## Form 3160-5 HOBBS OCD New Mexico Oil Conservation Division, District PVED NOV 16 201 DEPARTMENT OF THE INTERIOR 1625 N. French Drive (August 2007) Expires July 31, 2010 Hobbs, NM5.88240 rial No BUREAU OF LAND MANAGEMENT LC-068288-A SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do makerse this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well R1541 8. Well Name and No. Oil Well Gas Well Y Other Rock Queen Unit # 301 2. Name of Operator 9. API Well No. Celero Energy II, LP 30-005-29192 3a. Address 3b Phone No. (include area code) 10. Field and Pool or Exploratory Area 400 W. Illinois, Ste 1601 Midland TX 79701 (432)686-1883 Caprock; Queen Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 660' FNL & 860' FWL 11. Country or Parish, State NM (D) Sec 25, T13S, R31E Chaves 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Decpen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity X Other Spud well Casing Repair New Construction Recomplete X Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 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 ) 10/21 - 10/22/11 - Spud & drill 12 ¼" hole from 40' to 498'. Run 8 5/8", 24#, J-55, STC casing to Cmt 8 5/8" csg w/ 350 sx Class C, 2% CACL2, 25# Cellowflake, .25% R-38. Circ 104 sx cmt to surface. 10/23 - 10/30/11 - Drl 7 7/8" hole from 498' to 3115'. HOBBS OCD NOV 1 6 2011 RECEIVED 14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lisa Hunt Title Regulatory Analyst

Signature Date 10/31/2011 ACCEPTED FOR REDUSSIPACE FOR FEDERAL OR STATE OFFICE USE Approved by 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 Office **ROSWELL FIELD OFFICE** GLASSection 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 (Instructions on page 2)