

Submit 1 Copy To Appropriate District
Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBS OGD

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

RECEIVED

AUG 17 2012

WELL API NO. 30-025-40562
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 38266
7. Lease Name or Unit Agreement Name HENRY 24
8. Well Number 2
9. OGRID Number 256512
10. Pool name or Wildcat PEARL; QUEEN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3711' GR

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>A</u> <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>24</u> Township <u>19S</u> Range <u>35E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3711' 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 ☒ 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:

06/22/2012

Rig Release Date:

06/30/2012

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 08/15/2012

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

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE AUG 23 2012

Conditions of Approval (if any):

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

HENRY 24 NO. 2

Unit A, Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-40562

DAILY COMPLETION REPORT

- 07/19/12 MIRUPU. Unloaded & racked 5200' of used yellow band 2-3/8" N80 tubing. NUBOP. Rigged up wireline truck. Ran GR/CBL/CCL from PBTD @5130 to 3500'. Had good cement @pay zones. Logged top of cement @60' from the surface. Perforated Penrose Sand (4909-16') 3 spf, 120° phasing. Ran in the hole with Model "R" packer & 2 jts of tailpipe. Circulated casing w/120 bbls of 4% KCL water. Set packer @4873' with tailpipe @4938'. Rigged up acid truck, pressured up on tubing to 300 psi & opened by-pass on packer. Spotted acid in tubing with 1 bbl out of tailpipe. Closed by-pass on packer & treated well w/1500 gals of 15% HCL NeFe w/claysafe additives. Broke formation down @2800 psi, treated @3.8 bpm, 2600 psi. ISIP = 1500 psi, down to 976 psi in 15 minutes. SWIFN
- 07/20/12 SITP – Vacuum. Fluid level on 1st run 1600' from the surface. Continued swabbing. Had a trace of oil on the 4th run after recovering 19 bbls of water. Only had 500' of fluid in the hole on the 5th run. Shut down & waited 1 hour between swab runs. Had 1200' of fluid entry every hour. Oil cut on the last run was 8%. Total fluid recovered was 33 bbls. Load from acid job is 58 bbls. SWIFN.
- 07/23/12 TP = 20 psi. FL = 3200' from surface. 200' oil. 1000' water, 10% oil cut. Continued swabbing. Waited 1 hour between runs, had 1000' of fluid entry between runs & oil cut remained at 12%. Recovered 26 bbls (total recovered = 59 bbls). SWIFN.
- 07/24/12 TP = 0 psi. FL @3500' from the surface on the 1st run. Pulled 300' of free oil, 900' water w/10% oil cut. Released packer & POOH w/ tubing. RU wireline truck. RIH w/CCL & 3-1/8" perforating gun. Perforated (4868-70') 3 SPF & (4879-87') 1 SPF. RIH w/CCL & CIBP. Set plug @4900'. RD wireline truck. RIH w/Model "R" packer to 4898'. Set packer & tested CIBP good to 2000 psi. Released packer & spotted 100 gals 10% HCL across perforations. Moved & set packer @4710'. RU acid pump & began breakdown w/4% KCL water. Began pumping into formation 1 BPM @1350 psi, shut down & opened by-pass on packer. Spotted acid to the end of the packer. Closed by-pass & treated w/remaining 2000 gals 10% HCL NeFe w/claysafe additives 3.5 BPM @2150 psi. ISIP = 1450 psi, down to 1340 psi in 15 minutes. Bled down tubing & began swabbing. 69 bbl load from acid job. Made 11 runs, recovered 44 bbls of fluid, 8% oil cut. FL @4000' from the surface on the last run. SWIFN.

