

NMOCD Hobbs

Form 3160-5
(June 2015)

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.

5. Lease Serial No. **NMNM15035**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **CML Exploration, LLC**

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

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

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

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

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

9. API Well No. **30-025-32508**

10. Field and Pool or Exploratory Area
Antelope Ridge 02210

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

FEB 2 2018

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.

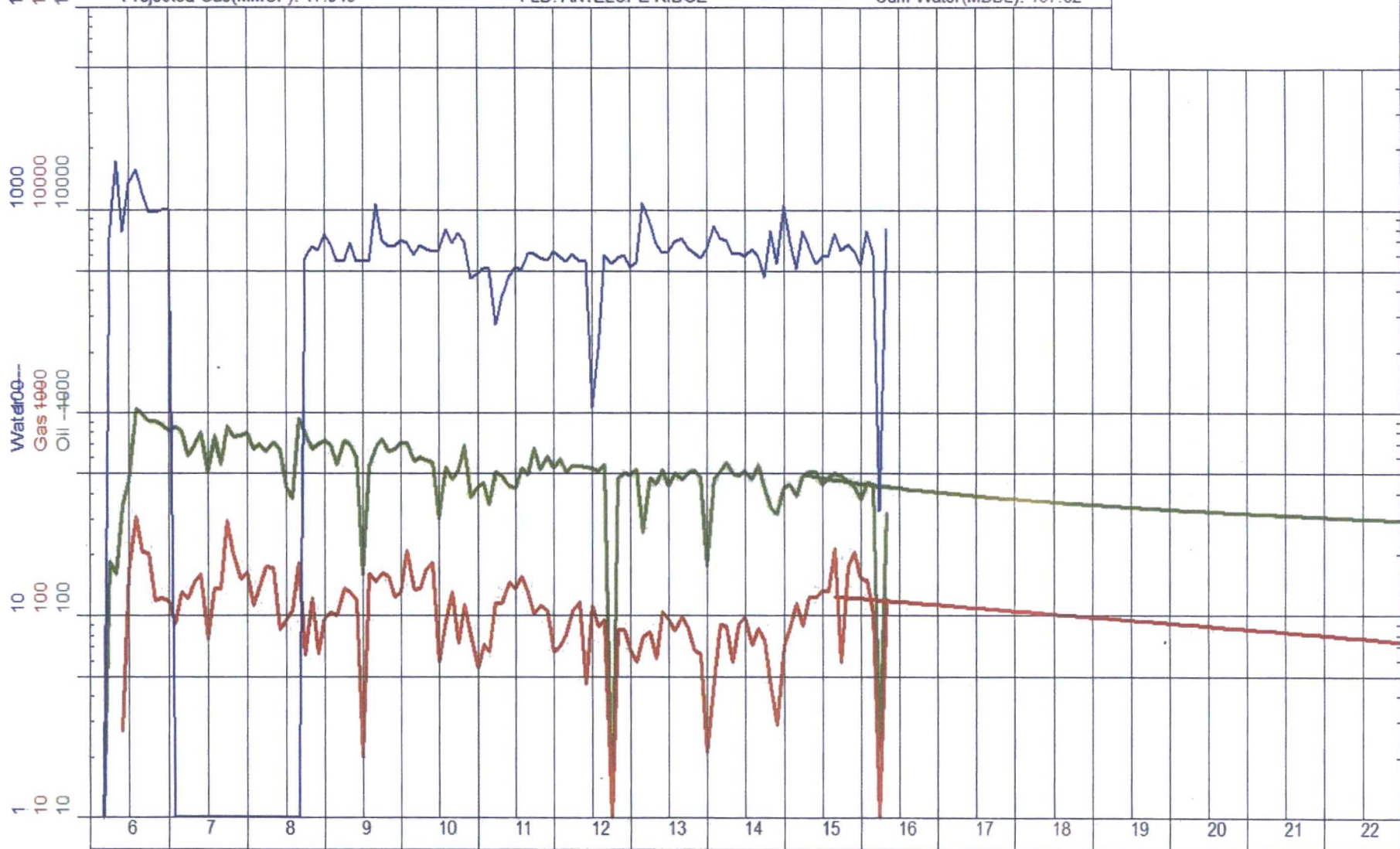
(Instructions on page 2)

