

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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 173187

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|--|-------------------------------|
| 1. Operator Name and Address CML EXPLORATION, LLC P.O. Box 890 Snyder, TX 79550 | | 2. OGRID Number 256512 |
| 4. Property Code 38326 | | 3. API Number 30-025-41407 |
| 5. Property Name BEAMS 15 STATE | | 6. Well No. 003 |

7. Surface Location

| | | | | | | | | | |
|----------------------|----------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|
| UL - Lot B | Section 15 | Township 17S | Range 33E | Lot Idn B | Feet From 352 | N/S Line N | Feet From 2094 | E/W Line E | County Lea |
|----------------------|----------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|----------------------|----------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|
| UL - Lot B | Section 15 | Township 17S | Range 33E | Lot Idn B | Feet From 352 | N/S Line N | Feet From 2094 | E/W Line E | County Lea |
|----------------------|----------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|

9. Pool Information

| | |
|-------------|-------|
| SANMAL;PENN | 54340 |
|-------------|-------|

Additional Well Information

| | | | | |
|----------------------------------|------------------------------------|--|--------------------------------|---|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 4158 |
| 16. Multiple N | 17. Proposed Depth 13000 | 18. Formation Strawn | 19. Contractor | 20. Spud Date 10/1/2013 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1550 | 1500 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 4600 | 1200 | 0 |
| Prod | 8.75 | 5.5 | 17 | 13000 | 1810 | 4300 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 2500 | 5000 | Cameron |
| Double Ram | 5000 | 5000 | Shaffer |

| | |
|--|---|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by Judy Wilkinson Title: Production Assistant Email Address: wilkinsonj@cmlexp.com Date: 9/13/2013 Phone: 325-573-0750 | OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 9/17/2013 Expiration Date: 9/17/2015 Conditions of Approval Attached |
|--|---|

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Phone (505) 476-3460 Fax (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------|---------------------------------------|---------------------------|
| API Number | Pool Code 54340 | Pool Name SANMAY, PENN |
| Property Code 38326 | Property Name BEAMS 15 STATE | Well Number 3 |
| OGRID No. 256512 | Operator Name CML EXPLORATION, LLC | Elevation 4158' |

Surface Location

| | | | | | | | | | |
|---------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| U/L or lot No. B | Section 15 | Township 17-S | Range 33-E | Lot Idn | Feet from the 352 | North/South line NORTH | Feet from the 2094 | East/West line EAST | County LEA |
|---------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| U/L or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|-----------------------|-----------------|--------------------|-----------|
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | 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

| | |
|---|--|
| <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=670296.7 N X=710269.0 E</p> <p>LAT.=32.840858° N LONG.=103.648720° W</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Nolan von Roeder</i> Signature Date 9/11/13</p> <p>Nolan von Roeder Printed Name</p> <p>vonroedern@cmlexp.com E-mail Address</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 4, 2013</p> <p>Date of Survey</p> <p>Signature of Registered Professional Surveyor</p> <p><i>Ronald J. Eidson</i> Signature</p> <p>Ronald J. Eidson 3239 Certificate Number</p> <p>BKL JWSC W.O. 13.11.0985</p> |

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Energy, Minerals and Natural Resources
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Santa Fe, NM 87505

Form APD Comments

Permit 173187

PERMIT COMMENTS

| | | |
|---|----------|------------------------------|
| Operator Name and Address: CML EXPLORATION, LLC [256512] P.O. Box 890 Snyder, TX 79550 | | API Number: 30-025-41407 |
| | | Well: BEAMS 15 STATE #003 |
| Created By | Comment | Comment Date |
| pkautz | Land s/S | 9/16/2013 |

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Form APD Conditions

Permit 173187

PERMIT CONDITIONS OF APPROVAL

| | |
|---|------------------------------|
| Operator Name and Address: CML EXPLORATION, LLC [256512] P.O. Box 890 Snyder, TX 79550 | API Number: 30-025-41407 |
| | Well: BEAMS 15 STATE #003 |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | 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 | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| DMULL | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |