Form 3160-5 (April2004)

1. Type of Well

3a. Address

2. Name of Operator

Notice of Intent

Subsequent Report

Oil Well

UNITEDS TATE Mexico Oil Conservation Division, Discontagraphe 1004-013 DEPARTMENT OF THE INTERIOR625 N. French Drive Expires: March 31, 2007 BUREAU OF LAND MANAGEMENT Hobbs, NM 88240 5. Lease Serial No. LC-068288-A SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. X Other Gas Well 8. Well Name and No. **ROCK QUEEN UNIT 54** 9. API Well No. CELERO ENERGY II, LP 30-005-00863 3b. PhoneNo. (include area code) (432)686-1883 400 W. Illinois, Ste 1601 Midland TX 79701 10. Field and Pool, or Exploratory Area CAPROCK QUEEN ~ 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 660' NORTH 660' WEST CHAVES UL: D, Sec: 25, T: 13S, R: 31E NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize __ Deepen Production (Start/Resume) Water Shut-Off AlterCasing Reclamation Well Integrity ☐ FractureTreat Casing Repair New Construction Other Recomplete Change Plans X Plugand Abandon TemporarilyAbandon Final Abandonment Notice PlugBack Convert to Injection 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 shall 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 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.) MIRU Plugging Unit. NU BOP's. Bullhead kill wt. fluid down 7" csg. RIH w/ 2 3/8" work string open ended and attempt to get through area of bad csg from 1515' to 1838'. Attempt to tag TD @ 3057' +/- MIRU reverse unit. Circ. well clean. If unable to get through bad spot in csg or tag up close to TD, contact for further instructions. Pull work string to 3050' +/-. Spot 60 sx cmt plug across perforations and above 7" csg shoe @ 3049' on top of CIBP. Tag top of cmt. Load wellbore w/ plugging mud (>9.5# brine w/ >12.5# gel/bbl). POOH w/ work string. Contact NMOCD at this point for further instructions on spotting cmt plugs across the base (2290') and top (1485') of the salt section. The typical procedure is as follows: Perforate top of Yates @ 2300' (base of salt section). RIH w/ work string to 2300' and pump 100 sx of cmt into 7" csg annulus leaving 100' of cmt inside of the 7" csg. POOH w/ work string. Perf top of anhydrite @ 1530' (top of salt section). RIH w/ work string & tag the top of cmt @ 2200' +/-. Pull work string up to 1530' and pump 100 sx cmt into 7" csg annulus leaving 100' of cmt inside of 7" csg. POOH w/ work string. Perf 50' +/below 9 5/8" csg shoe @ 420'. RIH w/ work string and tag the top of cmt @ 1430' +/-. Pull work stirng up to 420' and pump 150 sx cmt into 7" x 9 5/8" csg annulus leaving 100 cmt inside of the 7" csg. POOH w/ work string. Cap well w/ 15 sx cmt from 30' to surface. RDMO. Remove wellhead and install surface marker. Clear & clean location. I hereby certify that the foregoing is true and correct Title Operations Tech 07/08/2008 Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE SV DAVID R JUL 0 9 2008 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 Office which would entitle the applicant to conduct operations thereon. 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)

my M. Hi

Name (Printed/Typed) Haylie Urias

Signature

SEE ATTACHED FOR CONDITIONS OF APPROVAL



BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 (575) 627-0272



Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon. If you are unable to plug the well by the 90th day provide the BLM Roswell Field Office, prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action.
- 2. <u>Notification:</u> Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (575) 627-0258. After office hours call (575) 627-0205. Engineer on call phone (after hours): (575) 626-5749.
- 3. <u>Blowout Preventers:</u> A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement:</u> Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

- 6. <u>Dry Hole Marker:</u> All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date well was plugged.</u>

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.