UNITEDSTATES DEPARTMENT OF THE INTERPLES, NM 88240 BUREAU OF LAND MANAGEMENT 5 Lease Series

FORMAPPROVED

	o. 1004-0137 March 31, 20
ease Serial No.	

1	DOREAU OF LAND WAY	MOEMENT		ŀ	Lease S	erial No.
JUN 0 4 2006 UNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an			LC-070	337		
ADD Cabandoffed we	ell. Use Form 3160 - 3 ((APD) for su	ch pro	posals.	6. If India	n, Allottee or Tribe Name
SUBMIT IN TRIPLICATE - Other instructions on reverse side.			7. If Unit	or CA/Agreement, Name and/or No.		
1. Type of Well						
Oil Well Gas Well Other			NO TOOOS	8. Well Na	ame and No.	
2. Nameof Operator				47 2 7 2008		EY QUEEN SAND UNIT 38
CELERO ENERGY II, LP OCD-ARTESIA					9. API W	
3a. Address 3b. PhoneNo. (include area code) 30-005-01037						
400 W. Illinois, Ste 1601 Midland TX 79701 (432)686-1883			10. Field	and Pool, or Exploratory Area		
4. Location of Well (Footage, Se		ription)				OCK QUEEN
660' SOUTH 1980' WESTUL: N, Sec: 10, T: 14S, R					CHAVE	ty or Parish, State
OL. N, OCC. 10, 1. 140, N	31					1EXICO
12 CHECK AS	PPROPRIATE BOX(ES)TO	INDICATE	JA TI ID	PE OF NOTICE DI		
	TROTRIATEBOX(ES)TC	INDICATE	MIUN	CONTICE, KI	EPURI, U	ROTHER DATA
TYPE OF SUBMISSION			TYF	PEOF ACTION		
	Acidize	Deepen		Production (Star	rt/Resume)	Water Shut-Off
Noticeof Intent	AlterCasing	FractureTre	at	Reclamation		Well Integrity
X Subsequent Report	Casing Repair	New Constr	ruction	Recomplete		X OtherRETURN WELL
	Change Plans	Plugand Ab	andon	TemporarilyAba	andon	TO INJECTION
Final Abandonment Notice	Convert to Injection	PlugBack		☐ Water Disposal		
testing has been completed. Findetermined that the site is read Return this abandoned in 3/31/2008 to 4/16/2008 MIRU Service Company to TD @ 2867'. Set common cmt w/ additives. DO cm IPC injection tbg & Arrov	nal Abandonment Notices shall by for final inspection.) njection well to injection . POOH w/ injection end posite BP @ 2765'. Reposite BP & CO	ne filed only after and the filed only after a	ocate 55 line 286 Quee	csg leaks in 7" or from 2765' to ser interval 2843'-	esg from surface a DC @ 23	1978' to 2582'. CO/MO well nd cmt'd w/ 135 sx Class C 174'. Ran 2 3/8" 4.7# J-55 2000 gal 7 1/2% NEFE acid
& 1000# rock salt @ 4 B						•
Note: This well last injec	ted Dec. 1996. Celero	returned thi	s abar	ndoned well to in	ijection 4	/16/2008.
R-1128	WFX-79					
14. I hereby certify that the foregone (Printed/Typed)	going is true and correct	1				
Haylie Urias Title Operations Tech						
Signature Ouy	l'a Unios	1	Date	05/13/2008		
ACCEPTED FA	THIS SPACE FOR	FEDERAL (OR ST	TATE OFFICE	JSE	
/ A A A A A A A A A A A A A A A A A A A	RECORD ASS	OC DISTRI	KT SI	IPERMISOR ACELL	EDAL MA	NACED
Conditions of approval if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal expeditable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.						
Title 18 U.S.C. Section 1901 and Tit	e 43 U.S.C. Section 1212 make	it a crime for any	person k	mowingly and willfully	to make to a	ny department or agency of the United
States any false, fierfit out of fraGi	uASS tatements or representat	tions as to any m	atter wit	hin its jurisdiction.		and a serious of the Office

(Instructions on page 2)

CELERO ENERGY

DATE: May. 13, 2008 FIELD: Caprock BY: **JEA** LEASE/UNIT: **Drickey Queen Sand Unit** WELL: 38 **COUNTY:** Chaves STATE: New Mexico Location: 660' FSL & 1980' FWL, Sec 10N, T14S, R31ECM KB = 4.235'SPUD: 01/54 COMP: 01/54 GL = CURRENT STATUS: Injector API = 30-005-01037 Original Well Name: Phil - Mkx #4 Since no surface water was encountered in offset wells, permission was obtained from the NMOCD to pull the surface pipe after drilling the long string, and cement around the top of the 7" casing. - 2-3/8'/4.7#/J-55 IPC injection tbg with Arrowset pkr set @ 2757' TOC @ 1860' +/- (calc) TOC @ 2374' (4 1/2" liner) (CBL) 4 1/2" J-55 liner from 2765' to surface, cmt'd w/ 135 sx cmt (DNC) 7" 20# @ 2846' cmt'd. w/ 125 sx (DNC) Top of Queen @ 2843': Queen Open Hole: 2846' - 2867' (01-54) PBTD - 2867' TD - 2867' 5/20/2008 DQSU #38R.xls

INJECTION WELL DATA SHEET

OPERATOR: Cele	ro Energy II,L P				
WELL NAME & NU	JMBER: Drickey Queen Sand Unit #38				
WELL LOCATION:		N	10	T14S	R31E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE
	WELLBORE SCHEMATIC (See Attached)		WELL CONST Surface	TRUCTION DATA Casing	
		Hole Size:		Casing Size: 7"	
		Cemented with: 125sx		or	$_{-}$ \mathfrak{k}^3
	(Top of Cement: 1860'		Method Determined:	
			Intermediat	te Casing	
		Hole Size:		Casing Size:4 1/2" L	iner
		Cemented with:135	sx.	or	ft ³
		Top of Cement:2374	,	Method Determined:	***************************************
			Production	Casing	
		Hole Size:	,	Casing Size:	
		Cemented with:		_ or	ft ³
		Top of Cement:		Method Determined:	
		Total Depth:		-	
			Injection In	nterval	

<u>Injection Interval</u> Open hole (2846'-2867')

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

	Tubing Size: 2 3/8"/ 4.7#/ J-55	Lining Material: Internally Plastic Coated		
Ту	pe of Packer: Arrowset	•		
Pa	cker Setting Depth: 2757'			
Ot	her Type of Tubing/Casing Seal (if applicabl	le):		
	Add	litional Data		
1.	Is this a new well drilled for injection?	YesXNo		
		ally drilled? Primary depletion oil producer		
2.	Name of the Injection Formation: Queen			
3.	Name of Field or Pool (if applicable): Caprock			
4.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No			
5.	Give the name and depths of any oil or gas injection zone in this area: None	zones underlying or overlying the proposed		

4-16-08 Dricker Queensandining

145 31E 10n

38 11 MIDNIGHT GRAPHIC CONTROLS CORPORATION 40 Prick Production **ෆ** NOON 11 6 Ol