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New Mexico Oil Conservation Division, District I

Form 3160-5
(August 2007)APR 14 2011
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUDDRY 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.

5. Lease Serial No.

NM-04385

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)

Sec 27, Unit I, T13S, R31E
1980' FSL & 660' FEL

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

8. Well Name and No.

Rock Queen Unit #32

9. API Well No.

30-005-00888

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>Convert to</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	<u>monitor well</u>
	<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 recomple 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 recomple 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.)

2/28-3/4/11 - MIRU. TOH w/ tbg. TIH w/ 2 7/8" tbg WS, 2- 3 1/2" DC's, 3 3/4" bumper sub & 4 11/16" OD overshot w/ grapple for 2 3/8" OD tbg collar. Ran to 3018'. Did not find any tbg. TOH & remove BHA. C/O to 3026' - TD. Circ hole clean w/ produced wtr. TOH. Replace 8 5/8" x 5 1/2" x 2 3/8" WH's. Set RBP @ 2993' w/ pkr set @ 2962' w/ 750# pressure & held okay. Test annulus & well circ out 8 5/8" surface csg. Located btm holes 980' to 1110' & top hole @ 36'. Well circ out 8 5/8" csg from 524' up. TIH w/ 5 1/2" AD-1 tension pkr. Found top leak in csg from 30' to 60'. Btm leaks in 5 1/2" csg from 1132' to 1165'. Top holes circ out 8 5/8" surface csg. Btm holes pressure to 500# & leaks off 200# in 15 min. At 524' takes 1/2 BPM @ 500# w/ pressure building & circ out 8 5/8" surface csg. TIH w/ tbg & retrieving tool for RBP. Latched onto RBP & TOH. TIH w/ 4 3/4" OD bit, 6- 3 1/2" DC's & 2 7/8" OD tbg WS. Tag @ 3031'. Drl w/ good circ to 3046'. Ran CBL from 1750' to 3035'. Ran CIL from surface to 3020'. TIH. Tag @ 3046'. Drl new hole to 3070' w/ good circ. Circ hole clean. Raise bit up inside of 5 1/2" csg @ 2999'. TOH w/ tbg & bit. NDBOP. Install 5 1/2" csg pull nipple. Backed off 5 1/2" csg @ 127'. Found the top 2 1/2 jts corroded w/ hole(s) in same. Last 2 jts were okay. TIH w/ 3 jts of new 5 1/2" OD 15.5# LT&C J-55 csg. Screw into top of 5 1/2" 14# csg @ 127'. Ran in w/ pkr to 140'. Found top jt of 5 1/2" 14# csg was split @ top. Backed off 5 1/2" csg 1 jt lower @ 153'. TOH w/ csg. Re-ran 4 jts of 5 1/2" 15.5# LT&C J-55 csg & screwed into 5 1/2" 14# csg @ 153'. Ran in w/ RBP to 160', test csg to surface & held 500# okay. Lower RBP to 516', dump 2 sx of sand on top of RBP. TIH w/ w/ pkr to 484'. Test RBP w/ 500# & 5 1/2" tbg-csg annulus from surface to 516'. Held 500# okay. Shot 2 holes w/ 180° phasing @ 368'. Ran pkr to 126', circ 5 1/2" x 8 5/8" annulus w/ 25 BFW. Had good circ. * 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 03/25/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

APR 11 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)

APPROVED FOR 12 MONTH PERIOD
ENDING MAR 17 2012

Rock Queen Unit #33 – C103 continued

3/7/11 - Pkr @ 129'. Circ down tbg through perfs in 5 1/2" csg @ 368' & out 8 5/8" surface csg w/ 30 BPW. Took 10 bbls to get circ. Pump 20 bbls of 10#, 50 viscosity salt mud, closed surface csg valve after spotting mud to perfs pumping 1.5 BPM & 50# pressure. Pump 100 sx of Class "C" cmt w/ 2% CaCl2 & displaced to 330'. Had good circ. Circ out 15 sx cmt through 8 5/8" surface valve. WOC.

