

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007RECEIVED
DEC 09 2010
HOBBS, 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 ☒ Other2. Name of Operator
Celero Energy II, LP3a. Address 3b. Phone No. (include area code)
400 W. Illinois, Ste. 1601 Midland TX 79701 (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 type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input checked="" 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.)

10/28/10 - Ran 2 3/8" OD tbg w/ 4" AD-1 type pkr to 2,020'. Set same w/ 20K above string weight. Pump down tbg into btm of well bore @ 1 1/2 bpm w/ 10 BFW while pressure increased from 0# to 350#. Pump 10 BFW @ 2.2 bpm @ 300# followed w/ 150 sx of Class "C" cmt w/ 2% CaC12 & displaced 1 bbl below pkr to 2,102'. Start staging cmt to get cmt squeeze. After 5 stages from from 1/4 to 1/2 bbls, zone squeezed w/ 1,000# SD pressure. Displaced cmt to 2,191'. WOC 3 hrs. Tag TOC @ 2,191'. Lwr pkr & circ hole w/ 10 ppg salt mud. Raise pkr to 2,131' to prepare to perf csg @ 1,935'. Unable to get pkr to set. TOH.

10/29/10 - TIH w/ tbg & 4" AD-1 pkr. Ran to 1,613'. Perf 4" csg @ 1,935' w/ 4 shots. Attempt to pump into perfs @ 1,935' w/ 1,000# pressure. Held for 15 min. Unable to pump into perfs. TOH w/ tbg & pkr. TIH w/ tbg open ended to 2,085'. Pump 25 sx of Class "C" cmt w/ 2% CaC12 & spot a balanced cmt plug from 2,085' to 1,614'. WOC 3 hrs. Tag TOC @ 1,614'. With pkr @ 1,122', perf 4" csg @ 1,470' w/ 4 shots. Tested perfs w/ 1,000# pressure. Unable to pump into the perfs. TOH w/ tbg & pkr. TIH w/ tbg open ended to 1,524'. Pump 25 sx of Class "C" cmt w/ 2% CaC12 & spot balanced cmt plug from 1,524' to 1,040'. TOH w/ tbg. WOC.

* 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 11/05/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date DEC 02 2010

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 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)

APPROVED AS TO PLUGGING OF THIS
WELL BORE. LIABILITY UNDER BOND
IS RETAINED UNTIL SURFACE RESTORATION
IS COMPLETED.APPROVED FOR 6 MONTH PERIOD
ENDING MAY 02 2011

West Cap Queen Sand Unit #9 - Continued

11/1/10 - After WOC 66 hrs, tag TOC @ 1,008' (squeezed perfs = 1,470'). Ran 5 1/2" pkr. Found btm leak in 5 1/2" csg from 317' to 348'. Below 348', csg held 500#. Above 317', unable to get test. Would circ out 5 1/2" x 8 5/8" csg annulus. Perf 5 1/2" csg @ 750'. TIH w/ tbg & 5 1/2" pkr. Set pkr @ 501'. Unable to pump into perfs to cmt squeeze. Would pressure to 1,000# & leak off 200# in 1 min & 400# in 3 min. Was able to get a very small rate (0.1 bpm) @ 1,000# into perfs. Would not be able to pump cmt into perfs. TOH w/ tbg & pkr. TIH w/ tbg, open ended to 814'. Mix & pump 25 sx of Class "C" cmt w/ 2% CaC12 & spot a balanced plug @ 814'. TOH w/ tbg. WOC 3 hrs. Ran & tag cmt @ 549'. TOC okay w/ BLM. Ran tbg to 348'. Mix & pump 125 sx of Class "C" cmt w/ 2% CaC12 & circ to surface. TOH, LD tbg. Finish filling up 5 1/2" & 8 5/8" csgs w/ cmt. Used a total of 125 sx circulating out 5 sx. WOC.

* **11/2/10** - Clean location.. Weld on dry hole marker. Well now P&A.