

New Mexico Oil Conservation Division, District 1
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
**1625 N. French Drive
Hobbs, NM 88240**

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 Injection	5. Lease Serial No. LC-068474
2. Name of Operator Celero Energy II, LP	6. If Indian, Allottee or Tribe Name
3a. Address 400 W. Illinois, Ste. 1601 Midland TX 79701	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (432) 686-1883	8. Well Name and No. Drickey Queen Sand Unit #16
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL: B, Sec 3, T14S, R31E 660' FNL & 1980' FEL	9. API Well No 30-005-00973
	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.)

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

Sent to OCD Hobbs for like approval.

**SUBJECT TO
LIKE APPROVAL
BY NMOC****APPROVED FOR 3 MONTH PERIOD
ENDING DEC 20 2010****RECEIVED
SEP 23 2010
HOBBSOCD**

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

Lisa Hunt

Title Regulatory Analyst

Signature

Lisa Hunt

Date 09/13/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date

SEP 20 2010not warrant or
subject lease

Office

ROSWELL FIELD OFFICE

**Accepted For Record Only! Approval
Subject To Returning Well To Injection
And Keeping Well On Continuous
Injection Or Plugging Well With A
Plugging Program Approved By The BLM!**

I warrant and agree to make to any department or agency of the United States any matter within its jurisdiction.

PM