

AUG 14 2012

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 page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Lease Serial No. NM-080123
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	3b. Phone No. (include area code) (432)686-1883	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) UL: H, Sec 21, T14S, R31E 2150' FNL & 974' FEL		8. Well Name and No. West Cap Queen Sand Unit # 22
		9. API Well No. 30-005-10104
		10. Field and Pool or Exploratory Area Caprock; Queen
		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 recomplate 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 recomplate 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.)
 7/11 7/18/12

TIH TO 2946'. PUMP 40 SX CL "C", DISP W/ 9 BBLS IP 500# FP 200#. P/U PS & BP. TIH, TAG @ 2374', CIRC MUD TO 2187', RAISE TBG TO 2186'. PUMP 25 SX CL "C", DISP W/ 7 BBLS. WOC. TAG @ 1899', CIRC MUD TO 1280'. SHOOT 6 SPF @ 1280'. P/U AD-1 PKR & TIH 1009'. LOAD HOLE, SET PKR & PUMP INTO PERFS. PKR LEAKED. UN-SEAT PKR MOVE UP & RE-SEAT PKR SHEARED. TOH REPLACE PKR & TIH TO 1009'. SEAT PKR & PUMP INTO PERFS. PKR LEAKED. AS PER KEVIN W/ BLM LWRD TBG TO 1331'. PUMP 40 SX CL "C", DISP W/ 3 BBLS. WOC. TIH W/ PS & BP & TAG AT 1267'. TOH. SHOOT 6 SPF @ 1260'. TIH OE TO 1267'. PUMP 40 SX CL "C", DISP W/ 2.5 BBLS. TIH W/ PS & BP & TAG @ 819'. CIRC MUD TO SURF & LD TBG. RIH TO 172' & SHOOT 6 SPF. P/U AD-1 PKR & 1 JT. TIH & SET PKR 8 5/8" WOULD NOT CIRC. PUMP 25 SX CL "C", DISP W/ .5 BBLS. WOC. TIH W/ PS & BP AND TAG @ 160'. TOH. RIH TO 120' & SHOOT 6 SPF. P/U AD-1 PKR & 1JT. TIH & SET PKR. ESTABLISHED CIRC ON 8 5/8". PUMP 25 SX CL "C" & LOST RETURNS. DISP W/ .5 BBLS. TIH W/ PS & BP & TAG @ 75'. SHOOT 4 SPF AT 60'. TIH W/ 1 JT TBG & ESTB CIRC ON 8 5/8" X 4 1/2" CMT W/ 35 SX CL "C". FILL 8 5/8" X 4 1/2" & 4 1/2" CSG TO SURF. SET MARKER & RECLAIM LOCATION.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)
 Lisa Hunt Title Regulatory Analyst

Signature *Lisa Hunt* Date 07/30/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/S/ DAVID R. GLASS** Title **PETROLEUM ENGINEER** Date **AUG 07 2012**

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
 07/15/2012

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 AS TO PLUGGING OF THIS WELL BORE. LIABILITY UNDER BOND IS RETAINED UNTIL SURFACE RESTORATION IS COMPLETED

APPROVED FOR 6 MONTH PERIOD ENDING JAN 18 2013

AUG 16 2012