

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

HOBBS OCD

JUN 30 2016

RECEIVED

5. Lease Serial No. NMNM15035

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No. Triple A Fed #3

2. Name of Operator CML Exploration, LLC

9. API Well No. 30-025-32508

3a. Address P.O. Box 890  
Snyder, TX 79550

3b. Phone No. (include area code)  
(325) 573-0750

10. Field and Pool or Exploratory Area  
Antelope Ridge 02210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980' FNL & 1960' FEL Sec. 10, T-23-S, R-34-E

11. Country or Parish, State  
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off   |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity   |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back            | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

CML Exploration, LLC is requesting permission to vent casinghead gas for the the above mentioned well due to the small quantities of gas being produced. This well was completed in Jan. 1995 and has produced 238,000 bbl of oil and 62,000 MCF since then and currently produces on average 15 BOPD, 28 BWPD & 4 MFCD and is not producing enough gas to meet our contract's minimum sales volume. As a result CML Exploration is paying a \$350 meter service fee every month equating to a net loss of approximately \$2,000/yr for gas being sold or an estimated 1.5% total profit loss for the lease.

In addition to the profit loss associated with selling gas, CML has recently began trucking produced water off lease for disposal after being informed that the salt water disposal well we were utilizing was shut down for the foreseeable future. This has caused a two fold increase in our disposal costs and since CML Exploration, LLC has no plans for future development on this lease, we are exploring every option to minimize operating expenditures to maximize asset life. It is our belief that continued sales of our gas is no longer economically viable and will, in time, lead to the premature abandonment of this asset. Attached to this form is documentation justifying our position.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Jordan Owens

Title Engineer

Signature

Date

6/28/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Pending BLM - Approval  
Accepted for Record Only  
MJB/OCD 6/30/2016



## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

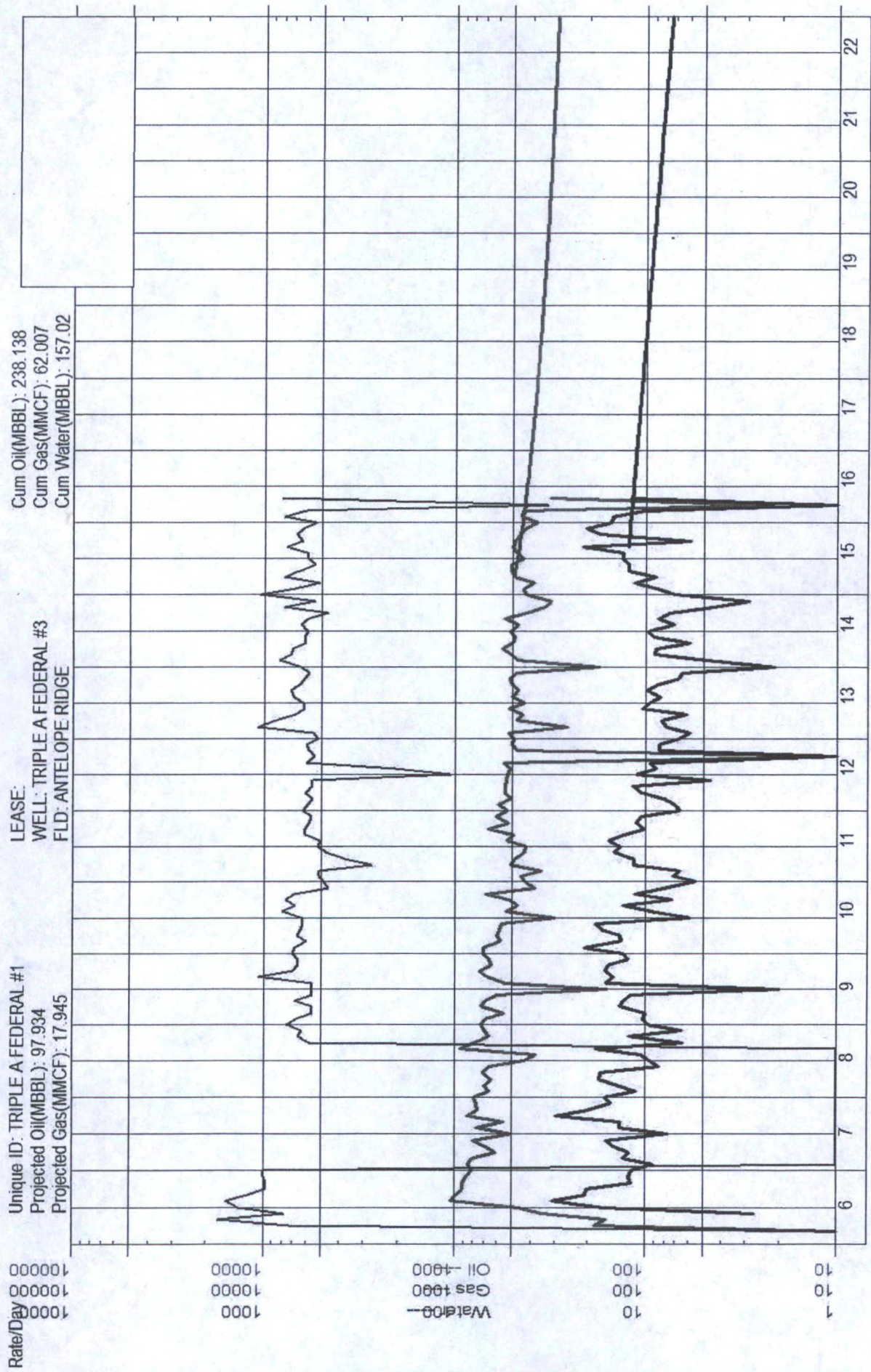
The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240







