

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

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| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-025-42978 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator CML Exploration, LLC | | 6. State Oil & Gas Lease No. 315718 |
| 3. Address of Operator P.O. Box 890 Snyder, TX 79549 | | 7. Lease Name or Unit Agreement Name AB Pad 10 State |
| 4. Well Location Unit Letter <u>M</u> : <u>490</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>10</u> Township <u>17S</u> Range <u>33E</u> NMPM County <u>Lea</u> | | 8. Well Number 1 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4180' GR | | 9. OGRID Number 256512 |
| | | 10. Pool name or Wildcat WC-025 G-03 5173318N; YES |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED COMPLETION REPORT

Spud Date: 01/28/2016

Rig Release Date: 02/09/2016

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jordan Owens TITLE ENGINEER DATE 07/22/2016

Type or print name Jordan Owens E-mail address: owensj@cmlexp.com PHONE: 325-573-0750

For State Use Only

APPROVED BY: Petroleum Engineer TITLE Petroleum Engineer DATE 08/02/16

Conditions of Approval (if any):

CML EXPLORATION, LLC
P.O. DRAWER 890
SNYDER, TX 79550
325/573-1938

AB PAD 10 STATE NO. 1

Sec. 10, T-17-S, R-33-E
Lea County, New Mexico
Property Code #315718 – API #30-025-42978

DAILY COMPLETION REPORT

- 04/27/16 MIRUPU. NUBOP. Unloaded 220 joints of 2-7/8" 6.5#/ft L-80 used tubing. Rigged up wireline truck. Ran GR/CBL/CCL from PBTD @7118' to 5900', top of cement @±200' from the surface. Ran 3-1/8" casing gun & perforated (6934-36'), (6954-56'), (6961-63'), (6983-85'), (6991-93'), (7004-08'), (7051-53') & (7060-62') 1 SPF. Ran second 3-1/8" casing gun & perforated (6905-12') 1 SPF. Gun failed to fire on the next set of perforations. Ran in the hole with gun & failed to fire again. Re-head wireline rope socket. Ran in the hole with casing gun again & perforated (6880-84'), (6858-60'), (6852-54'), (6842-44'), (6827-28'), (6820-22') & (6780-82') 1 SPF, 0.42" holes (56 holes total). Rigged down wireline truck & shut well in for the night.
- 04/28/16 Picked up 5-1/2" 10K packer, rigged up tubing tester & tested tubing in the hole to 7000 psi. Found 1 collar leak, replaced collar & rigged down tubing tester. Rigged up acid pump truck. Circulated 6 bbls of 15% acid all the way around with 170 bbls of fresh water. Spotted 5 bbls of acid across perforations with packer @7067'. Moved & reset packer @6610'. Pressured up on casing to 1000 psi & held during job. Treated well with remaining 3800 gals of 15% HCL NEFE & 75 balls. Formation broke down @2900 psi. Treated @7.3 BPM, 5000 psi. Balled out with 75 balls to 7300 psi. Shut down, surged balls off perforations. Pumped remaining 10 bbls of flush 7.2 BPM @4800 psi. ISIP = 3150 psi, 5 min = 3076 psi, 10 min = 3033 psi & 15 min = 3000 psi. Rigged down acid pump truck. Began flowing well back to test tank. Flowed 110 bbls of water to tank before dying. Shut well in for the night. Load – 191 bbls.
- 04/29/16 SITP = 300 psi, FL = 500' from surface, 5% oil cut. Swabbed 40 bbls & dried well up (±2% oil cut). Shut well in for the weekend.
- 05/02/16 8:00 a.m. SITP = 480 psi, FL @4300'. Pulled 600' free oil. 600' oil & water, 30% oil & 70% water. Continued swabbing. Swabbed 14 bbls of water & dried well up. Shut well in for the night.
- 05/03/16 SITP = 60 psi, FL - 5700'. Recovered 400' oil & 200' water. Rigged down swab. Released packer & pulled out of the hole. Laid down tubing & packer. NDBOP, flanged up wellhead & shut well in. Wait on frac. RDMOPU.

