

DEC 09 2010
HOBBBS

New Mexico Oil Conservation Division, District I

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

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

☐ Oil Well

☐ Gas Well

☒ Other

Inj

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)

UL N, Sec 17, T14S, R31E
660' FSL & 1982' FWL

5. Lease Serial No.

NM 03210

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

West Cap Queen Sand Unit #9

9. API Well No.

30-005-01095

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 Attempted to	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	convert to	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	producer	

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 recomplate 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.)

7/28 - 7/30/10

Pull 2 3/8" OD IPC tbg. Removed WH flange. TIH w/ 4 3/4" x 4' notched shoe. Wash over top of tbg fish @ 2 1/2' to 6'. Lost circ. Regained partial circ w/ shoe @ 6'. Circ. Clean. TOH. TIH w/ 4 11/16" O.D. overshot & latch onto fish @ 2 1/2'. Recovered 9' of badly corroded tbg w/ 1/4" thick scale on outside of tbg. TIH w/ taper tap & tag fish @ 12'. Unable to get inside of tbg. TOH. TIH w/ 4 3/4" x 4' notched shoe plus 38' of 4 1/2" wash pipe w/ extension. Ran to 37' below surface, w/ slight tag @ 20' below surface. Recovered rust & scale. TOH. TIH w/ 4 5/8" O.D. concave mill on 1 jt of 3 1/8" O.D. drill collar. Mill on tbg fish @ 12' to cut a fishing neck. Milled 8" & circulated hole clean recovering metal cuttings. Ran 4 11/16" overshot w/ 2 3/8" tbg grapple. Latched onto fish @ 12'. Pulled & worked w/ tbg up to 35K. Unable to rotate. Took stretch reading indicating tbg stuck @ 715'. Ran 1 1/2" sinker bar & was able to get inside of tbg 19'. Stopped going w/ 1 3/4" neck on sinker bar. LD sinker bar. Pulled 20K on tbg.

* Continued on attached sheet

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 10/27/2010

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ 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

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 42 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)

West Cap Queen Sand Unit #9 C-103 Continued

8/2/10 - Pull 35K on tbg. Tbg is still stuck. Attempt to release overshot. TOH. Recovered a 7' piece of tbg w/ heavy corrosion. TIH w/ 4 1/2" shoe w/ cutrite on bottom & up inside on 4" ultra flush joint stock x 6', plus 4", 9.5#, ultra flush joint wash pipe. Mill & clean out from 37' to 782'. Circulated hole clean. TOH.

8/3/10 - Re-run 4" flush joint csg as wash pipe w/ 4 1/2" O.D. shoe. TIH w/ 4 1/2" O.D. cutrite shoe on 4" flush joint stock. Ran on 4" 9.5#, J-55 ultra flush joint csg as wash pipe. Ran & tag @ 1032'. Mill & clean out salt from 1032' to 1075'. Lower mill to 1916'. Mill out "fine salt" from 1916' to 1922'. Continued lowering mill & mill/drill out "fine salt" from 1990' to 2079'. Circ hole clean.

8/4/10 - Mill & clean out fine grained salt to 2125'. Mill to 2158'. Well started back flowing, unable to make connection due to back flow. LD new joint & pulled existing joint leaving mill @ 2118'. Well continues to flow.

8/5/10 - Flowed 950 bbls overnight. Total to date = 1950 bbls. Mill & clean out to 2564' recovering some salt & scale. Milled from 2565' to 2573' recovering some salt & scale, mostly metal. Mill stopped milling. Raise mill to 2354' & well started flowing from 2 to 3 BPM. Left well flowing to frac tank overnight out 4" wash pipe.

8/6/10 - Wtr flowed an estimated 800 BW overnight. Lower mill on 4" wash pipe to 2434'. Ran 3 1/8" O.D. overshot w/ 2 3/8" O.D. tbg body grapple. Latched onto fish @ 19', pulled 15K on fish. RU pack off for 1" tbg to clean out 2 3/8" O.D. tbg. Ran 1.62" O.D. tapered mill w/ cutrite on bottom & sides. Ran on 1", P-110, 2.25#/ft, CS Hydrit tbg to 176'. Mill plugged. TOH, unplugged mill. Trip back in hole. Clean out inside of 2 3/8" O.D. tbg to 428'. Circ hole clean. TOH w/ tbg & mill. Left well flowing to frac tank.

8/10/10 - TIH w/ 1.62" O.D. tapered mill on 1", P-110, 2.25#/ft tbg. Ran to 494'. Mill plugged. TOH. Unplugged mill. TIH & RU swivel @ 494'. Clean out & mill from 494' to 1698' recovering salt, scale, iron sulfide & small metal shavings. Circulate hole clean.

8/11/10 - Mill & clean out to 2602' recovering small amounts of salt, iron sulfide & scale. Mill stopped milling @ 2602'. TOH, LD 1" tbg w/ tapered mill. Found mill had broken in two 9" down from top leaving 14" of tapered mill in 2 3/8" O.D. tbg.

8/12/10 - Ran 1 7/16" free point tool down 2 3/8" O.D. Tag @ 2581'. Raise 2569' & found tbg free from surface to 2569'. Ran 1 11/16" chemical cutter, cut tbg @ 2345'. TOH, LD 2 3/8" O.D. IPC tbg. LD 76 jts & 1- 15' piece of tbg (2340'). Remove BOP, flanged spools, stripper head, etc. RU 5 1/2" WH, tied outlets to frac tank & left well flowing to frac tank. Clean location. RDMO.