Form 3160=5 CEIVED (April 2004) Mexico Oil Conservation Division, Lastate a DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FEB 15 2011 BUREAU OF LAND MANAGEMENT FEB 15 2011 BUREAU OF LAND MANAGEMENT 1625 N. French Drive OM B No. 1004-0137 Expires: March 31, 2007 5. Lease Serial No. 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. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. **Drickey Queen Sand Unit** 1. Type of Well Oil Well Gas Well X Other 8. Well Name and No. Drickey Queen Sand Unit #7 ✓ 2. Name of Operator 9. API Well No. Celero Energy II, LP 3a. Address 3b. Phone No. (include area code) 30-005-00902 400 W. Illinois, Ste. 1601 Midland TX 79701 (432)686-1883 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Caprock; Queen 11. County or Parish, State 1980' FSL & 660' FWL Chaves UL: L, Sec 34, T13S, R31E NM 12. CHECK APPROPRIATE BOX(ES)TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Deepen Production (Start/Resume) Notice of Intent AlterCasing Reclamation Well Integrity ☐ FractureTreat X OtherReactivate Casing Repair New Construction Recomplete Subsequent Report Change Plans ___ Temporarily Abandon injector Plug and Abandon ☐ Final Abandonment Notice Convert to Injection Plug Back 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.) MIRU well service. TOOH w/injection tbg. Verify casing integrity. Run mechanical integrity test. TIH w/injection equipment. Return well to injection. Accepted For Record Only! Approval Subject To Returning Well To FOR 90 MONTH **Continuous Injection And Keeping** MAY 10 2011 ending Well On Continuous Injection!

I hereby certify that the foregoing is true and correct Name (Printed/Typed) Lisa Hunt Title Regulatory Analyst Date 12/03/2010 Wa ACCEPTED FORHISESPACE FOR FEDERAL OR STATE OFFICE USE

Conditions of approval, riting, 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 thereor.

and Title 3 U.S. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United of it auditent statements or representations as to any matter within its jurisdiction.

Date

(Instructions on page 2)