| • , , A | New Mexico Oil Conservation Division, District I | | | | |
|--|--|--|---|---|--|
| BUR SUNDRY N Do not use this | UNITED STATE PARTMENT OF THE I EAU OF LAND MAN. NOTICES AND REPO form for proposals to | 1625 N. From S Hobbs, NM NTERIOR AGEMENT JUL PRTS ON WELLS o drill or to re-enternal | SODD ve 88240 2 0 2011 CEIVED | FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010 5. Lease Serial No. LC-068474 6. If Indian, Allottee or Tribe Name | |
| | | PD) for such proposa | ls. | 7. If Unit of CA/Agreement, Name and/or No. | |
| SUBMIT IN TRIPLICATE – Other instructions on page 2. | | | | | |
| 1. Type of Well | Vell Dther | | | 8. Well Name and No. Drickey Queen Sand Unit #26 | |
| 2. Name of Operator Celero Energy II, LP | | | | 9. API Well No. 30-005-01024 | |
| 3a. Address | | 3b. Phone No. (include area co | ode) | 10. Field and Pool or Exploratory Area | |
| 400 W. Illinois, Ste. 1601 Midland TX 79701 (432)686-1883 | | | Caprock; Queen | | |
| 4. Location of Well <i>(Footage, Sec , T.</i> 660' FNL & 660' FEL (A) Sec 10, T14S, R31E | R, M, or Survey Description) | | • | 11. Country or Parish, State Chaves, NM | |
| 12. CHE | CK THE APPROPRIATE BO | X(ES) TO INDICATE NATUR | RE OF NOTIC | E, REPORT OR OTHER DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Notice of Intent | Acidize | Deepen Fracture Treat | | amation (Start/Resume) Water Shut-Off Imation Well Integrity | |
| X Subsequent Report | Casing Repair | New Construction | | mplete Other | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Wate | r Disposal | |
| 13. Describe Proposed or Completed C | peration: Clearly state all per | tinent details, including estimat | ed starting dat | te of any proposed work and approximate duration thereof. If | |

3. Describe Proposed or Completed Operation: Clearly state an perintent details, including estimated starting date of any proposed work and approximate duration intereor. In 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.)

6/6 - 6/9/11

MIRU. POOH w/ rods & tbg.TIH w/ bit, DC's & jts. TD @ 3046'. RIH 5-1/2" csg scraper to 3029'. TIH w/AD-1 pkr & set @ 2904'. Load hole w/31 bbls. Test csg to 500#. BOP leaked. TOH w/pkr. Run CIL & CBL. TD @ 3025'. TIH w/ pkr & jts. Test to 500# for 30 mins. Tested good. Release pkr. TIH w/ 2 3/8" 4.7# j-55 IPB to 2995'. Tried to set pkr to test but could not set. TOH w/ AS1-X & 92 jts 2 3/8" 4.7# J55 IPC RC. PU new AS1-X pkr. TIH w/ 92 jts 2 3/8" 4.7# J-55 IPC RC to 2995'. RU kill truck & pump 60 bbls pkr fluid. Set pkr @ 2995' & test to 500#, tested good. DH 5.5" AS1-X inj pkr, 92 jts 2 3/8" IPC RC @ 2995', WH, 6' 310SS nipple, AL-BR valve.

6/16/11 - Ran MIT. Tested 31 mins with pressure from 580# to 550#. Tested good. Test was witnessed & approved by Maxey Brown w/OCD. Original chart sent to OCD Hobbs. Copy of chart sent to BLM. Connect well for injection. Well is shut in pending injection permit approval.

| ~ | Mdb-OCD 7/21/2011 | | | | |
|--|--|--|--|--|--|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | | | | | |
| Lisa Hunt | Title Regulatory Analyst | | | | |
| signature Rusa Hunt | Date 06/21/2011 | | | | |
| ACCEPTED FOR RECORDS PACE FOR FEDERAL OR STATE OFFICE USE | | | | | |
| Approved by /S/ DAVID R. GLASS | Title Date | | | | |
| Conditions of approval, if 119 , but attached Approval of this notice does not warrant or ca that the applicant holds legal or equitable title to those rights in the subject lease which wo entitle the applicant to conduct operations thereon. | | | | | |
| Title 18 U.S.C. Section 10A MDTRie GLASS Section 1211, IAKSI CAMPANE Red fictutious or traudulene state of the section of the | FUR winely an Swillfully to make to any department or agency of the United States any false, | | | | |
| (Instructions on page 2) ENDING | DEC: 1 6 2011 | | | | |
| -10 - 40° | { | | | | |

