## New Mexico Oil Conservation Division, District I Form 3160RECEIVED 1625 N. French Drive FORM APPROVED UNITED STATES **Hobbs, NM 88240** APR 07 20 (DEPARTMENT OF THE INTERIOR OMB No. 1004-0137 (August 2007) Expires: July 31, 2010 5. Lease Serial No. BUREAU OF LAND MANAGEMENT NM-03927 HOBESUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. Oil Well Gas Well X Other Drickey Queen Sand Unit #9 2. Name of Operator 9. API Well No. 30-005-00900 Celero Energy II, LP 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701 (432)686-1883 Caprock: Queen 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 660' FSL & 1980' FWL 11. Country or Parish, State Chaves, NM (N) Sec 34, T13S, R31E 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Well Integrity Fracture Treat Reclamation Alter Casing X Other Return to Casing Repair New Construction Recomplete X Subsequent Report injection Plug and Abandon Temporarily Abandon Change Plans Plug Back Water Disposal Final Abandonment Notice Convert to Injection 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 must 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 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.) 2/21-3/1/11 MIRU. PU 4 ¾" bit, BHA & TIH w/91 its 2 7/8" WS. Tag @ 3021'. Drl from 3021-3075' w/ no returns. TOH. PU 9' bailer, 6' sub & TIH. Tag @ 3075'. Recovered bit cone. TIH w/ 2nd bail & sub. Tag @ 3075'. C/O hole @ 3075'. TOH & run in w/ AD-1 pkr & 93 jts 2 7/8" WS. Set @ 2943'. Test csg 500# psi. No test @ 2943'. Re-set pkr @ 2433'. No test. Re-set pkr @ 1484'. No test. TOH w/ AD-1 pkr. ND. Repair leaks @ BOP. NU, TIH w/ 98 its of 2 7/8" WS to 3076' w/ impression block, TOH, No impression, Showed sign of parted csq on side of block, TIH w/ 94 its of 2 7/8" WS, RBP & arrow-set pkr. Set RBP @ 2900'. Test @ 2900'. No test. Pumped 75 bbls. Second test 2846', test good. Third test 2878', test good from 2878' to surface. Release pressure, retrieve RBP & TIH w/ same. Run CIL from btm of csg to surface. Run CBL from btm 2900' to 1980'. Coordinate to run 4" flush jt liner. TIH w/ 4 3/4" bit, bit sub & 98 jts of 2 7/8" WS. Tag @ 3076'. Displace w/ 85 BFW & TOH. Run 4" duplex shoe & 510' (13 jts) 4" UFJ top of liner @ 2558'. TIH w/ 17 jts of 2 3/8" WS & sting into liner & TIH w/ 81 jts of 2 7/8" WS to 3068'. Tried to pump csg down but would not go. Pump 100 sx Class "C" cmt w/ 2% CaCl2. Sting out of duplex shoe & TIH to wait on cmt 3 hrs. PU bit, bit sub, 6- 3 1/2" DC's, 75 its 2 7/8" WS & TIH. Tag liner @ 2558'. TOH. PU AD-1 pkr & TIH w/ 74 its of 2 7/8" WS. Set pkr @ 2332'. Establish circ rate @ 2.75 BPM w/ 75# psi. Squeeze 200 sx Class "C" cmt w/ 2% CaCl2 & 3# sand per sx. Psi while pumping cmt 100# psi. Wash line & pumped 14 bbls displacement. Starting psi 100#, fell off to 50# psi. Pressure fell to 0 after pumping 7 bbls of displacement. Pump 5 bbls @ 50# psi. \*Continued on attached sheet 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Title Regulatory Analyst Lisa Hunt Date 03/24/2011 CE FOR FEDERAL OR STATE OFFICE USE Approved MAR 30 2011 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 Office Title 18 U.S.C. Sepented by Company of the United States any false,

(Instructions on page 2)

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

TA/SI APPROVED FOR 6 MONTH PERIOD ENDING SEP 17 2011

3/2/11 - TIH to tag cmt. Did not tag. PU 32A pkr & TIH w/ 73 jts of 2 7/8" WS. Set pkr @ 2305'. Fill backside w/ 33 bbls. Establish circ rate @ 2.5 BPM w/ 450# psi.

