

New Mexico Oil Conservation Division, District 1

1625 N. French Drive

Hobbs, NM 88240

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED

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 purposes.

5. Lease Serial No.

LC-068474

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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' FSL & 1980' FEL
UL: O, Sec 3, T14S, R31E

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

8. Well Name and No.

Drickey Queen Sand Unit #25

9. API Well No.

30-005-00963

10. Field and Pool or Exploratory Area

Caprock; Queen

11. Country or Parish, State

Chaves, NM

12. CHECK THE 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 <u>Unsuccessful attempt to return to production</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

12/14/10 - MIRU. TOH w/ production equipment. KB tag @ 3,040'. Total tbg = 3,004'.

12/15/10 - TIH w/ 2 7/8" OD tbg w/ 5 1/2" csg scraper & 4 3/4" bit. Ran to 3,007'. Ran GR/CCL log from 1,000' to 3,034'.

Ran csg log inspection from 50' to 3,003'.

12/16/10 - TIH w/ 2 7/8" tbg, Peak Completions pkr & RBP. Set RBP @ 3,000' w/ pkr @ 2,990'. Test tbg, pkr & RBP to 700#, held okay. Test down 2 7/8" x 5 1/2" annulus using 30 BPW & annulus would not load. Raise pkr to 2,700', pump down tbg into 5 1/2" csg from 2,700' to 3,000' @ 2 BPM & 0# pressure. Load 2 7/8" x 5 1/2" annulus, tested from surface to 2,700' w/ 440# & held for 10 minutes. Lower pkr, latch onto RBP & TOH w/ tbg, pkr & RBP. TIH w/ 2 7/8" OD tbg w/ spear to catch 2 7/8" x 4' perf nipple fish. Ran to 3,040' & latch onto perf nipple fish. Pulled as much as 34,000# over wt. TOH & did not recover fish.

12/17/10 - Ran 4 3/4" OD x 3 15/16" ID x 3.28' cutrite shoe w/ cutrite on btm w/ a jt of 4 1/2" x 34' wash pipe. Tag tbg @ 3,040'. Wash & rotate from 3,040' to 3,050'. TOH & recovered 1- 24" x 2 7/8" piece of tbg. TIH w/ 4 3/4" bit, 2- 3 1/8" OD DC's & 2 7/8" tbg. Tag @ 3,048'. Rotate & clean out from 3,048' to 3,054'.

12/20/10 - Ran 4 3/4" OD x 3 15/16" ID x 4.1' cutrite mill w/ cutrite on btm & placed on 4 1/2" OD stock + 4 1/2" OD x 32' jt of wash pipe on 2 7/8" OD tbg. Tag @ 3,042'. Mill & clean out from 3,042' to 3,047'. TOH. TIH w/ 4 3/4" cone buster mill, 2- 3 1/8" DC's & 2 7/8" tbg. Tag @ 3,044'. Mill & made 7' to 3,051'. No circ. TOH.

* 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 01/21/2011

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 the rights in the subject lease which would entitle the applicant to conduct operations thereon.

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)

Drickey Queen Sand Unit – BLM sundry continued

12/21/10 - Ran on 2 7/8" tbg work string, 1 jt of 4 1/2" OD x 32' of wash pipe & 1 cutrite shoe, 4 3/4" OD x 3 15/16" ID x 1.75' on 4 1/2" stock w/ cutrite on btm. Tag @ 3,044'. Mill & rotate to 3,051'. Pump down tbg 150 gallons of 15% NeFe acid & flushed w/ 6 BPW @ 0# pressure & 2 BPM. SD 30 min. Pumped an additional 12 BPW. Mill 3' to 3,054'. No circ. TOH w/ tbg & BHA. Recovered 2- 12" pieces of 2 7/8" tbg. TIH w/ tbg & pkr. Set pkr @ 2,918' to load & test 2 7/8" x 5 1/2" annulus & for a seat to set cmt retainer. Load backside w/ 28 BPW. Pumped an additional 5 BPW & unable to pressure up the annulus. Would take fluid @ 0.9 BPM & no pressure. Raise & re-set pkr @ 2,825'. Load & tested 2 7/8" x 5 1/2" annulus w/ 400#, held 400# for 5 min. Appears a good seat for cmt retainer. No communications w/ tbg. TOH w/ tbg & pkr.

12/22/10 - Ran CBL from 1,780' to 3,033'. TOC @ 2,068'. Ran & set 5 1/2" cmt retainer on WL @ 2,828'. TIH w/ 2 7/8" tbg w/ cmt retainer stinger. Ran to top of cmt retainer. Circ hole w/ produced wtr. Stung into retainer. Place 300# on tbg-csg annulus. Pump 130 sx Class "C" cmt w/ 2% CaCl₂ (1st 50 sx contained 2#/sx of sand). Continued pumping cmt @ 1 1/2 BPM & 100# pressure. After pumping 130 sx the pressure went from 100# to 2500# in a very short time frame leaving the tbg string full of cmt (69 sx). Unstung from retainer. Unable to reverse circ w/ 700# pressure due to csg integrity. TOH w/ tbg letting the cmt fall out of tbg. Remove the cmt retainer stinger & TIH w/ tbg, 2 DC's & 4 3/4" bit. Ran bit to firm cmt 2,138'. Wash & rotate out cmt from 2,169' to 2,603' (434'). Started drlg firm cmt @ 2,603' & drilled to 2,665' (62'). Total cmt washed & drilled = 496'. Lack 163' of cmt to drill. Raise bit to 2,635'.

12/23/10 - Drill cmt in 5 1/2" csg from 2,665' to 2,828' to top of cmt retainer. Circ hole clean w/ 9.7 ppg produced wtr. TOH w/ tbg.