## TRIPLE "A" FEDERAL # 3

API # 30-025-32508

| Date    | Oil (bbl) | Gas (MCF) | Water (bbl) |
|---------|-----------|-----------|-------------|
| 01/2013 | 522.0     | 59        | 548.0       |
| 02/2013 | 255.0     | 79        | 1072.0      |
| 03/2013 | 476.0     | 83        | 868.0       |
| 04/2013 | 446.0     | 61        | 681.0       |
| 05/2013 | 527.0     | 105       | 610.0       |
| 06/2013 | 433.0     | 96        | 621.0       |
| 07/2013 | 500.0     | 84        | 693.0       |
| 08/2013 | 472.0     | 99        | 727.0       |
| 09/2013 | 500.0     | 87        | 652.0       |
| 10/2013 | 515.0     | 68        | 610.0       |
| 11/2013 | 485.0     | 65        | 584.0       |
| 12/2013 | 175.0     | 21        | 641.0       |
| 01/2014 | 478.0     | 48        | 835.0       |
| 02/2014 | 510.0     | 90        | 720.0       |
| 03/2014 | 573.0     | 89        | 701.0       |
| 04/2014 | 505.0     | 59        | 605.0       |
| 05/2014 | 490.0     | 91        | 614.0       |
| 06/2014 | 516.0     | 98        | 593.0       |
| 07/2014 | 471.0     | 71        | 644.0       |
| 08/2014 | 554.0     | 86        | 589.0       |
| 09/2014 | 421.0     | 75        | 468.0       |
| 10/2014 | 340.0     | 45        | 788.0       |
| 11/2014 | 314.0     | 29        | 544.0       |
| 12/2014 | 435.0     | 71        | 1051.0      |
| 01/2015 | 440.0     | 88        | 691.0       |
| 02/2015 | 388.0     | 116       | 511.0       |
| 03/2015 | 492.0     | 89        | 788.0       |
| 04/2015 | 513.0     | 124       | 660.0       |
| 05/2015 | 509.0     | 124       | 545.0       |
| 06/2015 | 438.0     | 133       | 593.0       |
| 07/2015 | 482.0     | 133       | 598.0       |
| 08/2015 | 500.0     | 215       | 768.0       |
| 09/2015 | 487.0     | 59        | 635.0       |
| 10/2015 | 457.0     | 175       | 678.0       |
| 11/2015 | 433.0     | 205       | 619.0       |
| 12/2015 | 374.0     | 152       | 535.0       |
| 01/2016 | 449.0     | 150       | 790.0       |
| 02/2016 | 446.0     | 104       | 609.0       |
| 03/2016 | 22.0      | 1         | 33.0        |
| 04/2016 | 319.0     | 120       | 805.0       |



