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Form 3160-3
(April 2004)

OCT 07 2008

HOBBY

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.

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

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 31

9. API Well No.

30-005-01022

10. Field and Pool, or Exploratory Area

CAPROCK QUEEN

11. County or Parish, State

CHAVES

NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well

☐ Gas Well

☒ Other

Injector

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)

2080' N 1920' W

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

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 REACTIVATE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	INJECTOR
	<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 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.)

4/23/08 to 5/20/08 Reactivate abandon injector to injection. (R-1128)

MIRU. POOH w/ 2 3/8" IPC tbg. Milled injection pkr down to 2945'. Located several csg leaks in 5 1/2" csg. Milled out 5 1/2" csg from 2880' - 2945'. Set composite BP @ 2864'. Ran 4" 9.5# J-55 Ultra FJ csg from 2853' to surface & cmt w/ 150 sx cmt w/ additives. DO cmt to float shoe & ran CBL, TOC @ 2780'. Shot four squeeze holes @ 2777' and squeeze cmt'd w/ 100 sx 35/65 poz Class C cmt w/ additives & 50 sx Class C tail cmt w/ additives. DO cmt to guide shoe & ran CBL. had cmt from 2620' - 2700'. Shot four squeeze holes @ 2710' and squeeze cmt w/ 200 sx Class C cmt w/ additives. DO cmt to 2770' and fell out. Ran CBL, cmt up to TOC 2620'. DO cmt BP & tag TD @ 2945'. Ran 2 3/8" 4.7# J-55 IPC injection tbg & Arrowset pkr. Pkr set @ 2836', EOT @ 2842'. Acidized Queen interval (2936-2945') w/ 2000 gal 7 1/2% NEFE acid & 500# rock salt in two stages @ 3 BPM & 15 psi STP. Notified OCD of MIT. Ran mechanical integrity test. Held 405# for 30+ min. Returned well to injection.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Haylie Urias

Title Operations Tech

Signature

Haylie Urias

Date 06/18/2008

ACCEPTED FOR RECORD ONLY 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 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations as to any matter.

(Instructions on page 2)

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

CELERO ENERGY

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

DATE: Jun. 02, 2008
BY: JEA
WELL: 31
STATE: New Mexico

Location: 2080' FNL & 1920' FWL, Sec 10F, T14S, R31ECM
SPUD: 03/54 COMP: 03/54
CURRENT STATUS: Injector
Original Well Name: Government B #1

KB = 4,324'
GL =
API = 30-005-01022

-- No Surface Casing was set -- The Sundry Notice dated 02-19-54 states that "8 5/8" casing will be reclaimed".

8-5/8" csg string set @ 1280' for protection string. Drld out w/ cable tools to 2932'. Recovered 8-5/8" csg and ran 5-1/2" production csg. Drld to T.D. w/ cable tools.

← 2-3/8"/4.7#/J-55 IPC injection tbg with Arrowset pkr set @ 2836', EOT @ 2842'

TOC @ 1910' +/- (calc)

TOC @ 2620' (4" liner) (CBL)

4" 9.5# J-55 Ultra FJ liner from 2853' to surface, cmt'd w/ 500 sx cmt (DNC) in three separate attempts (see well history)

5 1/2" 14# @ 2932'
cmt'd. w/ 150 sx (DNC)

Top of Queen @ 2936':