3/8/11 - Release pkr & TOH. TIH w/ tbg & 4 3/4" bit. Tag cmt @ 341' (squeezed perfs @ 368'). Drl cmt from 341' to 382'. Test squeeze w/ 500# pressure. Perfs took fluid @ 1/2 BPM & 500# pressure. TIH w/ 5 1/2" pkr to 129'.

3/9/11 - TOH w/ tbg & pkr. TIH w/ tbg w/ retrieving head for RBP. Wash off sand, latched onto RBP @ 516'. TOH. TIH w/ tbg WS & 4 3/4" bit. Ran to TD of 3070'. Circ hole clean w/ good circ. TOH, LD 2 7/8" tbg WS w/ bit. Ran 77 jts (3076') of 4" 10.5# J-55 8rd csg w/ turned down collars w/ float guide shoe & float collar. Ran 4" float guide shoe to 3070', 1 jt of 4" csg (33'), 4" float collar @ 3037' & 76 jts of 4" csg set from surface to 3070'.

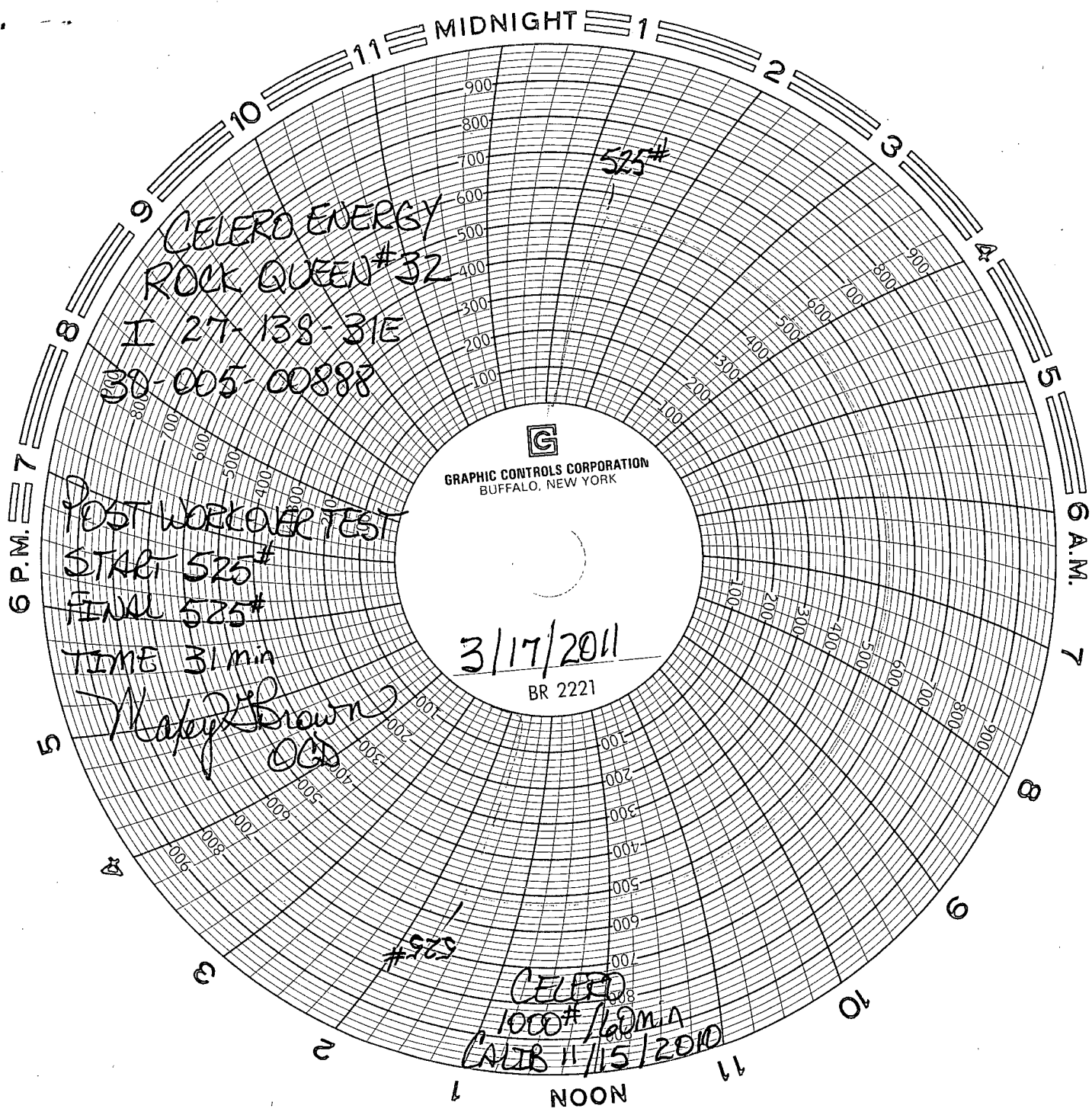
3/10/11 - Circ hole w/ 50 BPW. Pump 10 BFW to establish circ w/ 2 BPM @ 100# pressure. Pump 85 sx of Lite cmt w/ 1/4# celloflakes & 2% CaCl2 + 30 sx of Class "C" cmt w/ 1/4# celloflakes & 2% CaCl2. Displaced to float collar @ 3037' bumping plug w/ 1900# pressure. Total displacement was 33 bbls, after dropping wiper rubber plug & pumping 11 BFW, pressure went from 0# to 1100#. Cont'd displacement from 1100# to 1800# back to 1200# (last 2 bbls) @ 0.7 BPM. Well continued to circ, however did not circ out cmt. WOC.