Net Revenue Interest  
0.77475

[illegible]



CML Exploration, LLC  
Gross Working Interest P&L by Activity Month  
TRIPLE A FEDERAL  
LEA COUNTY

4400.023

Net Revenue Interest  
0.77475

Volumes

|         | 01/31/14  | 02/28/14  | 03/31/14  | 04/30/14  | 05/31/14  | 06/30/14  | 07/31/14  | 08/31/14  | 09/30/14  | 10/31/14  | 11/30/14  | 12/31/14  | YTD        |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| 3.OIL   | 443       | 423       | 512       | 410       | 275       | 275       | 278       | 404       | 274       | 271       | 277       | 414       | 4,385      |
| 3.GASV  | 38        | 71        | 71        | 46        | 72        | 72        | 77        | 57        | 60        | 36        | 23        | 57        | 676        |
| 3.OIL   |           |           |           |           |           |           |           |           |           |           |           |           |            |
| 3.GASAA | 230       | 405       | 402       | 237       | 459       | 459       | 478       | 432       | 312       | 192       | 94        | 173       | 3,759      |
|         | 39,378.53 | 40,024.59 | 46,761.35 | 37,166.71 | 24,888.28 | 26,392.04 | 37,517.17 | 33,430.97 | 21,360.54 | 19,742.10 | 18,387.74 | 22,143.20 | 367,183.20 |
|         | \$        | \$        | \$        | \$        | \$        | \$        | \$        | \$        | \$        | \$        | \$        | \$        | \$         |

Gross Sales

|                           |           |           |           |           |           |           |           |           |           |           |           |           |            |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Oil & Condensate - Net WI | 39,378.53 | 40,024.59 | 46,761.35 | 37,166.71 | 24,888.28 | 26,392.04 | 37,517.17 | 33,430.97 | 21,360.54 | 19,742.10 | 18,387.74 | 22,143.20 | 367,183.20 |
| GAS - Net WI              | 230       | 405       | 402       | 237       | 459       | 459       | 478       | 432       | 312       | 192       | 94        | 173       | 3,759      |
| Total Sales - Net WI      | 39,608    | 40,430    | 47,163    | 37,403    | 25,347    | 26,870    | 37,995    | 33,863    | 21,673    | 19,934    | 18,482    | 22,316    | 370,951    |

Average Price

|                            |       |       |       |       |       |       |       |       |       |       |       |       |       |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Oil & Condensate (per Bbl) | 88.91 | 94.73 | 91.31 | 90.68 | 90.46 | 94.97 | 92.83 | 82.72 | 77.89 | 72.80 | 66.28 | 53.46 | 83.73 |
| GAS (per MCF)              | 6.05  | 5.69  | 5.70  | 5.09  | 6.37  | 6.17  | 6.10  | 6.33  | 5.24  | 5.38  | 4.05  | 3.06  | 5.56  |

