District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 148323

| APPLICATION FOR PERMIT TO | DRILL, RE-ENTER, | DEEPEN, | PLUGBACK, | OR ADD A 7 | CONE |
|---------------------------|------------------|---------|-----------|------------|------|
| | | | | | |

| 1. Opera | tor Name and Address | 2. OGRID Number | | |
|------------------|-----------------------------|-----------------|--|--|
| CML EX | 256512 | | | |
| | O. Box 890 der, TX 79550 | 3. API Number | | |
| on, | 54, 11 77550 | 30-025-40561 | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | |
| 39202 | PADDY 20 STATE | 001 | | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| В | 20 | 17S | 33E | В | 800 | N | 2070 | E | LEA |

8. Pool Information

| | A STATE OF THE STA | |
|----------------------------|--|----|
| WILDCAT G-03 S173318N:YESO | 977 | 27 |

Additional Well Information

| | | | Additional Well Inform | nation | |
|--|-------------------------------|------------------------------------|-----------------------------------|----------------------|------------------------------------|
| 9. Work Type 10. Well Typ New Well OIL | | 10. Well Type 11. Cable/Rotary OIL | | 12. Lesse Type State | 13. Ground Level Elevation 4194 |
| 14. Multiple | . Multiple 15. Proposed Depth | | 16. Formation | 17. Contractor | 18. Spud Date |
| N | 750 | 0 | Blinebry | 200 | 6/1/2012 |
| Depth to Ground | water | • | Distance from nearest fresh water | r well | Distance to nearest surface water |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.325 | 54.5 | 1550 | 1700 | 0 |
| Int1 | 12.25 | 8.625 | 32 | 4600 | 2000 | 0 |
| Prod | 7.875 | 5.5 | 17 | 7500 | 600 | 3800 |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| Troposcu Biomout Trevention Trogram | | | | | | | | | | |
|-------------------------------------|------------------|---------------|--------------|--|--|--|--|--|--|--|
| Type | Working Pressure | Test Pressure | Manufacturer | | | | | | | |
| Hydril | 1500 | 3000 | Hydril | | | | | | | |
| DoubleRam | 3000 | 3000 | Shaffer | | | | | | | |

| of my knowledge and belief. | ation given above is true and complete to the best lling pit will be constructed according to | oil conservation division | | | |
|-----------------------------|--|-----------------------------|----------------------------|--|--|
| | neral permit , or an (attached) alternative | Approved By: Paul Kautz | | | |
| Printed Name: Electronic | cally filed by Judy Wilkinson | Title: Geologist | | | |
| Title: | | Approved Date: 5/10/2012 | Expiration Date: 5/10/2014 | | |
| Email Address: wilkinso | nj@cmlexp.com | | | | |
| Date: 5/7/2012 | Phone: 325-573-1938 | Conditions of Approval Atta | ched | | |

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II 811 S. First St., Artesia, NM 88210

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462 State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 August 1, 2011

Permit 148323

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number | 2. Pool Code | 3. Pool | |
|------------------|--------------|--------------|--------------|
| 30-025-40561 | 97727 | WILDCAT G-03 | |
| 4. Property Code | 5. Property | | 6. Well No. |
| 39202 | PADDY 20 | | 001 |
| 7. OGRID No. | 8. Operator | r Name | 9. Elevation |
| 256512 | CML EXPLORA | ATION, LLC | 4194 |

10. Surface Location

| UI | L - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----|---------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | В | 20 | 17S | 33E | | 800 | N | 2070 | E | LEA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-------------|-------------|----------|----------------|---------|------------------|----------|-----------|---------------|--------|
| District to | cated Acres | 13. J | oint or Infill | 1 | 4. Consolidation | Code | | 15. Order No. | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Judy Wilkinson

Title:

Date: 5/7/2012

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Raymond Williams Date of Survey: 3/27/2012 Certificate Number: 20781

Permit Comments

Operator: CML EXPLORATION, LLC , 256512 Well: PADDY 20 STATE #001

API: 30-025-40561

| Created By | Comment | Comment Date |
|------------|--|--------------|
| pkautz | Land s/S | 5/8/2012 |
| CHERRERA | OCD RECEIVED FORM C144 CLEZ. OCD PERMIT # P1-04558 | 5/10/2012 |

Permit Conditions of Approval

Operator: CML EXPLORATION, LLC , 256512 Well: PADDY 20 STATE #001

API: 30-025-40561

| OCD Reviewer | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string | |
|-----------------|--|--|
| pkautz | | |