Rate/Day
100000
100000
100000

Unique ID: TRIPLE A FEDERAL #1
Projected Oil(MBBL): 97.934
Projected Gas(MMCF): 17.945

LEASE:
WELL: TRIPLE A FEDERAL #3
FLD: ANTELOPE RIDGE

Cum Oil(MBBL): 238.138
Cum Gas(MMCF): 62.007
Cum Water(MBBL): 157.02



Oil - HYP 2.8 - 13.88%

Gas - EXP 0.0 - 6.74%

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

4400.023

Net Revenue Interest
0.77475CML Exploration, LLC
Gross Working Interest P&L by Activity Month
TRIPLE A FEDERAL
LEA COUNTYFee = 4200
Sales = 2035
 $\Delta = -2165$

		01/31/15	02/28/15	03/31/15	04/30/15	05/31/15	06/30/15	07/31/15	08/31/15	09/30/15	10/31/15	11/30/15	12/31/15	YTD
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	12 months
Volumes														
3.OIL	OIL - NET WI (Bbls)	135	276	661	266	390	389	258	518	258	393	405	272	4,221
3.GASV	GAS - NET WI (MCF)	70	92	71	98	98	105	105	171	47	139	163	121	1,281
Gross Sales														
3.OIL	OIL & CONDENSATE - NET WI	\$ 5,801.33	\$ 11,953.39	\$ 27,527.01	\$ 12,757.23	\$ 20,643.12	\$ 21,010.39	\$ 11,978.16	\$ 20,307.36	\$ 10,976.40	\$ 16,965.89	\$ 15,462.27	\$ 8,829.61	\$ 184,012.17
3.GASAA	GAS - NET WI	164	232	161	220	200	218	194	271	51	121	119	83	2,035
Total Sales - Net WI		5,765	12,185	27,688	12,978	20,844	21,229	12,172	20,578	11,027	17,087	15,581	8,913	186,047
Average Price														
	OIL & CONDENSATE (per Bbl)	\$ 41.42	\$ 43.38	\$ 41.67	\$ 47.88	\$ 52.91	\$ 54.01	\$ 46.45	\$ 39.21	\$ 42.54	\$ 43.16	\$ 38.19	\$ 32.42	\$ 43.59
	GAS (per MCF)	\$ 2.35	\$ 2.51	\$ 2.28	\$ 2.24	\$ 2.04	\$ 2.07	\$ 1.84	\$ 1.58	\$ 1.08	\$ 0.87	\$ 0.73	\$ 0.69	\$ 1.59
Gross Operating Costs														
3.800.010	POH - PRODUCING OVERHEAD	1,020	1,020	1,020	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	12,640
3.800.020	LOE - COMPANY PUMPER	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.030	LOE - CONTRACT PUMPING	-	-	374	374	374	374	374	374	374	374	374	374	3,738
3.800.040	LOE - COMPRESSION FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.050	LOE - COMPRESSOR RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.060	LOE - UTILITIES	472	465	437	369	384	397	319	420	438	464	497	486	5,148
3.800.070	LOE - COMPANY LABOR	50	50	50	50	50	50	50	50	50	50	50	50	600
3.800.080	LOE - CHEMICALS	65	65	65	1,156	65	65	65	65	65	65	1,156	65	2,964
3.800.090	LOE - FIELDMAN EXPENSES	-	-	-	24	-	-	-	-	-	-	-	-	24
3.800.100	LOE - CONTRACT SERVICES	-	-	-	-	-	-	-	100	-	-	-	-	100
3.800.110	LOE - DAMAGES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.120	LOE - DIRTWORK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.125	LOE - DISTRICT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.130	LOE - ENVIRONMENTAL COMPLIANCE	-	-	-	261	-	-	-	-	-	-	-	-	261
3.800.140	LOE - EQUIPMENT RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.150	LOE - EQUIPMENT REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.160	LOE - FRESH WATER INJECTION	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.170	LOE - FUEL, OIL, AND PROPANE	-	-	-	-	-	-	-	1,474	29	2	7	-	1,512
3.800.180	LOE - GATHERING & MKTG FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.190	LOE - HOT OIL TREATMENT	457	-	1,638	459	-	508	353	459	-	532	432	-	4,838