Gross Operating Costs

|                                 |       |       |       |       |       |       |       |       |       |        |       |        |        |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|
| POH - PRODUCING OVERHEAD        | 996   | 996   | 996   | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020  | 1,020 | 1,020  | 12,171 |
| LOE - COMPANY PUMP              | -     | -     | 374   | 374   | 374   | 374   | 374   | 748   | -     | 374    | 374   | 374    | 4,486  |
| LOE - CONTRACT PUMPING          | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - COMPRESSION FEES          | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - COMPRESSOR RENTAL         | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - UTILITIES                 | 426   | 442   | 502   | 481   | 509   | 509   | 495   | 480   | 461   | 518    | 503   | 446    | 5,892  |
| LOE - COMPANY LABOR             | 50    | 50    | 550   | 50    | 50    | 50    | 50    | 50    | 50    | 50     | 50    | 50     | 7,100  |
| LOE - CHEMICALS                 | 1,152 | 67    | 67    | 67    | 1,154 | 67    | 67    | 1,154 | 67    | 67     | 67    | 67     | 4,059  |
| LOE - FIELDMAN EXPENSES         | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 52     |
| LOE - CONTRACT SERVICES         | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 138    |
| LOE - DAMAGES                   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 529    |
| LOE - DIRTWORK                  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - DISTRICT EXPENSE          | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - ENVIRONMENTAL COMPLIANCE  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - EQUIPMENT RENTAL          | 13    | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 13     |
| LOE - EQUIPMENT REPAIRS         | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - FRESH WATER INJECTION     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - FUEL OIL AND PROPANE      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - GATHERING & MKTG FEES     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - HOT OIL TREATMENT         | 678   | -     | 531   | 481   | 476   | -     | 1,596 | -     | 481   | 2,199  | 2,188 | 1,367  | 9,997  |
| LOE - INSURANCE & BONDS         | 117   | -     | (18)  | 46    | -     | -     | -     | -     | -     | -      | 611   | -      | 756    |
| LOE - LANDMAN - CONTRACT        | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - LANDMAN - COMPANY         | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - LEGAL FEES                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - LOCATION & ROADS          | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - MAT & SUPPLIES - SURFACE  | -     | -     | -     | -     | -     | -     | 256   | -     | -     | -      | -     | -      | 256    |
| LOE - MAT & SUPPLIES - SUBSURFA | 1,628 | -     | 536   | -     | 304   | -     | 304   | 179   | -     | 707    | 505   | 48     | 3,808  |
| LOE - MINIMUM ROYALTY           | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 519    |
| LOE - MISCELLANEOUS             | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - PERMITS                   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - PIT CLEANUP               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - PUMP TRUCK                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - PROPERTY TAXES            | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - PULLING UNIT              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - RECORDING FEES            | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - REPAIRS & MAINT-SURFA     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - REPAIRS & MAINT-SURFA     | 450   | -     | -     | 450   | -     | -     | 718   | -     | 304   | 2,543  | 356   | 613    | 3,155  |
| LOE - RIGHT OF WAY              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 2,079  |
| LOE - ROUSTABOUT SERVICES       | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - SALT WATER DISPOSAL       | 142   | 1,560 | 2,182 | -     | 650   | -     | 710   | 642   | 492   | 965    | 568   | -      | 4,016  |
| LOE - SAND CONTROL              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | 7,910  |
| LOE - SUBMERSIBLE PUMP REPAIRS  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - SWAB UNIT                 | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - TANK CLEANING             | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - TRUCKING & HAULING        | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - VACUUM TRUCK              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - VEHICLE EXPENSES          | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - WEED CONTROL              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - WELDER                    | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - WIRELINE SERVICES         | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - MRU FACILITY              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| LOE - NON-OPERATED WELLS        | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     | -      | -      |
| Total LOE Expense               | 3,140 | 4,296 | 9,233 | 4,596 | 3,697 | 3,388 | 4,873 | 4,274 | 2,874 | 31,742 | 7,978 | 16,211 | 98,303 |