3/3/11 - Pump 200 sx Class "C" cmt w/ 2% CaCl2 w/ 3# sand per sx. Establish injection rate @ 2.5 BPM @ 300# psi. Pump 4 bbls cmt, pressure dropped to 200# psi @ 2.5 BPM. Started displacement w/ 2.5 BPM & 0# psi. Pressure increased to 100# psi after 8 bbls. Slowed rate to 1.5 BPM, psi stayed @ 100#. Slowed rate to 1 BPM, psi stayed @ 100#. Slowed rate to .5 BPM, psi rose to 150#. Sl w/ 150# psi, waited 20 min & pumped .5 bbls, psi rose to 350#. Waited 20 min & pumped .5 bbls, psi 850#. Waited 20 min & pumped .5 bbls, psi 1000#. Total 16.5 displacement, 3 bbls from TOL. Held 1000# psi for 3 hrs. Released pressure & TOH. LD pkr. PU perf sub & TIH w/ 76 jts of 2 7/8" WS & tagged @ 2388', 168' from TOL.

3/4/11 - TIH w/ BHA & 70 jts of 2 7/8" WS. Tag cmt @ 2388'. Drl cmt from 2388' to 2556'. Test TOL to 500# psi, held pressure for 30 min. TOH w/ 76 jts of 2 7/8" WS & BHA. Strap & PU 2 7/8" DC's & 3 3/8" bit.

<u>3/7/11</u> - Drl 22', fell through to 3068'. Tag shoe. PU 6' above shoe & circ 85 bbls. Test csg to 500# psi. Held 30 min w/ no loss. Run CBL & CNL.

3/8/11 - Perf from 3045' to 3060' @ 2 SPF. TIH w/ AD-1 tension pkr, 2 3/8" WS & 2 7/8" WS. Set pkr @ 2961'. Acdz w/ 1500 gal acid, 7 ½% HCL w/ gelled brine & salt for diversion. Pumped in 2 stages. Max pressure while adding salt 20 psi. Well went on vacuum. Made 10 swab runs. Recovered 7 bbls. Made 2 more runs w/ no recovery.

3/9/11 - Unseat pkr. LD 2 7/8" WS & 2 3/8" WS. LD 3 ½" DC's. Strap 95 jts INJ string. TIH 91 jts 2 3/8" 4.7# J-55 8rd EUE IPC tbg TDC & plastic coated AD-1 pkr. Set pkr @ 2962', 83' above top perf. Pump pkr fluid. Load hole w/ 52 bbls. Pressure up to 500# psi, lost 250# in 5 min. Tried to unseat pkr to move up 1', pkr would not re-set. TOH w/ pkr.

3/10/11 - PU 3 3/16" shoe w/ wires & 2 3/8" & 2 7/8" WS. TIH to 3063'. Work over pkr rubbers & TOH. Recovered 2 pkr rubbers. LD shoe & TIH w/ WS, LD same. TIH w/ AD-1 plastic coated pkr & 92 jts 2 3/8" 4.7# J-55 IPC w/ TDC. Pump pkr fluid & set pkr @ 2992'. Test csg to 500# psi for 30 min w/ 2# psi lost. ND & set slips w/ 10,000 tension. Install 6" 316SS nipple & AL-BR valve.

<u>3/17/11</u> – Ran MIT. Tested for 30 min. Pressure tested from 530# to 520#. Good test & witnessed by Maxey Brown w/OCD. Original chart sent to OCD Hobbs & copy sent to BLM Roswell. Well is SI while waiting on battery to be built.

