

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

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

OCT 10 2013

WELL API NO. 30-025-41151
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. 39864
7. Lease Name or Unit Agreement Name CW 14 STATE
8. Well Number 1
9. OGRID Number 256512
10. Pool name or Wildcat SANMAL; PENN
4. Well Location Unit Letter J : 1975 feet from the SOUTH line and 2225 feet from the EAST line
Section 14 Township 17S Range 33E NMPM County LEA
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [X] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
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: 05/17/2013

Rig Release Date: 06/13/2013

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

SIGNATURE [Signature] TITLE Engineer DATE 10/08/2013

Type or print name Jordan Owens E-mail address: owensj@cmlexp.com PHONE: 325-573-0750

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE NOV 14 2013

Conditions of Approval (if any):

NOV 14 2013

CML EXPLORATION, LLC
P.O. BOX 890
SNYDER, TX 79549

CW 14 STATE NO. 1
Sec. 14, T-17-S, R-33-E
Lea County, New Mexico
Property Code #39864 – API #30-025-41151

DAILY COMPLETION REPORT

- 06/25/13 Set anchors. MIRUPU. NU 5K hydraulic BOP. Unloaded & racked 390 jts of new 2-7/8" 6.5#/ft L80 tubing. SWIFN.
- 06/26/13 Rigged up wireline truck. Ran GR/CBL/CCL from loggers TD @12,121' to 10,000' & from 6450' to 6050'. Top of cement @3718' from the surface. Perforated Canyon Shale (12,097' – 12,112') w/3-1/8" casing gun, 2 spf, 90° phasing (30 holes). Rigged down wireline truck & ran in the hole with Arrowset 1 10K packer & new 2-7/8" tubing to 12,095'. SWIFN.
- 06/27/13 Rigged up acid pump truck. Spotted 200 gals 15% HCL from 12,121' to 11,906'. Moved packer up to 11,807' & set it. Put 500 psi on casing & packer, held. Broke formation down @5779 psi. Treated with remaining 3000 gals of 15% NeFe HCL. Average rate & pressure 2.5 BPM @5500 psi. ISIP = 5300 psi, 15 min = 5210 psi. Rigged down acid pump truck & flowed well down to the pit. Began swabbing. Recovered 87 bbls of fluid in 16 runs. On the 14th & 15th runs had 10% oil cut gas to the tank. Made dry run from 10,000' on the last run. SWIFN. Load from acid job was 215 bbls.
- 06/28/13 SITP = 250 psi. 1st fluid level @9500' from the surface. Had 500' of free oil & 700' of 50% water & 50% oil. Continued swabbing. Recovered 18 bbls of fluid, 5% oil with a small amount of gas. Swabbed dry. Last run of the day (dry run) from 11,600', very little gas flow. SWI.
- 07/01/13 SITP = 450 psi. Made a swab run. Fluid level 8000' from the surface, pulled 1200' of free oil. Made a 2nd run, had 500' of free oil with 700' of water on the bottom. Loaded tubing with 60 bbls 4% KCL water. Released packer & pulled out of the hole with tubing & packer. Rigged up wireline truck, set composite plug at 12,000' & perforated Canyon Lime (11,943' to 11,949') 2 spf. Rigged down wireline truck. Ran in the hole w/5½" Arrowset 110K packer to 11,760' & SWIFN.