REVENUE PRODUCTION TAXES

|                       |       |       |        |       |       |       |       |       |       |        |        |        |         |
|-----------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|--------|--------|--------|---------|
| 3.TAXAA               | 3,406 | 3,478 | 4,057  | 3,217 | 2,182 | 2,313 | 3,257 | 2,914 | 1,851 | 1,702  | 1,577  | 1,905  | 31,860  |
| 3.500.040             | 350   | 350   | 350    | 350   | 350   | 350   | 350   | 350   | 350   | 350    | 350    | 350    | 4,200   |
| 3.410.110             | 568   | -     | -      | -     | -     | -     | 122   | -     | 272   | -      | 686    | 150    | 1,779   |
| 3.840                 | -     | -     | -      | -     | -     | -     | -     | -     | -     | -      | -      | -      | -       |
| Total Operating Costs | 6,896 | 8,692 | 13,640 | 8,163 | 6,230 | 6,051 | 8,602 | 7,538 | 5,347 | 33,794 | 10,573 | 18,616 | 134,143 |

Income From Operations - Net WI

|  |    |        |    |        |    |        |    |        |    |        |    |        |    |        |    |       |    |       |    |         |
|--|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|-------|----|-------|----|---------|
|  | \$ | 32,712 | \$ | 31,738 | \$ | 33,523 | \$ | 29,240 | \$ | 19,118 | \$ | 29,260 | \$ | 16,326 | \$ | 7,909 | \$ | 3,700 | \$ | 236,808 |
|--|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|-------|----|-------|----|---------|

TOTAL LOE EXPENSE - PRODUCING OH

|                   |         |         |         |         |         |         |         |         |         |          |          |          |  |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|--|
|                   | 2,144   | 3,301   | 8,238   | 3,576   | 2,677   | 2,367   | 3,853   | 3,354   | 1,854   | 30,722   | 6,958    | 15,150   |  |
| BOE (10:1)        | 82      | 114     | 122     | 87      | 100     | 105     | 97      | 109     | 87      | 63       | 51       | 98       |  |
| LOE EXPENSE / BOE | \$26.07 | \$29.07 | \$67.68 | \$40.88 | \$26.89 | \$22.49 | \$39.75 | \$29.96 | \$21.29 | \$489.53 | \$136.46 | \$155.04 |  |



Net Revenue Interest  
0.77475CML Exploration, LLC  
Gross Working Interest P&L by Activity Month  
TRIPLE A FEDERAL  
LEA COUNTY