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Unit A, Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-40562

DAILY COMPLETION REPORT

- 07/25/12 TP = 80 psi. FL @3200' from the surface. Had 600' free oil & 600' water. Continued swabbing. Recovered 11 bbls & swabbed tubing dry. Waited 1 hour between runs. Had 1000' of fluid entry after each run. Recovered a total of 40 bbls of fluid, oil cut 10 to 15%. SWIFN.
- 07/26/12 SITP = 70 psi. FL @3400' from the surface. Had 500' free oil & 600' water. Released packer. POOH & LD tubing & packer. NDBOP, NU 5K frac valve. RDMOPU. Waiting on frac scheduled for 07/31/12.
- 07/31/12 RU Universal Pressure Pumping Services frac equipment. Frac Penrose formation down 5½" casing w/36,700 gals of 15# Borate crosslinked gel + 43,500 lbs of 20/40 white sand staged from ½ ppg to 4.0 ppg. Flushed to top perf with linear gel. Avg. rate = 19.4 BPM, Avg. pressure = 2009 psi, Max. rate = 21 BPM & Max. pressure = 2240 psi. ISIP = 1927 psi, 5 min = 1836 psi, 10 min = 1665 psi, 15 min = 1569 psi. Total load to recover = 864 Bbls. SWIFN. RD all frac equipment.
- 08/01/12 Casing was on a slight vacuum. ND frac valve & NUBOP. TIH with 2-3/8" tubing, notched collar & 2-3/8" seat nipple. Tagged sand @4889'. RU pump truck (took 40 bbls to break circulation) & circulated 10' of sand off CIBP @4900'. Pulled tubing up to 4870' & began swabbing frac load back. FL on 1st run was 500' from the surface. Swabbed a total of 66 bbls of water to test tank. FL @2000' from the surface on the last run. SWIFN.
- 08/02/12 SITP = 0 psi. FL @1700' from the surface on the 1st run, pulled 1500' of water. Continued swabbing, recovered 146 bbls of water. Oil cut @10% on the last run of the day, fluid level @3000' from the surface. Had a good amount of gas during swab runs. SWIFN.
- 08/03/12 SITP = 100 psi, FL@2500' from the surface on the 1st run, pulled 800' of free oil & 700' of water. Continued swabbing. Recovered a total of 120 bbls for the day, 15% oil cut & fluid level @3300' from the surface. SWI. Recovered 332 bbls of 864 bbls from the frac job.

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DAILY COMPLETION REPORT

08/06/12 SITP = 140 psi, FL @1800' from the surface. Pulled 1400' of free oil. POOH w/tubing. TIH w/production assembly & 2-3/8" tbg. NDBOP, set TAC & flanged up wellhead. PU new rod pump & rods. RIH & spaced out pump. Stacked out on stuffing box. SWIFN

TUBING DETAIL

144 – jts 2-3/8" N80 yellow band tubing (used)
1 – 5-1/2' x 2-3/8" tubing anchor
2 – jts 2-3/8" N80 yellow band tubing (used)
1 – 2-3/8" seat nipple @4802'
1 – Perforated sub
1 – jt. 2-3/8" mud jt. w/bull plug

ROD DETAIL

1 – 7/8" x 4' sub
1 – 7/8" x 8' sub
69 – 7/8" steel "D" rods (new)
113 – 3/4" steel "D" rods (new)
9 – 7/8" steel "D" rods (new)
1 – 7/8" sub w/guides
1 – No tap tool
1 – 2-3/8" x 1-1/2" x 20' pump
1 – 1" x 6' sand screen w/10' extension

08/07/12 RDMOPU. Waiting on pumping unit & electricity.

08/10/12 Set generator, Haarmeyer Electric hooked up to pumping unit motor with a size 3 panel box. Started generator, started pumping unit. Extremely weight heavy, overload kills the generator. Truck to balance unit won't be available until morning. Shut down for the night.

08/11/12 Balanced pumping unit to within 10 amps. Started pumping well at 12 o'clock noon, pumped up in 30 minutes. Unit running 10 SPM, 86" stroke. Sheave on the gear box is 26"; sheave on the motor is 6". Left unit running on hand. Making fluid to the treater & venting gas.