

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

HOBBS OCD
MAR 27 2013
RECEIVED

Energy, Minerals and Natural Resources
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-40910
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. 39613
7. Lease Name or Unit Agreement Name MARTIN 11 STATE
8. Well Number 1
9. OGRID Number 256512
10. Pool name or Wildcat SANMAL; PENN
4. Well Location Unit Letter M : 350 feet from the South line and 850 feet from the West line
Section 11 Township 17S Range 33E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4128' GR

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 []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [X] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: []

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:

01/24/2013

Rig Release Date:

02/24/2013

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

SIGNATURE

[Handwritten Signature]

TITLE

Engineer

DATE

03/25/2013

Type or print name
For State Use Only

Nolan von Roeder

E-mail address: vonroedern@cmlexp.com

PHONE: 325-573-1938

APPROVED BY:

[Handwritten Signature]

TITLE

Petroleum Engineer

DATE

APR 23 2013

Conditions of Approval (if any):

APR 23 2013

CML EXPLORATION, LLC
P.O. BOX 890
SNYDER, TX 79549

MARTIN 11 STATE NO. 1

Sec. 11, T-17-S, R-33-E
Lea County, New Mexico
Property Code #39613 – API #30-025-40910

DAILY COMPLETION REPORT

- 03/05/13 MIRUPU. NU 5M double hydraulic BOP. Unloaded & racked 347 jts 2-7/8" L80 tubing. PU 4-3/4" bit, 6 - 3-1/2" DCs, 225 jts of tubing & tagged DV tool at 7,500'. SWIFN.
- 03/06/13 Rigged up swivel and washed cement to DV tool @7,500'. Drilled out DV tool & pressure tested good to 1500 psi. Continued picking up pipe off rack, RIH to 11,265' with bit. Circulated clean with fresh water. TOO H with tubing. LD DCs & bit. RD reverse rig. RU Rush Wireline truck. RIH with GR/CBL/CCL. PBDT @11,886', top of cement @4,180', had good cement at pay zones. RIH with 3-1/8" casing gun 90° phasing. Perforated Cisco (10,994' - 11,007'), (11,015 - 11,030), (11,034' - 11,067') 2 SPF (122 holes). RD wireline truck. SWIFN.
- 03/07/13 SICP = 0. PU Arrowset 110K packer with 2.313" F profile nipple, on-off tool with a 2-7/8" seat nipple. RIH with 2-7/8" L80 tubing to 11,081'. RU acid pump. Circulated casing with 240 bbls fresh water. Spotted 200 gallons of 15% HCL NEFE across perforations. Moved & set packer @10,821', NDBOP & flanged up well head. Pressured up on casing & packer to 500 psi. Held pressure during the acid job. Broke down formation @3,850 psi. Treated well with remaining 5,800 gallons 15% HCL NEFE with 200 ball sealers. Rate 3.1 BPM @4250 psi. Increased rate to 5 BPM @5000 psi. Did not see ball action. ISIP = 3750 psi down to 662 psi in 15 minutes. RD acid pump & SWIFN.

TUBING DETAIL

333 - jts 2-7/8" L80 tubing

1 - 2-7/8" seat nipple

1 - 5-1/2" Arrowset 10K packer with on-off tool 2.313" F profile @10,821'

- 03/08/13 SICP = Vacuum. RU & began swabbing 270 bbl load back from acid job. FL @5,000' from the surface on the 1st run. Continued swabbing. After recovering 58 bbls of fluid oil cut was at 3% with a good amount of gas. FL @5,800' from the surface. Continued swabbing. After recovering 76 bbls of fluid oil cut was at 7% & gas increasing. FL @5,400' from the surface. Continued swabbing. After recovering 120 bbls of fluid oil cut increased to 40% & gas increasing after every run. FL @4,500' from the surface. Shut well in for the weekend. Recovered 120 bbls of 270 bbl load. Swab rate was 12 bph.

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DAILY COMPLETION REPORT

- 03/09/13 SITP = 450 psi.
- 03/10/13 SITP = 150 psi. Leaking gas around the stem on the valve, pumper greased the valve & stopped the leak.
- 03/11/13 SITP = 500 psi. Flowed 17 bbls of oil to the test tank. Well died. Began swabbing. Had scattered fluid at 3500' from the surface. Recovered 80 bbls of fluid, 50% oil & 50% water. Recovered 160 bbls of 270 bbl load. Left open to 500 bbl test tank on 24/64" choke. Shut down for the night.
- 03/12/13 Arrived on location, well was dead. Did not make any fluid to the test tank overnight. Made a swab run. Fluid @3,500' from the surface, pulled 1200' of free oil. Well kicked off flowing, put through 2" to the test tank. Made 47 bbls of oil. Put well on 22/64" choke & turned through test separator. Flowing @150 psi. Made 10 bbls oil. Pressure dropped to 50 psi after an hour. Opened back up to full 2", bypassed separator & began flowing well to the test tank. Made 35 bbls of fluid in 2 hours. Used chemical & heat to separate water and oil in sample. Had 20% water tied up in oil. Installed adjustable choke & opened it full (3/4") and continued flowing to test tank. Made 30 bbls of fluid in 2 hours. Loaded up & died. Made a swab run. FL @3,500' (scattered fluid), pulled from 7,500'. Flowed for about 15 minutes after swab & then died. Put adjustable choke back in line, set @48/64" & left well open to test tank over night.
- 03/13/13 Arrived on location & opened to the tank on 48/64" choke. Well was dead. Well flowed 88 bbls during the night. Made a swab run, FL @3,500' from the surface. Pulled from 7,500', had 5% water in the wellhead sample. Well kicked off flowing. Continued flowing well on full open 2" @150 psi, made 34 bbls of fluid in one hour. Pinched back on 2" flow line valve, held 100 psi on tubing & averaged 21 BPH. Installed adjustable choke set at 48/64". Made 12 bbls in one hour, tubing pressure fluctuated from 0 to 100 psi. Adjusted choke setting to 32/64" & well died in about 10 minutes. Made a swab run. Had scattered fluid from 300', pulled from 3,000'. Well kicked off flowing. Put back on adjustable choke set @48/64" (fully open). Flowed a couple of hours & died. Rate was 21 BPH. Left well open to tank set on 48/64" choke. Well was flowing when we shut down for the night. Recovered 203 bbls of fluid in 10 hours. Oil cut ranged from 1 to 95%.

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DAILY COMPLETION REPORT

- 03/14/13 Flowing on 48/64" choke with 50 psi on tubing. Made 217 bbls over night. Turned through test separator with choke setting the same. Well died after 45 minutes. Made swab run from 3000', well kicked off flowing again. Turned through the test separator without the choke assembly in line. Flowed well for the rest of the day. Have \pm 2% water tied up in oil. Made 188 bbls in 12 hours. Left flowing over night.
- 03/15/13 Flowing @60 psi on 2", made 250 bbls in 14 hours. Shut well in for build up.
- 03/18/13 SITP = 639 psi. RU Precision Pressure Data Wireline truck & ran gauges for BHP data. Left well shut in. Waiting on pumping unit.
BHP @11,030' = 2648 PSIA
- 03/22/13 Opened well on 48/64" choke for potential test
- 03/23/13 FTP = 60 psi. Produced 590 BO & 560 MCF in 24 hours. Shut well back in.