| Volumes                                    | 01/31/13                        | 02/28/13                       | 03/31/13                     | 04/30/13                    | 05/31/13                   | 06/30/13                   | 07/31/13                   | 08/31/13                   | 09/30/13                   | 10/31/13                   | 11/30/13                   | 12/31/13                    | YTD<br>12 months                     |
|--|---------------------------------|--------------------------------|------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------------------------------|
| 3.OIL<br>3.GASV<br>GAS - NET WI (MCF)      | 407<br>46<br>194                | 134<br>63<br>307               | 308<br>66<br>313             | 548<br>49<br>261            | 129<br>84<br>392           | 537<br>76<br>347           | 410<br>67<br>360           | 425<br>79<br>414           | 276<br>69<br>386           | 292<br>54<br>307           | 413<br>52<br>267           | 138<br>17<br>81             | 4,018<br>721<br>3,630                |
| Gross Sales                                | \$ 32,537.78                    | \$ 10,923.25                   | \$ 27,083.53                 | \$ 48,280.44                | \$ 11,789.16               | \$ 49,578.89               | \$ 41,418.97               | \$ 43,625.74               | \$ 28,221.82               | \$ 28,273.88               | \$ 36,237.69               | \$ 12,459.74                | \$ 370,440.60                        |
| 3.OIL<br>3.GASLA<br>GAS - NET WI           | 194<br>307                      | 134<br>63<br>307               | 308<br>66<br>313             | 548<br>49<br>261            | 129<br>84<br>392           | 537<br>76<br>347           | 410<br>67<br>360           | 425<br>79<br>414           | 276<br>69<br>386           | 292<br>54<br>307           | 413<br>52<br>267           | 138<br>17<br>81             | 4,018<br>721<br>3,630                |
| Total Sales - Net WI                       | 32,732                          | 11,230                         | 27,407                       | 48,541                      | 12,181                     | 49,926                     | 41,779                     | 44,040                     | 28,608                     | 28,581                     | 36,505                     | 12,541                      | 374,070                              |
| Average Price                              | \$ 79.85                        | \$ 81.43                       | \$ 87.93                     | \$ 88.16                    | \$ 91.10                   | \$ 92.40                   | \$ 101.00                  | \$ 102.62                  | \$ 102.43                  | \$ 96.71                   | \$ 87.71                   | \$ 90.44                    | \$ 92.20                             |
| OIL & CONDENSATE (per Bbl)                 | \$ 4.17                         | \$ 4.89                        | \$ 4.76                      | \$ 5.34                     | \$ 4.69                    | \$ 4.57                    | \$ 5.40                    | \$ 5.24                    | \$ 5.60                    | \$ 5.67                    | \$ 5.14                    | \$ 4.78                     | \$ 5.03                              |
| GAS (per MCF)                              |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| Gross Operating Costs                      |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| POH - PRODUCING OVERHEAD                   | 927                             | 927                            | 927                          | 996                         | 996                        | 996                        | 996                        | 996                        | 996                        | 996                        | 996                        | 996                         | 11,741                               |
| LOE - COMPANY PUMPER                       | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - CONTRACT PUMPING                     | 374                             | 374                            | 374                          | 374                         | 374                        | 374                        | 374                        | 374                        | 374                        | 374                        | 374                        | 374                         | 3,738                                |
| LOE - COMPRESSION FEES                     | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - COMPRESSOR RENTAL                    | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - UTILITIES                            | 388                             | 391                            | 471                          | 380                         | 375                        | 457                        | 431                        | 436                        | 540                        | 362                        | 377                        | 364                         | 4,970                                |
| LOE - COMPANY LABOR                        | 50                              | 1,550                          | 50                           | 50                          | 50                         | 50                         | 50                         | 50                         | 50                         | 50                         | 50                         | 50                          | 4,100                                |
| LOE - CHEMICALS                            | -                               | 65                             | 1,152                        | 65                          | 65                         | 1,152                      | 65                         | 65                         | 1,152                      | 65                         | 65                         | 65                          | 3,977                                |
| LOE - FIELDMAN EXPENSES                    | 1,016                           | 573                            | 425                          | 256                         | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 2,049                                |
| LOE - CONTRACT SERVICES                    | 507                             | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 782                                  |
| LOE - DAMAGES                              | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - DIRTWORK                             | 577                             | 1,015                          | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 1,592                                |
| LOE - DISTRICT EXPENSE                     | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - ENVIRONMENTAL COMPLIANCE             | -                               | -                              | 13                           | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 216                                  |
| LOE - EQUIPMENT RENTAL                     | -                               | -                              | 1,388                        | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 1,388                                |
| LOE - EQUIPMENT REPAIRS                    | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - FRESH WATER INJECTION                | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - FUEL OIL AND PROPANE                 | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - GATHERING & MKTG FEES                | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - HOT OIL TREATMENT                    | 1,267                           | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - INSURANCE & BONDS                    | 128                             | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - LANDMAN - CONTRACT                   | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - LANDMAN - COMPANY                    | -                               | -                              | 500                          | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 3,231                                |
