

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

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 reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Inject		5. Lease Serial No LC-068288-A
2. Name of Operator CELERO ENERGY II, LP		6. If Indian, Allottee or Tribe Name CCO
3a. Address 400 W. ILLINOIS, STE 1601, MIDLAND, TX 79701	3b. Phone No (include area code) 432-686-1883	7. If Unit or CA/Agreement (Name and/or No.) ROCK QUEEN UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Section 25, T13S, R31E, Unit Letter B 600' FNL & 1980' FEL		8. Well Name and No. 52
		9. API Well No. 30-005-00865
		10. Field and Pool, or Exploratory Area CAPROCK QUEEN
		11. County or Parish, State CHAVES COUNTY, NM

12. CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	RE-ACTIVATE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	INJECTION WELL

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 recomple 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

6/22/2007 THRU 7/10/2007

MIRU WSU. POOH w/ 1 jt. tbg. Repaired Well head. Check csg integrity with pkr & found holes in 7" csg from 348'-360'.

Ran csg inspection log & CBL (TOC @ 2100'). Csg in poor shape. Clean out well to TD @ 3069' and drill out to new TD @ 3089'.

Ran 4 1/2", 11.6#, J-55 liner from 3088' to surface and cemented liner with 425 sx Class C cmt w/ additives in two stages (DNL). Recemented liner w/ 325 sx Class C cmt w/ additives in two stages.

Drill out cmt to new PBTD @ 3085'. Logged well w/ GR/CCL/CBL/CN Logs (TOC @ 1520'). Perforated Queen interval 3059'-3074' w/ 4 SPF.

Ran 2 3/8", 4.7#, J-55 IPC injection tbg & 4 1/2" Arrowset 1x pkr & set pkr @ 2999'. Circ. pkr fluid around backside.

Acidized Queen interval (3059'-3074') w/ 3000 gal 7 1/2% NEFE acid & 1000# rock salt in 3 stages @ 3 BPM. RDMO WSU.

Ran csg integrity test @ 500 psi for 30 min. and test held ok.

Return well to injection.

WFX-95

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

Haylie Urias

Title **Operations Tech**

Signature

Date

07/25/2007

ACCEPTED FOR RECORD FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID R. GLASS

Title

Date

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

Title 18 USC Section 1001 and 1004; 18 USC 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)