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DAILY COMPLETION REPORT

05/24/16 NDWH, NU 10K wellhead & 10K frac valve. SWIFN.

05/25/16 RU Elite Well Services frac crew. Tested lines to 8000 psi. Pumped Stage 1 down 5-1/2" casing into perfs (6780–7062') w/229,000 gals slickwater, 117,765 lbs of 100 mesh sand staged from 0.5 to 2.5 ppg, 54,567 lbs of 40/70 white sand staged from 0.5 to 1.75 ppg & 61,221 lbs of 40/70 resin coated sand staged from 2 to 2.5 ppg. Avg rate = 83 BPM & Max rate = 91 BPM, Avg pressure = 4904 psi & Max pressure = 5535 psi. Flushed to bottom with slickwater. Shut down 15 minutes. ISIP = 3494 psi, 15 min = 3095 psi. FG = 0.93 psi/ft. Spot 1000 gals of 15% HCL acid & 130 bbls slickwater. Stage 1 load water = 5471 bbls. RU WL. RIH w/5-1/2" flow through composite plug & perf guns. Set composite plug @6720'. Perforated Lower Paddock (6450–6631') w/3-1/8" casing gun, 40 holes. SICP = 2675 psi. Pumped 2nd Stage w/4,000 gals of 15% HCL acid followed by 152,000 gals slickwater, 74,200 lbs of 100 mesh sand staged from 0.5 to 2.5 ppg, 35,218 lbs of 40/70 white sand staged from 0.5 to 1.75 ppg & 37,071 lbs of 40/70 resin coated sand staged from 2 to 2.5 ppg. Avg rate = 80 BPM & Max rate = 90 BPM, Avg pressure = 5323 psi & Max pressure = 6023 psi. Flushed to bottom with slickwater. SD 15 minutes. ISIP = 3528 psi, 15 min = 3199 psi. FG = 0.97 psi/ft. Spot 1000 gals of 15% HCL acid & 125 bbls slickwater. Stage 2 load water = 3734 bbls. RU WL. RIH w/5-1/2" flow through composite plug & perf guns. Set composite plug @6420'. Perforated Upper Paddock (6178–6377') w/3-1/8" casing gun, 46 holes. SICP = 2798 psi. * Note – had to slow rate due to water transfer & suction issues. Pumped 3rd Stage w/5,000 gals of 15% HCL acid followed by 226,500 gals Slickwater, 144,435 lbs of 100 mesh sand staged from 0.6 to 2.6 ppg, 56,195 lbs of 40/70 white sand staged from 0.6 to 1.6 ppg & 70,668 lbs of 40/70 resin coated sand staged from 2.1 to 2.6 ppg. Avg rate = 66 BPM & Max rate = 70 BPM, Avg pressure = 5275 psi & Max pressure = 6115 psi. Flushed to bottom with slickwater. SD 15 mins. ISIP = 4072 psi, 15 min = 3293 psi. FG = 1.08 psi/ft. Stage 3 load water = 5519 Bbls. * Note – had to slow rate due to water transfer and & suction issues. Total Load to recover = 14,724 Bbls

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DAILY COMPLETION REPORT
FRAC JOB

