

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

1625 N. French Drive  
Hobbs, NM 88249

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**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 reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>Injection</u>		5. Lease Serial No. NMLC- <del>070337</del> <u>068474</u>
2. Name of Operator CELERO ENERGY II, LP <u>247128</u>		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 or CA/Agreement, Name and/or No. DRICKEY QUEEN SAND UNIT ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 10(D); T14S; R31E 660' FNL & 660' FWL ✓		8. Well Name and No. 29 ✓
		9. API Well No. 30-005-01029 ✓
		10. Field and Pool, or Exploratory Area CAPROCK QUEEN ✓
		11. County or Parish, State CHAVES CO., 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 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 checked="" type="checkbox"/> Other <u>RE-ACTIVATE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>INJECTOR</u>
	<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.)

MIRU well service  
TOOH w/ Injection tbg  
Clean out well to TD  
Deepen well 20' to fully evaluate the Queen Sand interval  
Run CNL, CBL & casing inspection log  
TIH w/ new internally coated tbg w/ pkr  
Circ. pkr fluid  
Run mechanical integrity test  
Return well to injection

**RECEIVED**

APR 28 2008

**HOBBS OCL**

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

Haylie Urias

Title Operations Tech

Signature

Date

04/10/2008

ACCEPTED FOR RECORD  
THIS SPACE FOR FEDERAL OR STATE OFFICE USE  
/S/ DAVID R. GLASS

Approved by

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.

Title 18 U.S.C. Section 1001 and Title 18 U.S.C. Section 1121, make it a crime for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of the Federal Government.

(Instructions on page 2)

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