

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
APR 11 2012

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

WELL API NO. 30-025-39915 40392
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 38326
7. Lease Name or Unit Agreement Name BEAMS 15 STATE
8. Well Number 2
9. OGRID Number 256512
10. Pool name or Wildcat SANMAL; PENN

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)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator CML EXPLORATION, LLC	
3. Address of Operator P.O. BOX 890 SNYDER, TX 79550	
4. Well Location Unit Letter <u>D</u> : <u>450</u> feet from the <u>North</u> line and <u>885</u> feet from the <u>West</u> line Section <u>15</u> Township <u>14S</u> Range <u>33E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>4176' GR</u>	

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 ☒ 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:

01/20/2012

Rig Release Date:

02/26/2012

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 03/19/2012

Type or print name Nolan von Roeder E-mail address: vonroedern@cmlexp.com PHONE:

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE APR 19 2012
Conditions of Approval (if any):

APR 19 2012

BEAMS 15 STATE NO. 2

Sec. 15, T-17-S, R-33-E
Lea County, New Mexico
Property Code #38326 – API #30-025-40392

DAILY COMPLETION REPORT

- 03/05/12 MIRUPU. NDWH. NUBOP. Unloaded & set catwalk & pipe racks. Unloaded 11,216' of new 2-7/8" 6.5#/ft N80 tubing. Ran in the hole with 4-3/4" bit, 6 – 3½" DCs & tubing, tagged DV tool @6510'. Picked up 30' & SWIFN.
- 03/06/12 Rigged up reverse unit. Drilled out DV tool & circulated cuttings. Ran in the hole to 11,248' & circulated hole clean w/164 bbls fresh water. Pulled out of the hole with tubing & 6 – 3½" drill collars. Laid down collars & bit. Ran in the hole with wireline & tagged PBTD @11,420'. Logged from PBTD to 10,000' & from 6510' to 4500'. Pulled out of the hole with wireline. SWIFN.
- 03/07/12 Ran in hole w/3-1/8" casing gun & perforated Cisco Lime (11,057' - 11,102'), (11,109' - 11,112') & (11,120' - 11,143') 2 spf, 90° phasing. Rigged down wireline truck. Ran in the hole with 5½" Arrowset 10K packer, SN & tubing to 11,143'. Rigged up acid truck, broke circulation & spotted 200 gals of 15% HCL NEFE across perforations. Displaced with 63 bbls of water. Moved & set packer @10,915', NDBOP & NUWH. Put 500 psi on annulus & held. Pumped 4 bbls fresh water to break circulation @4250 psi, went to acid. Pumped 4800 gals 2 bpm @4900 psi. When acid hit formation pressure dropped to 2410 psi @4 bpm. Dropped 200 ball sealers evenly spaced with good ball action, never balled out. Displaced w/65 bbls fresh water. Total fluid 266 bbls. ISIP = 1210 psi, went on vacuum in less than a minute.
- 03/08/12 SITP= 0. Well on a vacuum. RU swab. IFL = 6,000 ft from surface. On the 5th run had a trace of oil with FL @4,000 ft. Fluid level rose to 2200 ft from surface on the 13th run had an oil cut of 50%. After run 14, the well tried to flow w/200 psi on tubing, then died. On the 15th run oil cut was 60% and well continued to flow w/pressure ranging from 50 psi to 200 psi. Flowed well for 2 more hours on a 48/64" choke and made 25 bbls of fluid. Total fluid swabbed and flowed = 66 BO & 70 BW. Shut well in until Monday for static bottomhole pressure.
- 03/09/12 SITP= 750 psi.
- 03/12/12 SITP= 700 psi. Rigged up slickline. Ran in the hole with temperature pressure gauges for BHP. Rigged down slickline truck. Opened well up to test tank on 48/64" choke for 1 hour. Made 70 bbls of oil. Choked down to 20/64" choke & continued flowing for another 3 hours at rate of 12 bph. Installed positive choke assembly with 18/64" choke, pressure @390 psi & continued flowing well overnight. 90% oil, 10% load water. RDMOPU.

TUBING DETAIL

335 – jts 2-7/8" N80 tubing
1 – 2-7/8" SN
1 – 5½" Arrowset 10K packer @10,915'