

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 07 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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Celero Energy II, LP

3a. Address

400 W. Illinois, Ste. 1601 Midland TX 79701

3b. Phone No. (include area code)

(432)686-1883

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 1980' FEL
(O) Sec 21, T14S, R31E

5. Lease Serial No.

LC 060821 (a)

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

West Cap Queen Sand Unit #25

9. API Well No.

30-005-01118

10. Field and Pool or Exploratory Area

Caprock, Queen

11. Country 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

☐ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☒ Subsequent Report☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Final Abandonment Notice☐ Casing Repair☐ New Construction☐ Recomplete☐ Other☐ Change Plans☐ Plug and Abandon☒ Temporarily Abandon☐ 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 recompleat 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 recompleat 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.)

12/20 - 12/30/11/11 - MIRU. NUBOP. TIH w/ 6 1/8" RR bit & csg 7" csg scraper. Tag @ 161'. Tried to work down w/ no success. PU swivel & tried to drill through. Made 6" in about 30 min. Getting paraffin, salt & wood back in returns. LD & TOH. PU 6 1/8" bit, BS, x-over, 4- 3 1/2" DC's, x-over, TBHA 188.87'. TIH w/ 2 jts 2 7/8" WS. PU swivel & drill from 161'-377'. Lost returns for about 20 min @ 280'. No returns for 10 min @ 285'. Fell through @ 287'. Tag again @ 377'. Circ hole clean. TIH from 1377'-2548' & tagged up. Drill from 2548'-2938'. Recover paraffin, plastic & wood in returns. Circ hole clean, TOH. PU 5 1/2" magnet & TIH. Work over fish & TOH. Magnet came out covered in paraffin. Did not recover cone. PU RR bit & 7" csg scraper. TIH to 2956'. TOH w/ scraper & bit. PU 7" AS1-X pkr & TIH to 2916'. Set pkr & test csg to 500# for 30 min, held ok. TOH w/ pkr & PU CIBP. TIH to 2916' & set. Get off CIBP & TOH. PU 7" AS1-X pkr & TIH to 2875'. Set pkr & test plug to 500# for 30 min. Test ok. Unseat pkr & TOH. Made 2 runs w/ 5" bailer. Dump 35' of cmt on top of CIBP @ 2916'. WOC. TIH w/ 88 jts 2 7/8" WS & circ pkr fluid. TOH, LD, NDBOP & NUWH. Install 1 jt 2 7/8" tbg w/ valve in WH. Ran MIT w/ BLM rep present. Test to 500# for 30 min, test ok. Original chart was taken by BLM representative. Well is now TA'd for 1 year.

APPROVED FOR 6 MONTH PERIOD
ENDING JUN 30 2012

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 01/10/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

JAN 31 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.

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 representations as to any matter within its jurisdiction.

(Instructions on page 2)