

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 87414  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

DEC 20 2011

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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)</p>		<p>WELL API NO. 30-025-40250</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator CML EXPLORATION, LLC</p>		<p>6. State Oil &amp; Gas Lease No. 37462</p>
<p>3. Address of Operator P.O. BOX 890 SNYDER, TX 79550</p>		<p>7. Lease Name or Unit Agreement Name PADDY 15 STATE</p>
<p>4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>West</u> line Section <u>15</u> Township <u>17S</u> Range <u>33E</u> NMPM County <u>Lea</u></p>		<p>8. Well Number <u>3</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4173' GR</p>		<p>9. OGRID Number <u>256512</u></p>
		<p>10. Pool name or Wildcat LEAMEX; PADDOCK</p>

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

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>          TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>          PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>          DOWNHOLE COMMINGLE <input type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/>          COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/>          CASING/CEMENT JOB <input type="checkbox"/></p>
<p>OTHER: <input type="checkbox"/></p>	<p>OTHER: <input type="checkbox"/></p>

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:

09/23/2011

Rig Release Date:

10/06/2011

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

SIGNATURE Nolan von Roeder TITLE Engineer DATE 12/19/2011

Type or print name Nolan von Roeder E-mail address: vonroedern@cmlxp.com PHONE: 325/573-1938

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE DEC 21 2011

Conditions of Approval (if any):

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

**PADDY 15 STATE NO. 3**  
Sec. 15, T-17-S, R-33-E  
Lea County, New Mexico  
Property Code #37462 – API #30-025-40250

**DAILY COMPLETION REPORT**

- 10/19/11 MIRUPU. NDWH. NUBOP w/2-3/8" pipe rams. Rigged up wireline truck & ran GR/CBL/CCL. Logged from PBTD @6321' to 5300' & 2000' to top of cement behind 5½" casing @1790'. Perforated Lower Paddock (6193' – 6229') w/3-3/8" casing gun, 2 spf 120 phasing. Rigged down wireline truck. Ran in the hole with 5½" model "R" packer, SN & 2-3/8" used tubing. Landed packer @6246'. Rigged up acid truck w/4000 gals of 20% NEFE HCL w/additives & 100 ball sealers. Pumped 3 bbls 2% KCL to load tubing & establish circulation, switched to 20% HCL & spotted 100 gals across perforations. Tailed w/27 bbls 2% KCL water. Laid down 8 jts tubing. Set packer @5995'. Tested lines to 7000 psi. Pressured backside to 500 psi & held. Started w/water, loaded & broke down formation @2345 psi. Started on acid, pumped remaining 3500 gals of acid w/average 3210 psi & a rate of 3 bpm. Pumped 100 ball sealers evenly spaced w/moderate ball action, 20 to 30 differential. Flushed w/29 bbls 2% KCL water. ISIP = 2720 psi, 5 min = 2590 psi, 10 min = 2530 psi, 15 min = 2460 psi. SWIFN.
- 10/20/11 SITP = 200 PSI. Bled well down. IFL = surface. Made eight swab runs with 100% water. On ninth run, had 2% oil cut. Made 23 more runs & swabbed down to 3800'. Final oil cut 20%. Total load recovery = 178 bbls water & 16 bbls oil. SWIFN.
- 10/21/11 SITP = 150 psi. Made swab run, fluid level 3000' from the surface. Pulled 1500' of fluid, 1000' of free oil on top. Continued swabbing for 5 hours @rate of 15 bph, oil cut 20%. Fluid level remained @3800' from the surface. Had good gas show at the end of every swab run. Recovered a total of 75 bbls. Shut well in for the weekend.
- 10/24/11 SITP=150 psi. Made single swab run, fluid level 2800' from surface. Pulled 1500' of fluid, 750' of free oil on top, 750' water. Unset packer. Tripped out of the hole w/tubing. Tripped in the hole w/production assembly. Landed w/bottom of tubing 54' above perms. NDBOP, NUWH & RDPU.

**TUBING DETAIL**

185 – jts 2-3/8" 4.7# J55 tubing  
2-3/8" x 5-1/2" TAC @6061'  
2 – jts 2-3/8" 4.7# J55 tubing  
1 – 2-3/8" SN @6138'  
4' x 2-3/8" perf sub  
31' x 2-3/8" mud anchor w/bullplug

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DAILY COMPLETION REPORT

12/01/11 MIRUPU. Ran in the hole with new rods & pump. Spaced & hung well on. Waiting on electric service. RDPU.

**ROD DETAIL**

1 – 6' x 7/8" sub  
1 – 8' x 7/8" sub  
74 – 7/8" steel rods  
160 – 3/4" steel rods  
9 – 7/8" steel rods  
1 – 4' x 7/8" sub w/guides  
1 – Tap tool  
1 – 1-1/2" x 20' pump