

New Mexico Oil Conservation Division, District I

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT1625 N. French Drive
Hobbs, NM
RECEIVEDFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.FEB 21 2011
HOBBSLease Serial No.
LC-068474

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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recompletable 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 recompletable 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.)

12/28/10 - Ran 4 7/8" OD x 1.51' window mill, 4 7/8" OD watermelon mill, 1 jt of 2 7/8" OD American open hole drill pipe on 2 7/8" OD, J-55 tbg. Tag @ 2,800'. Mill out tight spot & ream to cmt retainer @ 2,828'. Circ hole clean. TOH w/ tbg & BHA. TIH w/ Weatherford's 4 1/2", 3° "WhipBack" (whipstock) x 9.60' w/ 4 7/8" OD. Start mill. Set btm of WhipBack @ 2,828'. Set 4,000# wt on same & set tool. Milled down 15" w/ circ from 2,817' to 2,818'+. TOH. TIH w/ 4 7/8" OD window mill, 4 7/8" OD watermelon mill, 1 jt of 2 7/8" OD American open hole drill pipe. Ran on 2 7/8" OD tbg. Tag @ 2,818'+. Cut window in 5 1/2" OD csg. Milled from 2,818'+ to 2,830'. Top of window starts @ 2,817.40' & end of window in 5 1/2" csg is 2,824.75'. Milled/drilled rat hole outside of csg from 2,824.75' to 2,829.75'. Swept hole w/ MF-55 w/ full returns. Cut 6' of window & 5' of rat hole. TOH w/ tbg & BHA. Both mills still in gauge.

12/30/10 - Drill & slide 4 3/4" drill bit from 2,871' to 2,930'. WOB = 8-10,000#; RPM = 75-88; pump pressure = 800-1000#; rate = 2.5 - 2.9 BPM drlg w/ 9.7# produced wtr. Drill 61'. Lost 100 BPW @ 2,902'. Dry drilled to 2,906' & regained circ. Circ hole clean. TOH w/ tbg & BHA. Pumped 5 BFW through DH pump.

1/3/11- TIH w/ 2 7/8" OD tbg, 16- 3 1/8" OD DC's, 3 3/4" x 2.21' float sub w/ float, 3 3/4" x 18.81' straight hole DH motor & 4 3/4" tricone Varel journal chisel bit. Ran & tag @ 2,928'. Found 2' of fill. C/O fill & started drlg new hole @ 2,930'. Drill new 4 3/4" hole w/ 9.7 ppg produced wtr from 2,930' to 3,100' for a total of 170'.

* 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

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

JAN 31 2011

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

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)

TA/SA APPROVED FOR 6 MONTH PERIOD
ENDING JUL 19 2011

Drickey Queen Sand Unit – BLM sundry continued

1/4/11 - TIH w/ 4" Duplex shoe, 5 jts of 4" UFJ 9.5# J-55 R-3 csg coated w/ Bond coat (170'), 7 jts of 4" UFJ 9.5# J-55 R-3 csg (300') for a total of 470'. Ran on tbg, latching into Duplex shoe w/ setting tool & tagging fill @ 3,094'. Tied onto tbg & wash 4" liner down 6' to TD of 3,100'. Attempt to circ hole w/ 100 bbls of 9.7# produced wtr. Failed to circ. Set liner from 2,630' to 3,100' w/ 4" slip x slip turned down collar on top joint. RU cmt 4" UFJ liner. Pumped 10 BFW, followed w/ 50 sx of Class "C" cmt w/ 2% CaCl₂ & containing ¼# celloflakes per sx. Displaced down tbg to 3,090' leaving 10' of cmt in tbg pumping cmt @ 1.6 BPM w/ pressure climbing to 200# @ final displacement. SD pressure = 0# w/ slight vacuum. WOC.

1/5/11 - After WOC 14 ½ hrs, TIH w/ tbg & 4 ¾" bit. Tag top of liner @ 2,630'. Did not have any cmt. TOH. TIH w/ tbg & bit. Ran to 3,100' inside of 4" liner from 2,630' to 3,100'. Did not have any cmt. TOH. TIH w/ 4" pkr on tbg. Ran inside of 4" liner to 2,652'. Test liner from 2,652' to 3,100'. Held 500# for 15 min. TOH w/ tbg & 4" pkr. TIH w/ 2 7/8" OD tbg w/ 5 ½" AD-1 tension pkr. Ran to 2,452'. Load & test tbg-csg annulus to 300# & left pressure on annulus. Tied onto tbg. Pumped 60 BPW @ 3 BPM @ 200#. Top of liner is leaking between the 4" liner & 5 ½" OD csg & the 4 ¾" open hole.

