

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.		5. Lease Serial No. LC-068474
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Celero Energy II, LP		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701		8. Well Name and No. Drickey Queen Sand Unit #16
3b. Phone No. (Include area code) (432)686-1883		9. API Well No. 30-005-00973
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL: B, Sec 3, T14S, R31E 660' FNL & 1980' FEL		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 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 Set whipstock
	<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 recomplete 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 recompletion 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.)

- Sqz existing completion through CICR @ 2892'.
- Set whipstock @ 2892', cut window & pilot hole.
- Run 2 degrees motor & slide drill 100'. Run straight hole motor & drill to TD of 3080'.
- Run & cmt partial 4" liner from 2786'-3080'. Sqz cmt TOL as warranted.
- Run & cmt 4" tieback at 2786' to surface.
- Drill out, perforate Queen Sand at 3043'-3054' & return well to injection.

Sent to OCD Hobbs for like approval.

**SUBJECT TO
LIKE APPROVAL
BY NMOCD**

**APPROVED FOR 30 DAYS
ENDING OCT 13 2010**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Lisa Hunt		Title Regulatory Analyst
Signature <i>Lisa Hunt</i>		Date 09/13/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

VERBAL Approved by <i>David P. Glass</i>	PETROLEUM ENGINEER Title	Date SEP 13 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 SEP 13 2010		
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)