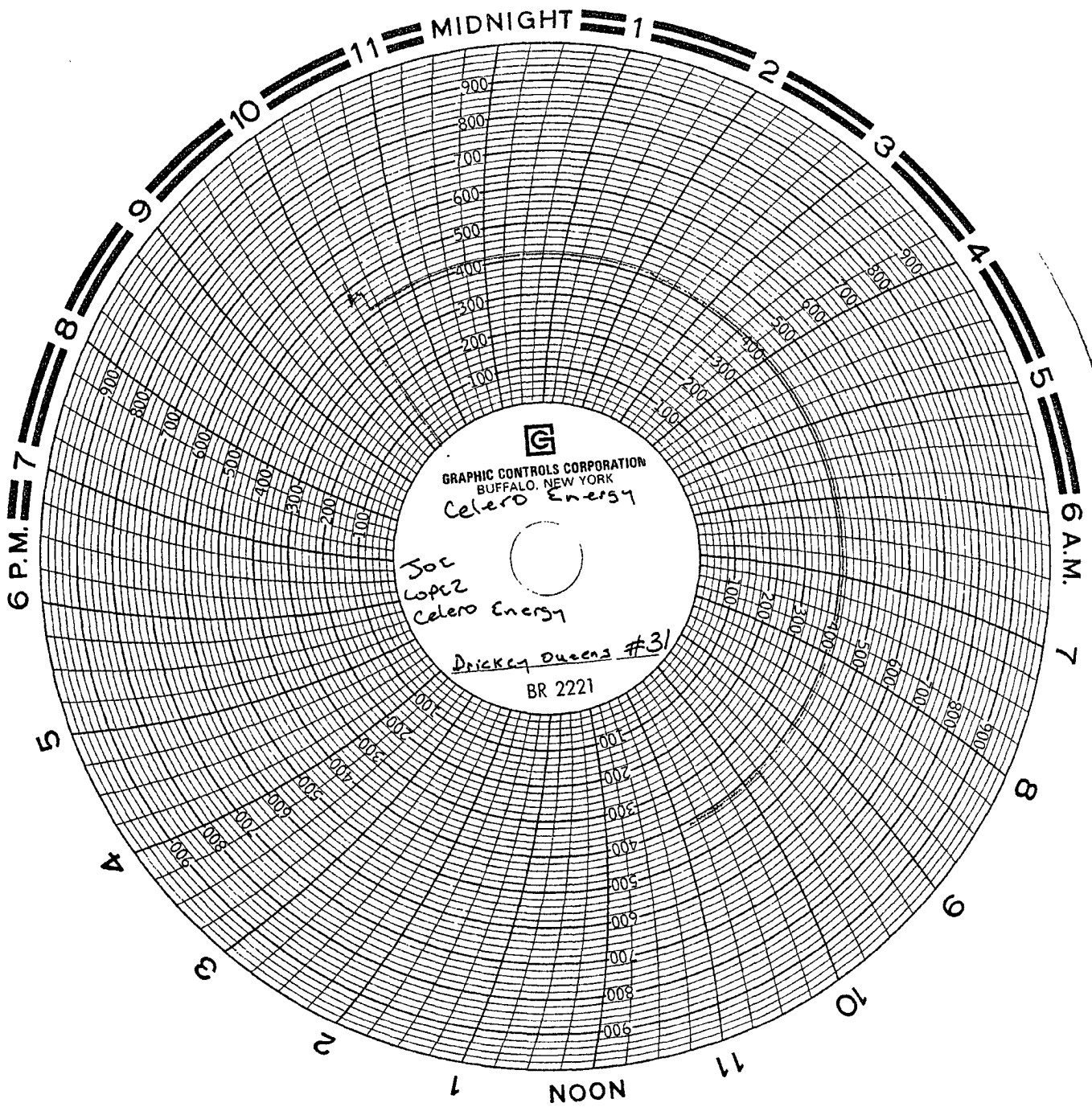
Queen Open Hole: 2936' - 2940' (03-54)

Queen Open Hole: 2936' - 2945' (05-08)

PBTD - 2945'
TD - 2945'

6/3/2008

DQSU #31R.xls



INJECTION WELL DATA SHEET

OPERATOR: Celero Energy II, L P

WELL NAME & NUMBER: Drickey Queen Sand Unit #31

WELL LOCATION: 2080' FNL & 1920' FWL;	F	10	T14S	R31E
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC (See Attached)WELL CONSTRUCTION DATASurface Casing

Hole Size: _____ Casing Size: 8 5/8"

Cemented with: _____ or _____ ft³

Top of Cement: _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ Casing Size: 4" Liner _____

Cemented with: 500 sx. or _____ ft³

Top of Cement: Surface Method Determined: _____

Production Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft³

Top of Cement: _____ Method Determined: _____

Total Depth: _____

Injection Interval

Open hole (2936'-2940') (03-1954)

Open hole (2936'-2945') (05-2008)

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" / 4.7# / J-55

Lining Material: Internally Plastic Coated

Type of Packer: Arrowset

Packer Setting Depth: 2836'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes ___X___ No

If no, for what purpose was the well originally drilled? Primary depletion oil producer _____

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Caprock

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None _____