1/6/11 - Pkr set @ 2,452' & top of liner @ 2,630'. Pump 10 BFW @ 2 BPM @ 0# pressure. Pump 100 sx of Class "C" cmt w/ 2% CaCl₂ & 0.2 of 1% of C-15 fluid loss additive + 50 sx of Class "C" cmt w/ 2% CaCl₂ & displaced w/ 12 BFW. Well continued taking fluid @ 1 BPM & displaced all cmt out of tbg & csg. Over displaced cmt w/ 5 BFW & CWI. JC @ 3:45 P.M. WOC 2 ¼ hrs. Pump down tbg & 4" liner x 5 ½" csg annulus w/ 12 BFW @ 2 BPM & 0# pressure. Pump 100 sx Class "C" cmt w/ 2% CaCl₂ & displaced w/ 14.5 BFW, 0.3 bbls below pkr (2452') to 2466'. WOC 1 ½ hrs. Open valve & well took ½ bbl of displacement fluid on vacuum. WOC 30 min, well took ½ bbl of displacement fluid on vacuum. WOC 1 ½ hrs & well took ½ bbl of displacement fluid on vacuum. WOC. Total displacing fluid of 1.8 bbls below pkr left TOC @ 2526' (top of liner @ 2630').

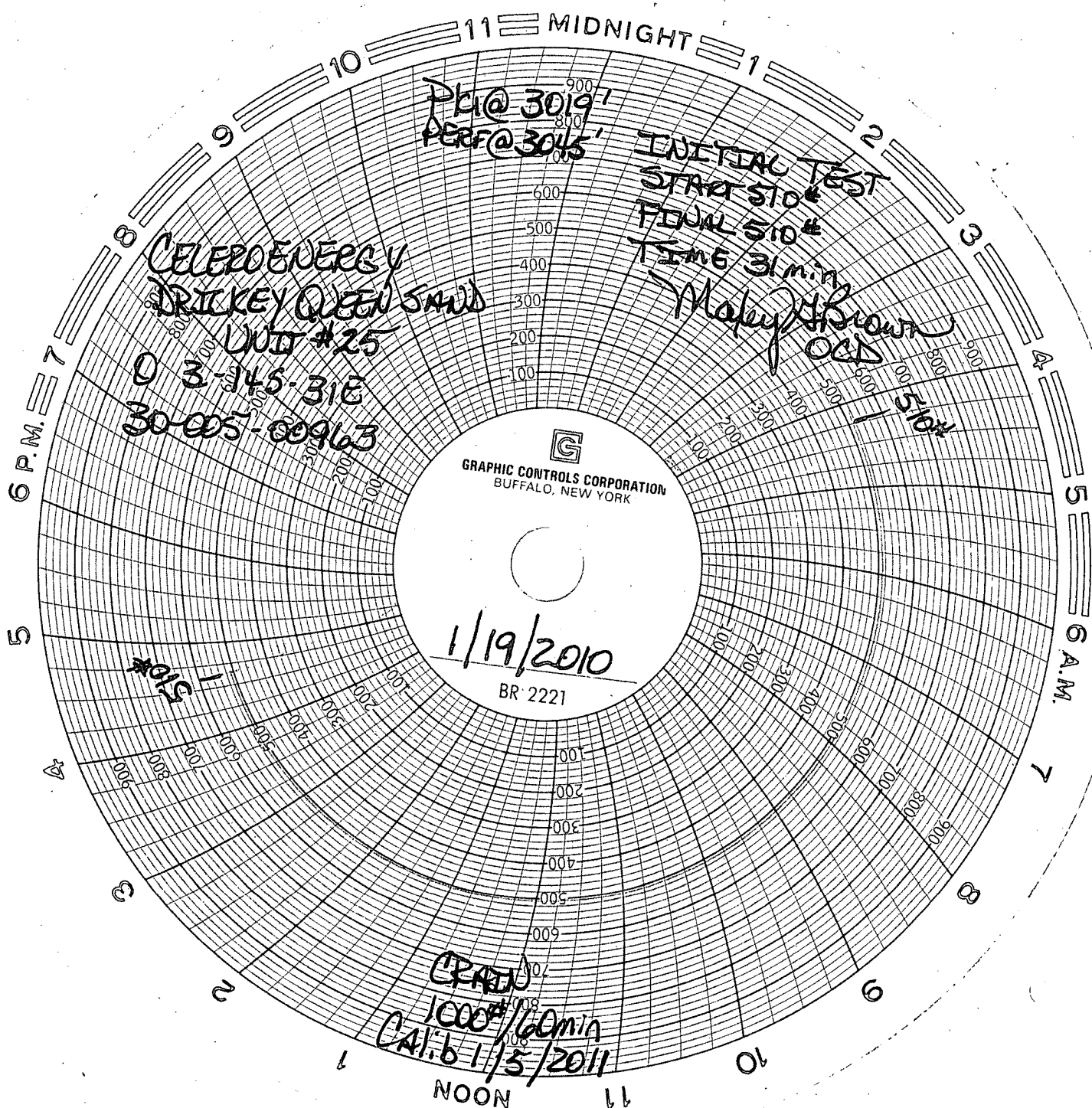
1/7/11 - After WOC 12.5 hrs, open WH valve. Well went on vacuum. Release pkr, raise to 1,708'. Reset pkr & pumped 30 BPW on vacuum. Finish TOH. TIH w/ tbg & bit. Tag cmt @ 2,576' (liner top @ 2,630'). Drill out cmt to TOL. Well started circulating. Attempt to pump down liner top. Results; pumped 5 BPW @ 200# & 1 ½ BPM. TOH w/ tbg & bit. TIH w/ tbg & 5 ½" tension pkr. Ran to 2,452'. Pumped 15 BPW down tbg & established an injection rate of 1.5 BPM & 200# pressure.

