

RECEIVED

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

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

OCT 03 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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



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)

1980 North 660 West

UL: E, Sec: 10, T: 14S, R: 31E

5. Lease Serial No.

NMLC 068474

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Drickey Queen Sand Unit 30

9. API Well No

30-005-01027

10. Field and Pool, or Exploratory Area

Caprock Queen

11. County or Parish, State

Chavez

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 checked="" 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 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 shall 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 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.)

Returned this abandoned producer to production.

5/27/08 - 6/6/08

MIRU. TOO H w/ rods, pump, and production tubing. Set RBP @ 2820' and located casing leak between 186' and 218'. Squeeze cemented 5 1/2" casing and back up casing annulus w/ 52 sx Class C cmt w/ additives. DO cement. Pressure tested 5 1/2" casing to 500 psi, b OK. Retrieved RBP and TOO H. CO/DO well to new TD @ 2908'. Acidized Queen interval (2870' - 2908') w/ 2000 gal 7 1/2% NEFE acid and 500 gal toluene w/ 500# rock salt in two stages @ 4 BPM and 250 - 933 psi STP. Swabbed load back. Ran 2 7/8" 6.5# J-55 production tubing, EOT @ 2874'. Returned well to production.

NOTE: This well last produced 9/2002.

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 09/19/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ACCEPTED FOR RECORD

/S/ DAVID R. GLASS

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant has legal title to those rights in the subject lease 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 to knowingly make any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of the Federal Government.

PETER LEUM ENGINEER

(Instructions on page 2)

Accepted For Record Only! Approval
Subject To Returning Well To Continuous
Production And Keeping Well On Continuous
Production Or Plugging Well With An
Approved Plugging Program!