

RECEIVEDUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**MAR 1 2008 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.****HOBBS OIL****SUBMIT IN TRIPLICATE- Other instructions on reverse side.**1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
CELERO ENERGY II, LP3a. Address
400 W. ILLINOIS, STE 1601, MIDLAND, TX 797013b. Phone No. (include area code)
432-686-1883

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

**660' FSL & 660' FWL
SEC. 10(M); T14S; R31E**

5. Lease Serial No.

NMLC-070337

6. If Indian, Allottee or Tribe Name

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

DRICKEY QUEEN SAND UNIT

8. Well Name and No.

37

9. API Well No.

30-005-01034

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 checked="" 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 type="checkbox"/> Other
	<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 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 shall 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 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.)

1. MIRU POOH w/ production equipment & BHA.
2. Verify casing integrity
3. Clean out well to TD @ 2831' and drill out to 2860' to provide rathole for logging.
3. Run GR/CCL/CN log from TD @ 2860' to 1200'.
4. RIH w/ production equipment
5. Return well to production.

Conditions of Approval:

OCD requires the Operator to complete a 24 hours production test and submit on form C-104 Request for Allowable before producing this well. Accompanied by Subsequent report on C-103 with dates and what was done, along with tubing size and depth

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Accepted For Record Only! Approval
Subject To Returning Well To Continuous
Production And Keeping Well On Continuous
Production Or Plugging Well With An
Approved Plugging Program!

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**HAYLIE URIAS**Title **OPERATIONS**

Signature

Haylie Urias

Date

03/03/2008**ACCEPTED FOR RECORD 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 1001 and 1014, 18 U.S.C. Section 1122, 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)