| LOE - LEGAL FEES                           | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 1,035                                |
| LOE - LOCATION & ROADS                     | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 500                                  |
| LOE - MAT & SUPPLIES - SURFACE             | 2,031                           | 2,081                          | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 4,112                                |
| LOE - MAT & SUPPLIES - SUBSURFA            | 1,409                           | 8,608                          | 242                          | 454                         | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 10,713                               |
| LOE - MINIMUM ROYALTY                      | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | 387                                  |
| LOE - MISCELLANEOUS                        | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - PERMITS                              | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - PIT CLEANUP                          | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - PUMP TRUCK                           | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - PROPERTY TAXES                       | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - PULLING UNIT                         | 3,545                           | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - RECORDING FEES                       | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - REPAIRS & MAINT-SURFA                | -                               | 3,497                          | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - REPAIRS & MAINT-SURFACE              | 3,983                           | -                              | -                            | -                           | 116                        | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - RIGHT OF WAY                         | -                               | 290                            | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - ROUSTABOUT SERVICES                  | 10,183                          | 7,980                          | 5,543                        | 1,613                       | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - SALT WATER DISPOSAL                  | -                               | 623                            | 1,185                        | 830                         | 734                        | -                          | 674                        | 736                        | 757                        | 658                        | 666                        | 631                         | 25,624                               |
| LOE - SAND CONTROL                         | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - SUBMERSIBLE PUMP REPAIRS             | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - SWAB UNIT                            | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - TANK CLEANING                        | -                               | 2,616                          | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - TRUCKING & HALLING                   | 2,028                           | 2,771                          | 858                          | 1,213                       | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - VACUUM TRUCK                         | 914                             | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - VEHICLE EXPENSES                     | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - WEED CONTROL                         | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - WELDER                               | 616                             | -                              | -                            | 668                         | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - WIRELINE SERVICES                    | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - MRU FACILITY                         | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| LOE - NON-OPERATED WELLS                   | -                               | -                              | -                            | -                           | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                           | -                                    |
| Total LOE Expense                          | 30,157                          | 33,363                         | 13,126                       | 7,529                       | 2,708                      | 3,695                      | 2,580                      | 3,798                      | 3,987                      | 4,251                      | 3,042                      | 13,842                      | 121,986                              |
| 3.TAXAA<br>3.500.040<br>3.410.110<br>3.340 | 2,708<br>350<br>5,140<br>38,443 | 981<br>350<br>25,676<br>60,350 | 2,342<br>350<br>91<br>15,910 | 4,146<br>350<br>-<br>12,026 | 1,043<br>350<br>-<br>4,101 | 4,265<br>350<br>-<br>8,310 | 3,570<br>350<br>-<br>6,509 | 3,763<br>350<br>-<br>7,911 | 2,462<br>350<br>-<br>6,099 | 2,459<br>350<br>-<br>7,000 | 3,140<br>350<br>-<br>6,532 | 1,079<br>350<br>-<br>15,383 | 32,028<br>4,200<br>30,817<br>189,235 |
| Revenue Production Taxes                   |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| Compression - Billed Through Rev           |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| Revenue Other Marketing Charges            |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| Workover Costs                             |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| Total Operating Costs                      | (5,711)                         | (49,120)                       | 11,497                       | 36,516                      | 8,080                      | 41,616                     | 35,269                     | 36,129                     | 21,909                     | 21,521                     | 29,073                     | (2,842)                     | 184,636                              |
| Income From Operations - Net WI            | 29,220                          | 32,456                         | 12,199                       | 6,534                       | 1,713                      | 2,699                      | 1,594                      | 2,802                      | 2,891                      | 3,255                      | 2,046                      | 12,846                      |                                      |
| TOTAL LOE EXPENSE - PRODUCING OH           | 87                              | 76                             | 97                           | 104                         | 97                         | 130                        | 108                        | 122                        | 97                         | 83                         | 93                         | 31                          |                                      |
| BOE (10:1)                                 |                                 |                                |                              |                             |                            |                            |                            |                            |                            |                            |                            |                             |                                      |
| LOE EXPENSE / BOE                          | \$335.08                        | \$425.84                       | \$126.15                     | \$63.08                     | \$17.73                    | \$20.83                    | \$14.81                    | \$23.06                    | \$29.96                    | \$39.00                    | \$21.95                    | \$416.79                    |                                      |