1/10/11 - Reset pkr @ 2,456'. Load & placed 250# on annulus. Pumped 10 BFW @ 2 BPM @ 200#. Pump 100 sx of Class "C" cmt w/ 2% CaCl₂ + 0.2 of 1% C-15 fluid loss & tailed in w/ 50 sx Class "C" cmt w/ 2% CaCl₂. Displaced cmt 1 bbl below pkr w/ 250# SD pressure. WOC 30 min. Pump 0.1 + bbls & pressure went from 250# to 800#. WOC 15 min. Turned over pumps & pressure went from 800# to 1000#. WOC.

1/11/11 - After WOC 14 hrs, release pkr & TOH. TIH w/ tbg, 4- DC's & 4 ¾" bit. Tag cmt @ 2,500'. Test to 500#, held okay. Drill cmt from 2,500' to top of liner @ 2,630'. Test csg to 540# & held okay. TOH. TIH w/ tbg & 3 3/8" bit. Tag @ 2,630'. Drill cmt inside of 4" liner from 2,630' to 2,648'. Ran bit to 3,100' & circ hole clean. Raise bit to 3,080'.

1/12/11 - TOH, LD tbg, WS & bit. Ran GR/CCL/CBL from 2,400' to 3,090'. Ran GR/CCL/CNL from top of liner (2,623' WL) to 3,090'. Perf 4" liner w/ 2 ¾" OD cased gun, 2 SPF, 120 degree phasing from 3,045' to 3,060'; 15' & 30 holes. Start in hole w/ 4" plastic coated Model AD-1 pkr & 2 3/8" OD 4.7# 8rd J-55 EUE IPC tbg w/ turned down collars.

1/19/11 – Ran OCD required MIT for 31 min. Tested @ 510# w/ no pressure loss, Test was good & witnessed by Maxey Brown w/ OCD. Original chart is attached. Well is shut in pending an injection permit. Waiting on battery to be built.



PH @ 3019'
PERF @ 3045'

INITIAL TEST
START SID#
FINAL SID#
TIME 31 min

CELESTENERGY
DRICKEY QUEEN SAND
UNIT #25
0 3-145-31E
30-005-00963

Makay Brown
OCD
516#

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

1/19/2010
BR 2221

CRATED
1000#/60 min
CAL: 6 1/5/2011

516#