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Form
(A)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240
FORM APPROVED
NMB No. 1004-0137
Expires: March 31, 2007

NOTICE 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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CELERO ENERGY II, LP

3a. Address 3b. Phone No. (include area code)
400 W. Illinois, Ste. 1601 Midland TX 79701 (432)686-1883

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

5. Lease Serial No.

NM-080128

6. If Indian, Allottee or Tribe Name

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

NM-84631

8. Well Name and No.

See Below

9. API Well No.

10. Field and Pool, or Exploratory Area
Chaves Queen, Gas Area SE

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 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 checked="" 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 Change of Operator
	<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.)

Effective 5/1/2010 - Change of Operator from Chevron Midcontinent, LP to Celero Energy II, LP on the following listed wells:

Dalport Federal #1 - Sec 20 (M), T13S, R 31E - API # 30-005-20661
Friend Federal #1 - Sec 21 (E), T13S, R31E - API # 30-005-20725
Dalport Arco Federal Com #1 - Sec 7 (G), T14S, R31E - API # 30-005-20999
Oxy Federal Com #1 - Sec 29 (G), T13S, R31E - API # 30-005-21097
Oxy Federal Com #2 - Sec 29 (N), T13S, R31E - API # 30-005-21095
Apache Federal Com #1 - Sec 30 (I), T13S, R31E - API # 30-005-21098

Celero Energy II, LP hereby accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land.

Celero Energy II LP Accepts All Applicable
Terms, Conditions, Stipulations, And Restrictions
Concerning Operations Conducted On The Leased
Land Or Portion Thereof Under \$525,000.00
Statewide BLM Bond Number NMB000464.

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 05/17/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date JUN 24 2010

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)

JUN 28 2010

PETROLEUM ENGINEER