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- 07/02/13 Continued in with tubing & packer to 11,964'. Rigged up acid pump. Broke circulation with 4% KCL water. Spotted 200 gals 15% HCL across Canyon Lime (11,943 – 49'). Moved & set packer at 11,586'. Pressured up on casing & packer to 500 psi and held. Treated with remaining 1300 gals of 15% HCL NEFE acid & 20 ball sealers. Broke down at 5300 psi. With half of the acid gone casing pressure began increasing, had a small leak in tubing or packer. Continued job bleeding pressure off casing after it increased to 1500 psi each time. Average rate & pressure 2 BPM @5600 psi. ISIP = 5431 psi, 15 minutes = 5211 psi. Rigged up acid pump, bled pressure off the tubing & released packer. Rigged up pump truck & reverse circulated with 130 bbls 4% KCL water, recovered a few bbls of acid after pumping tubing capacity. Reset packer 6' higher at 11,580', tested tubing & packer good to 1000 psi. Began swabbing 176 bbl load back. After recovering 82 bbls the tubing dried up. Had 5% oil cut on the last 2 runs with a small amount of gas. SWIFN.
- 07/03/13 SITP = 100 psi, fluid level @9700'. Pulled 1000' of fluid, 60% oil, 40% water. Made swab run every hour, had 100' of entry per hour. Recovered 13 bbls of fluid, 20% oil cut. Shut well in for the weekend.
- 07/08/13 SITP = 450 psi. Made a swab run, fluid level @7000' from the surface. Pulled 1200' of free oil on the first run & 200' free oil on the second. Loaded tubing with 60 bbls of 4% KCL water, released packer & tripped out of the hole with packer. SWIFN.
- 07/09/13 Ran in the hole with 4-3/4" bit & drilled out composite plug @12,000'. Circulated clean with 4% KCL water. Tagged PBTD @12,120'. Pulled out of the hole & laid down bit. Ran in the hole with seat nipple & tubing to 3200'. SWIFN.
- 07/10/13 Finished running in the hole with the tubing to 12,100' (384 jts). NDBOP. Flanged up wellhead. Started swabbing. Swabbed 138 bbls, fluid level 6500' from the surface. SWIFN.
- 07/11/13 SITP = 50 psi. SICP = 200 psi. Fluid level @7500' from the surface. Recovered 120 bbls of water. Last fluid level @11,700'. SWIFN.
- 07/12/13 SITP = Vacuum. SICP = 350 psi. Fluid level @11,500' from the surface. Made 2 swab runs, recovered 3 bbls of fluid. Shut well in & rigged down pulling unit. Wait on frac.

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DAILY COMPLETION REPORT

- 08/08/13 MIRUPU. SITP = 50 psi, SICP = 900 psi. Bled tubing down to the test tank. Made a swab run, fluid level was at 2200' from the surface. Pulled 1000' of oil. Well flowing to the test tank. Recovered ±90 bbls of oil. Well died, left opened to the test tank overnight. Casing pressure at 600 psi.
- 08/12/13 NU Oil States casing saver. RU ProPetro frac equipment. Frac perfs (11,943–49') & (12,097 – 12,112') down the 5½" casing w/2,520 gals of 15% HCL acid, 143,000 gals of slickwater, 4,400 lbs of 100 mesh sand & 48,000 lbs of 30/50 premium sand staged from 0.25 to 1.25 ppg. Took 245 bbls to load the casing. Broke down @11.4 bpm & 5800 psi. Treated with Avg rate = 68 bpm, Max rate = 77 bpm, Avg psi = 7260 psi, Max psi = 7560 psi. ISIP = 5877 psi, 5 min = 5675 psi, 10 min = 5636 psi. Total load = 3468 Bbls. SWIFN. RD all equipment.
- 08/13/13 SICP = 5100 psi. Rigged up flowback manifold. & began flowing load back to test tank. Opened up on 10/64" choke. Flowed for 3 hrs @60 – 70 BPH, CP down to 4100 psi. Continued opening choke to 32/64" during the day. Recovered 600 bbls of water. Left choke open on a 32/64" with 40 psi on casing. Had a trace of oil. Total load to be recovered = 2868 bbls.
- 08/14/13 Flowing to tank on 32/64" choke with 5 psi. Made 90 bbls overnight. ND frac valve, NUBOP, TIH w/notched collar & 2-7/8" tubing. Tagged sand @12,087'. Rigged up reverse rig. Circulated sand out to PBD @12,127'. Circulated clean. Pulled up to 11,727' & shut well in for night.
- 08/15/13 SITP = 2500 psi, SICP = 2500 psi. Flowed tubing down to the test tank. Recovered ±25 bbls of water w/5% oil cut. Casing pressure was down to 275 psi after flowing the tubing pressure down to 0. Bled casing down to test tank, recovered 2 bbls of oil with a large amount of gas. NDBOP, flanged up wellhead & began swabbing. First fluid level was @1000' from the surface. Recovered 141 bbls of fluid in 9 hours, 95% water & 5% oil. Last fluid level was @4100' from the surface, 5 psi on the casing. Shut well in for the night. Load to be recovered = 2689 bbls.
- 08/16/13 SITP = 400 psi. SICP = 200 psi. 1st swab run, had fluid @2000' from the surface. Pulled 1000' of fluid, had 500' of free oil & 500' of water mixed with oil. Continued swabbing. Made 27 runs in 10 hours. Recovered 175 bbls of fluid, 5% oil cut. CP = 120 psi. Last fluid level @9000' from the surface. Shut well in. Load to be recovered = 2522.75 bbls.