- 05/26/16 SICP = 2600 psi. Opened well up on a 16/64" adjustable choke. Flowed back 400 BW in 4 hrs, no sand. CP down to 1900 psi. Continued flowing. Washed out adjustable choke stem. Shut well in & changed out choke assembly with a positive choke. Continued flowing well on 16/64" positive choke. Recovered 1030 BW in 9 hrs. Continued flowing overnight to tanks. 16/64" choke, casing pressure = 1680 psi, current rate 70 BPH.
- 05/27/16 Flowing casing pressure = 1200 psi on 16/64" choke. Recovered 648 bbls of water overnight (12 hrs). Total load recovered = 1678 bbls.
- 05/28/16 Flowing on 22/64" choke, pressure = 380 psi. Made 1305 bbls of water in the last 24 hrs. Opened choke to 48/64". Pressure dropped to 50 psi. Total load recovered = 2983 bbls.
- 05/29/16 Flowing on 48/64" choke, pressure = 0 psi. Made 776 bbls water with a trace of oil in 24 hrs. Total load recovered = 3759 bbls.
- 05/30/16 Flowing on 48/64" choke, pressure = 0 psi. Made 306 bbls of water with a trace of oil in the last 24 hrs. Removed choke assembly. Continued flowing well on full 2". Total load recovered = 4065 bbls.
- 05/31/16 Flowing tubing pressure = 0 psi. Flowed 180 bbls in 24 hrs. Total load recovered = 4245 bbls. ND 10K frac valve & 10K frac head. NU 5K wellhead. Ran in the hole with 4-3/4" bit, 6 – 3" drill collars & 2-7/8" N80 tubing from the rack. Ran in the hole with tubing & tagged up on plug @6420'. Rigged up reverse rig. Drilled out composite plug & circulated clean. Lost a small amount of water after drilling out plug. Continued in to 2nd plug @6720' & began drilling out plug. After drilling through plug, lost complete returns. Ran in the hole to 7086', tagged up. Attempted to break circulation. After pumping 120 bbls casing pressured up to 1800 psi. Began pumping down tubing, pressured up to 2200 psi. Would not circulate. Rigged down reverse rig. Tripped out of the hole with tubing & collars. Drill collars were plugged with sand & composite plug. Laid drill collars down & shut well in for the night.

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**DAILY COMPLETION REPORT
FRAC JOB**

06/01/16 Ran in the hole with 4-3/4" bit & 2-7/8" tubing. Tagged sand @7067', broke circulation & washed down to 7074'. Circulated clean. Tripped out of the hole with tubing. Laid down bit & bit sub. Ran back in the hole with production assembly & 2-7/8" tubing. NDBOP, set TAC & flanged up wellhead. Shut well in. Waiting on pumping unit, electricity & waterline. RDMOPU.

TUBING DETAIL

185 – jts 2-7/8" N80 tubing (used)
1 – 5-1/2" x 2-7/8" TAC
2 – jts 2-7/8" N80 tubing
1 – 2-7/8" seat nipple @6081'
1 – 2-7/8" x 4' perf sub
1 – jt 2-7/8" N80 tubing w/bullplug

06/07/16 Delivered 12 yards of base material to set the pumping unit on.

06/09/16 Moved in and set used Lufkin 320-256-100 pumping unit w/ 40 Hp electric motor and concrete base.

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DAILY COMPLETION REPORT

06/15/16 MIRUPU. Picked up new pump, new 1-1/2" K-bars, new 7/8" steel rods & new 1" fiberglass rods. Spaced out pump & hung well on. RDMOPU. Waiting on electricity.

ROD DETAIL

- 1 – 1" x 6' fiberglass sub
- 1 – 1" x 9' fiberglass sub
- 85 – 1" fiberglass rods (new)
- 102 – 7/8" steel rods (new)
- 10 – 1-1/2" K-bars (new)
- 1 – No tap tool
- 1 – 7/8" stabilizer
- 1 – 26K shear tool
- 1 – 2-7/8" x 1-3/4" x 24' pump (new)
- 1 – 1" x 6' extension
- 1 – 1" x 8' sand filter

06/20/16 Electricians started hooking up control panel & electric motor on pumping unit.

06/21/16 Finished electrical hookup & tied into generator power. Started up well but pumping unit was out of balance. Left well down.

06/22/16 Patron Services balanced the pumping unit & started well up @9:00 a.m. Running 10 SPM. Set stub pole near Lea County Electric power line. Installed meter base. Wait on transformer bank & inspection.