

OCT 07 2008

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1625 N. French Drive
Hobbs, NM 88240

HOBBBS, NM

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)
660' S 660' W
UL: M, Sec: 3, T: 14S, R: 31E

5. Lease Serial No.

LC-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 23

9. API Well No.

30-005-00972

10. Field and Pool, or Exploratory Area
CAPROCK QUEEN

11. County or Parish, State
CHAVES
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 Return TA'd
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	producer to
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	production

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.)

6/16/2008 to 6/27/2008 (Return TA'd producer back to production)

MIRU Well Service. TOOH w/ rods, pump & 2 7/8" production tbg. Replaced wellhead. Locate holes in 5 1/2" csg between 551' and 583'. Pumped 140 sx Class C cmt w/ additives down tbg & 5 1/2" csg & up 5 1/2" csg annulus. DO cmt in 5 1/2" csg and pressure tested 5 1/2" csg to 250 psi, held ok. CO well to TD @ 2935'. Deepen well to new TD @ 2962'. Ran GR/CCL/CN logs. Acidize Queen interval (2916-2935') w/ 2000 gal 7 1/2% NEFE acid & 500 gal toluene w/ 1000# rock salt in three stages @ 4.5 - 5.6 BPM & 370-1108 psi STP. Swabbed back load. Ran 2 7/8" 6.5# J-55 production tbg, EOT @ 2900'. Return well to production.

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

Haylie Urias

Title Operations Tech

Signature

Haylie Urias

Date 07/30/2008

ACCEPTED FOR RECORD FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

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.

Title 18 U.S.C. Section 1004 and Title 43 U.S.C. Section 1212, make it a crime for any person to make any false, fictitious or fraudulent statements or representations as to any matter.

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!

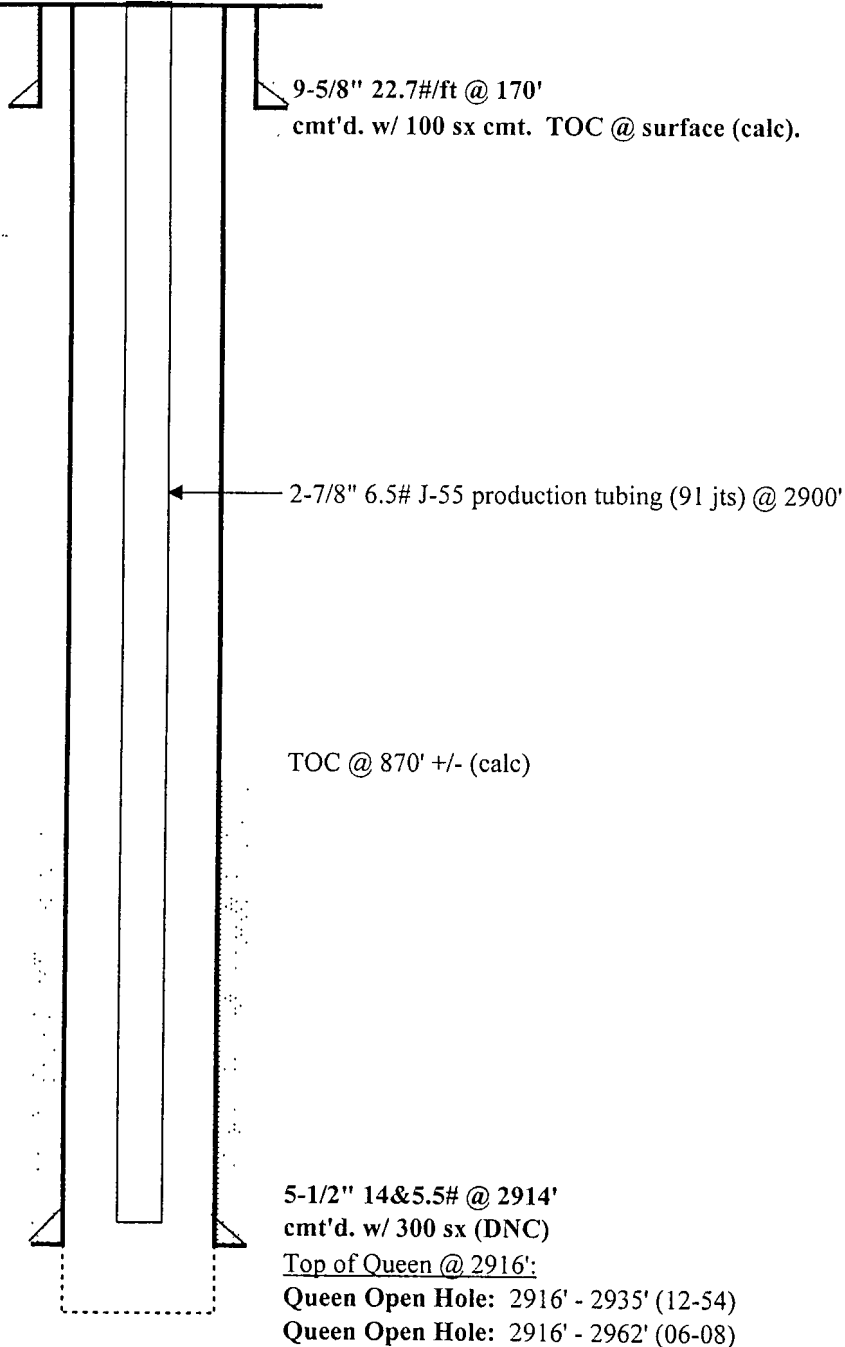
CELERO ENERGY

FIELD: Caprock
LEASE/UNIT: Drickey Queen Sand Unit
COUNTY: Chaves

DATE: Jul. 01, 2008
BY: GSA
WELL: 23
STATE: New Mexico

Location: 660' FSL & 660' FWL, Sec 3M, T14S, R31ECM
SPUD: 12/54 COMP: 12/54
CURRENT STATUS: Producer
Original Well Name: Government B #19

KB =
GL =
API = 30-005-00972



PBTD - 2962'
TD - 2962'

7/1/2008

DQSU #23.xls