3/11/11 - Set slips on 4" csg. Cut off pipe & install 4 1/2" x 2000# Larkin type head. TIH w/ tbg WS & 3 3/8" bit. Tag @ 2960'. D/O cmt (77') to float collar. D/O float collar @ 3037', cmt in shoe jt to csg shoe @ 3070'. Circ hole clean. TOH. Ran GR/CCL/CBL from 900' to TOC @ 1030'. Ran GR/CCL/CNL from 2000' to 3074'.

3/14/11 - Perf 4" csg w/ 2 1/2" cased gun, 6.5 gram charges, 2 SPF, 0° phasing, 0.27" hole from 3027' – 3041'; 15' & 30 holes. TIH w/ tbg & 4" pkr. Set @ 2973'. Load back side & place 250# on same. Pump 5 BFW & perfs started taking fluid @ 0.3 BPM & 1550# pressure. Acdz w/ 1500 gal on 7 1/2% NEFE acid & 40- 7/8" ball sealers. Flushed w/ 13 BFW, no overflush. Treating pressures: Max = 2700# w/ all ball sealers on perfs; Min = 2025#; Avg = 2099#; Rate = 3.0 BPM. ISIP = 1231#; 5 min = 510#; 10 min = 286# & 15 min = 185#. TLTR = 67 bbls. Swab 3 1/2 hrs & recovered 82 BF; 67 BLW & 15 BFW. SFL = 100' FS; EFL = 1600' FS.

3/15/11 - Ran swab & tag fluid @ 1100'. Release pkr, lower through perfs to knock off ball sealers. TOH, LD 2 3/8" OD tbg WS w/ pkr. TIH w/ 92 jts (2988') of 2 3/8" OD 4.7# 8rd EUE J-55 IPC tbg w/ turned down collars & 4" plastic coated Watson SL pkr. Ran pkr to 2994'. Circ pkr fluid. Set pkr & pulled 12 pts of tension on pkr. NDBOP & NUWH. Connect for injection.

3/17/11 – Ran MIT. Tested for 31 min. Pressure tested to 525#. Good test & witnessed by Maxey Brown w/OCD. Original chart sent to OCD Hobbs & copy sent to BLM Roswell. Well now a monitor well as per Order No. R-1541-B.



CELERO ENERGY
ROCK QUEEN #32

I 27-138-31E
30-005-00888

POST WORKOVER TEST

START 525#

FINAL 525#

TIME 31 min

Wally Brown
OGD

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

3/17/2011

BR 2221

#525

CELERO
1000# / 1000 ft
CALIB 11/15/2010