

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88249

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No. **LC-062486**
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 7. If Unit of CA/Agreement, Name and/or No. |
| 2. Name of Operator Celero Energy II, LP | | 8. Well Name and No. Drickey Queen Sand Unit #830 |
| 3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701 | | 9. API Well No. 30-005-00991 |
| 3b. Phone No. (include area code) (432)686-1883 | | 10. Field and Pool or Exploratory Area Caprock; Queen |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (L) Sec 4, T14S, R31E 2310 FSL & 990 FWL | | 11. County 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 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 recompleate 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 recompleation 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.)

8/8/13 - NDWH & NUBOP. Unload & strap 100 jts WS. PU 3 3/8" bit & BS. TIH to 1025', hit bridge. Worked down approx. 3'. TOH 5 stds.

8/9/13 - TIH & PUMP 20 BBLs PW, WORK THRU BRIDGE F/1025'-1225' TIH TO 1827' TAGGED UP COULD NOT WORK THRU. CIRC HOLE CLEAN. TOH. P/U 3 1/4" IMP BLOCK & TIH, SET BLOCK & TOH. HAVE 2 3/8" COLLAR LOOKING UP.

8/12/13 - RIH W/3 1/8" CSG GUN & SHOOT 4SPF @ 1827'. P/U 32-A PKR & TIH & SET @ 1530' COULD NOT ESTABLISH INJECTION RATE. TOH W/PKR & TIH O/E TO 1827'. SPOT 25 SX CL "C" W/2% CACL DISP W/4.5 BBLs. TOH & WOC. TIH & TAG @ 1688' CIRC MUD TO SURF.

8/13/13 - TOH & PU 32A pkr. TIH to 1147', test csg to 500#, ok. Raise tbq to 832', test to 500#, ok. Raise tbq to 63', leaked. Tested going back down. No test until back to 832'. Pumped into leaks w/ 1 BPM @ 400#. TOH. RIH w/ 3 1/8" csg gun & shoot 4 SPF @ 1042'. POH. TIH w/ 32A pkr & set @ 800'. Sqz 40 sx Class "C" cmt w/ 2% CACL, displace w/ 4 bbls. Max psi 1400#, SI psi 600#. WOC. Release pkr & TOH. PU PS & BP. TIH & could not determine tag.

* Continued on attached sheet

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| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt | | Title Regulatory Analyst |
| Signature <i>Lisa Hunt</i> | | Date 08/23/2013 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------|------------------------------------|
| Approved by DAVID R. GLASS | PETROLEUM ENGINEER | Date SEP 06 2013 |
| 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 omissions as to any matter within its jurisdiction.

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| (Instructions on page 1) | APPROVED FOR 3 MONTH PERIOD ENDING FEB 20 2014 | SEP 17 2013 |
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Drickey Queen Sand Unit #830 -- C103 continued

8/14/13 - TIH W/ PSBP & TAG @ 767'. LD 1 JT & PUMP 35 SX CL "C" W/ 2% CACL DISP W/ 5BBL. TOH & WOC. TIH W/ PSBP & CMT TOO SOFT COULD NOT DETERMINE TAG. TOH.

8/15/13 - TIH & tag @ 467'. Spot 20 sx Class "C" cmt w/ 2% CACL, displace w/ .5 bbls. TOH & WOC. PU PS & BP. TIH, tag @ 254'.

8/16/13 - RIH w/ 2.5" csg gun & shoot 4 SPF @ 151'. TIH w/ tbg to 200'. Establish circ on 4 1/2" x 8 5/8" & 4 1/2" csg to surface w/ 160 sx Class "C" cmt w/ 2% CACL. NDBOP.

8/20/13 - Dig out WH's & set P&A marker. Reclaim location.