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- 08/19/13 SITP = 600 psi, SICP = 450 psi. Bled tubing down, flowed 3 bbls oil to the test tank. Rigged up swab. Fluid level @300' from surface. Pulled 1200' free oil on 1st run, good gas. 2nd run fluid level @2300'. Pulled 1000' of fluid, 600' was free oil, 400' was 20% water & 80% oil. NUBOP. Pulled out of the hole with tubing. Rigged up wireline truck, set RBP @11,900'. Ran in the hole with 3-1/8" perforating gun & perforated Cisco formation (11,198' – 11,208') & (11,219' – 11,228') 4 SPF. Rigged down wireline truck & shut well in for night.
- 08/20/13 Picked up Arrowset 10K packer & ran in the hole to 11,240'. Rigged up acid pump truck. Circulated casing with 265 bbls of 2% KCL water. Recovered 42 BO. Set packer @11,240'. Pressure tested RBP & casing good to 2000 psi. Released packer & spotted 200 gals of 15% HCL across formation. Moved & set packer @10,962'. Pressured up on casing & packer to 500 psi & held. Treated Cisco (11,198-208') & (11,219-28') with remaining 3000 gals of 15% NEFE & 100 Bio-ball sealers. Started pumping into formation @1.1 BPM, 5870 psi. Average rate = 6000 psi @2.6 BPM, did not have any ball action (had a small leak in tubing). Casing pressure increased to 2700 psi. Bled casing pressure off to test tank during the acid job. ISIP = 5460 psi down to 5320 psi in 15 minutes. Bled casing & tubing down to the test tank. Got off the on-off tool & reversed circulated 240 bbls of 2% KCL water, had a small amount of acid between the casing & tubing @±3000' from the surface. Rigged down acid pump truck. Latched back onto packer & shut well in for the night.
- 08/21/13 SITP = 1400 psi. Flowed 2 bbls water down to the test tank. Swabbed tubing dry after recovering tubing capacity. Waited 1 hour between runs, had 300' of entry every hour. Recovered a total of 72 bbls of water, trace of oil on last run. Load from acid job was 210 bbls. Load to be recovered = 138 bbls.
- 08/22/13 SITP = 100 psi. FL = 10,100' from surface. Pulled 800' of fluid, 1% oil cut. Continued swabbing waiting 2 hours between runs. Had 300' of entry, water with 1% oil cut. Shut well in for night.
- 08/23/13 SITP = 40 psi. Made swab run, had fluid @10,400' from the surface. Pulled 500' of fluid, 90% water, 10% oil. Shut well in.
- 08/26/13 SITP = 80 psi. FL = 9,500' from the surface. Pulled 1400' of fluid, 500' free oil & 800' water w/20% oil. RDMOPU. Waiting on frac.

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DAILY COMPLETION REPORT

FRAC CISCO (11,198' – 11,228')

- 09/04/13 MIRUPU. SITP = 2800 psi. Opened well up to test tank. Flowed 30 bbls of oil to the test tank, well died. Rigged up swab. IFL – 3700' from surface. Made 2 swab runs, had 20% water on tail end of 2nd run. Rigged down swab, loaded tubing with 40 bbls of 2% KCL water, NDWH & NUBOP. Released packer & started out of the hole with tubing. Shut well in for night.
- 09/05/13 Finished tripping out of the hole with tubing & packer. Poured 2 sacks of sand in casing on top of retrievable bridgeplug. NDBOP & NU5K frac valve. Filled 6 tanks with fresh water. Shut well in. Wait on frac.
- 09/07/13 Nipple up Oil States casing saver. Rigged up ProPetro frac equipment. Frac perms (11,198' – 11,208') & (11,219' – 11,228') down the 5½" casing w/85,076 gals of gelled water reduced from 25# to 15# & 48,600 lbs of 30/50 ISP staged from 0.25 to 2.5 ppg. Took 15 bbls to load the casing. Broke down @3.4 bpm & 6,016 psi. Treated with Avg rate = 39 bpm, Max rate = 50 bpm, Avg psi = 7,763 psi, Max psi = 8,144 psi. ISIP = 5,959 psi, 5 min = 5,711 psi, 10 min = 5,631 psi. Total load = 2,078 Bbls. SWIFN. RD all equipment. RU flowback manifold & lines.
- 09/08/13 SICP = 4500 psi. Opened well up on 16/64" choke. Flowed back to test tank. Recovered 80 bbls of water in the 1st hour. Opened choke to maintain rate of 60 to 80 bbls per hour. Had choke open full in 3 hours, recovered 200 bbls of water. Left well flowing to the test tank on full open choke (48/64") with 5 psi casing pressure.
- 09/09/13 Well flowing to test tank. Recovered 119 bbls of fluid. Had a good amount of gas. 70% oil cut, rate 4 BPH. Rigged up vacuum truck, pulled vacuum on casing. ND frac valve & NUBOP. Left well open to the test tank. Shut down pulling unit because hydro-test truck was not available. Plan to test tubing in the hole with packer in the morning, then swab test well.
- 09/10/13 Picked up Arrowset 10K packer & tripped in the hole with tubing. Rigged up tubing tester & tested tubing to 7000 psi, did not find a leak. NDBOP & flanged up wellhead. Rigged up & began swabbing. Recovered 57 bbls of fluid. Fluid level at 7100' from the surface. Shut well in for night.

