AS TO PLUGGING OF THIS WELL CORE LIABILITY UNDER BOND (3) REVA 30 UNTIL SURFACE RESTORATION IS COMPLETED

MKB/OCD 7/16/2013

JUL 16 2013

Drickey Queen Sand Unit #829 – C103 continued

5/7/13 - Start drilling @ 311' w/ 1-7/8' bullnose mill. Mill would not cut. TOH. RIH w/ flat bottom mill. Drill 1 hour, got metal in returns. Drill 5 hours made 4". TOH w/ mill.

5/8/13 - TIH W/ 1 7/8" FLAT MILL & 9 JTS 1" P110 PIPE. P/U SWIVEL & MILL ON TBG @ 311'. GETTING METAL, SCALE, PARAFFIN & RUBBER BACK IN CUTTINGS. DRILLED F/ 9 HRS ALTERNATING BETWEEN DRY DRLG AND CIRC. GOT NO CUTTINGS BACK IN LAST 2 HRS. TOH TO CK MILL OUTSIDE CUTTERS WERE CHIPPED OFF NO WEAR IN CENTER OR ON OD.

5/9/13 - MU 1 7/8" CONCAVE MILL & TIH W/ 9 JTS P110 1" PIPE. TO 311'. PU SWIVEL & DRILL ON FISH FOR 4 HRS. GETTING VERY LITTLE CUTTINGS IN RTNS. TOH TO FIX LEAKING BOP. PU ON TBG & IT BROKE FREE. CONTINUED COMING UP & LAID DOWN FISH. RU FLOOR & CONTINUE TOH LAYING DOWN PIPE. RECOVERED FISH & 80 JTS FOR TOTAL OF 81 JTS & PKR.

5/10/13 - MAKEUP 3-3/4 bit. TIH w/ 87 jts 2-3/8 tbg to 2713'. TOH. MIRU WL. RIH w/ CIBP. Set @ 2683'. POH w/ WL. TIH w/ perf sub & BP. Spot 25 sacks Class "C" w/ 2% CACL on CIBP. Disp w/ 8 bbls. TOH 22 stds.

5/13/13 - OPEN BOP & TIH W/ PS & BP & TAG CMT @ 2435'. LOAD HOLE & ATTEMPT TO TEST. BOP LEAKING COULD NOT TEST. TOH & CLOSE BLINDS. PRESSURED UP TO 500# LOST 200# IN 5 SEC. TIH W/ PS & BP TO 2300' & CIRC MUD. TOH. RIH & SHOOT 4 SPF @ 1860'. TIH W/ PKR LOAD HOLE & SET PKR @ 1499' COULD NOT PUMP INTO PERFS. TOH W/ PKR. P/U PS & BP. TIH TO 1910'. PUMP 25 SX CL "C" W/ 2% CACL DISP W/ 5 BBLS MUD. PD @ 3:30PM. TOH & WOC.

5/14/13 - OPEN BOP. TIH W/ PS & BP, TAG @ 1656'. TOH. RIH & SHOOT 4 SPF @ 1048'. P/U AD-1 PKR. TIH TO 682', LOAD HOLE & SET PKR. SQUEEZE 40 SX CL "C" W/ 2% CACL DISP W/ 6 BBLS MUD. PD @ 10:15 AM. SI PSI 700#. WOC. UNSEAT PKR & TOH. P/U PS & BP. TIH & TAG @ 952'. AS PER BLM TAG GOOD. TOH. RIH & SHOOT 4 SPF @ 151'. P/U PKR & 1 JT SET @ 31'. ESTABLISH CIRC ON 4 1/2" X 8 5/8", PUMP CMT TO SURF W/ 55 SX CL "C" W/ 2% CACL. TOH W/ PKR & NDBOP. TOP OFF 4 1/2" CSG W/ 5 SX FOR A TOTAL OF 60 SX CMT.

5/15/13 – RDMO. CUT OF WH & SET MARKER.