

RECEIVED  
FEB 15 2011  
HOBBSSUND

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>Try</u>	5. Lease Serial No. <u>LC-068474</u>
2. Name of Operator Celero Energy II, LP	6. If Indian, Allottee or Tribe Name
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701	7. If Unit or CA/Agreement, Name and/or No. Drickey Queen Sand Unit
3b. Phone No. (include area code) (432)686-1883	8. Well Name and No. Drickey Queen Sand Unit #18
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 665' FNL & 660' FWL UL: D, Sec 3, T14S, R31E	9. API Well No. 30-005-00977
	10. Field and Pool, or Exploratory Area Caprock; Queen
	11. County or Parish, State Chaves NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 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>Reactivate injector</u>
	<input type="checkbox"/> Change Plans <input 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

MIRU well service.  
TOOH w/injection tbg.  
Verify casing integrity.  
Run mechanical integrity test.  
TIH w/injection equipment.  
Return well to injection.

Accepted For Record Only! Approval  
Subject To Returning Well To  
Continuous Injection And Keeping  
Well On Continuous Injection!

ACCEPTED APPROVED FOR 90 MONTH PERIOD  
ENDING MAY 10 2011

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Lisa Hunt

Title Regulatory Analyst

Signature

*Lisa Hunt*

Date 12/03/2010

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

Office

Title 18 U.S.C. Section 1071 and Title 18 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.