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- 09/11/13 SITP = 300 psi. FL @2700'. Pulled 1500' of fluid, 750' of free oil and 750' of 50% water & 50% oil. Continued swabbing. After 7 runs recovered 52 bbls of fluid, oil cut was 5%. Waited 1 hour between runs. 1st hour had 700' of entry, oil cut was 10%. 2nd hour 2000', oil cut was 20%. Continued waiting 1 hour between runs. On the last run had scattered fluid at 6500' from the surface, oil cut was 40% with an increase in gas. Recovered a total of 80 bbls fluid. Left well open to the test tank overnight.
- 09/12/13 FL @4000' from surface. Pulled 1500' of free oil. 2nd run pulled 1500' of free oil. Swabbed dry. Waited 1 hour between runs, averaged 1000' of fluid every hour w/60% oil cut. Recovered a total of 66 bbls of fluid. Left well open to test tank overnight.
- 09/13/13 1st swab run FL @5000' from the surface. Pulled 1500' of fluid, 1000' of free oil and 500' of oil & water mix & 80% oil. 2nd run pulled 1500' of 80% oil & 20% water. Shut well in for the weekend.
- 09/16/13 SITP = 1200 psi. Opened to tank. Flowed 25 BO & died. Rigged up swab. Made swab run, had fluid at 6000' from the surface. Pulled 1000' of free oil and 500' oil & water. Loaded tubing with fresh water. Released and tripped out of the hole with tubing & packer. Laid down packer. Picked up retrieving overshot & ran back in the hole with tubing. Tagged sand 30' above the retrievable bridgeplug. Rigged up pump truck & circulated sand off plug. Circulated clean with 120 bbls of fresh water. Released RBP & laid down 890' of tubing. Shut well in for the night.
- 09/17/13 Continued out of the hole with tubing & RBP. Picked up production assembly. Tripped in the hole with tubing. NDBOP, set TAC & flanged up wellhead. Started in the hole with new pump & rods. Shut well in for the night.

TUBING DETAIL

- 348 – jts 2-7/8" N80 tubing
- 1 – 2-7/8" x 5-1/2" TAC
- 2 – jts 2-7/8" N80 tubing
- 1 – 2-7/8" x 2-3/8" XO
- 1 – 2-3/8" SN @11,008'
- 1 – 2-7/8" x 2-3/8" XO
- 1 – 2-7/8" x 20' tubing sandscreen
- 1 – jt 2-7/8" tubing w/bull plug

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09/18/13 Continued running rods & pump. Spaced out pump. Landed rods on the stuffing box. RDMOPU. Moving in the pumping unit.

ROD DETAIL

1 – 1" x 2' sub
2 – 1" x 6' subs
1 – 1" x 8' sub
98 – 1" HS (97) rods (NEW)
148 – 7/8" HS (97) rods (NEW)
9 – 1" HS (97) rods (NEW)
1 – 7/8" x 4' sub w/guides
Back-off tool & No tap tool
1 – 2-3/8" x 1-1/2" x 24' pump (NEW)
1 – 1" x 10' extension
1 – 1" x 10' sandscreen