3.800.200	LOE - INSURANCE & BONDS	-	107	-	-	-	-	-	71	1	-	-	642	822
3.800.210	LOE - LANDMAN - CONTRACT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.215	LOE - LANDMAN - COMPANY	-	-	-	500	-	-	-	-	-	-	-	-	500
3.800.220	LOE - LEGAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.230	LOE - LOCATION & ROADS	-	-	-	-	-	182	-	-	-	-	-	-	182
3.800.240	LOE - MAT & SUPPLIES - SURFACE	-	-	-	-	-	-	-	-	6	-	-	-	6
3.800.250	LOE - MAT & SUPPLIES - SUBSURFA	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.260	LOE - MINIMUM ROYALTY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.270	LOE - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.280	LOE - PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.290	LOE - PIT CLEANUP	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.300	LOE - PUMP TRUCK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.310	LOE - PROPERTY TAXES	-	-	-	-	-	-	-	-	-	1,161	-	-	1,161
3.800.320	LOE - PULLING UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.330	LOE - RECORDING FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.340	LOE - REPAIRS & MAINT-SUBSURFA	-	-	-	-	-	192	-	-	-	-	-	-	192
3.800.345	LOE - REPAIRS & MAINT-SURFACE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.350	LOE - RIGHT OF WAY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.360	LOE - ROUSTABOUT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.370	LOE - SALT WATER DISPOSAL	737	574	826	734	594	653	652	845	696	722	679	589	8,301
3.800.380	LOE - SAND CONTROL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.390	LOE - SUBMERSIBLE PUMP REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.400	LOE - SWAB UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.410	LOE - TANK CLEANING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.420	LOE - TRUCKING & HAULING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.430	LOE - VACUUM TRUCK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.440	LOE - VEHICLE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.450	LOE - WEED CONTROL	-	-	-	-	-	195	-	-	-	-	-	-	195
3.800.460	LOE - WELDER	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.470	LOE - WIRELINE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.888	LOE - MRU FACILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.999	LOE - NON-OPERATED WELLS	-	-	-	-	-	-	-	-	-	-	-	-	-
Total LOE Expense		2,801	2,281	4,410	4,968	2,555	3,681	2,878	4,923	2,725	4,434	4,250	3,270	43,165
3.TAXAA	REVENUE PRODUCTION TAXES	493	1,041	2,363	1,102	1,769	1,802	1,034	1,747	931	1,443	1,316	753	15,793
3.500.040	COMPRESSION - BILLED THROUGH REV	350	350	350	350	350	350	350	350	350	350	350	350	4,200
3.410.110	REVENUE OTHER MARKETING CHARGES	150	131	150	-	277	150	150	-	-	300	-	-	1,309
3.840	WORKOVER COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Costs		3,794	3,804	7,273	6,420	4,951	5,983	4,411	7,020	4,006	6,526	5,924	4,372	64,486
Income From Operations - Net WI		\$ 1,971	\$ 8,381	\$ 20,415	\$ 6,557	\$ 15,892	\$ 15,246	\$ 7,761	\$ 13,558	\$ 7,022	\$ 10,561	\$ 9,657	\$ 4,540	\$ 121,560
TOTAL LOE EXPENSE - PRODUCING OH		1,781	1,261	3,390	3,904	1,491	2,616	1,813	3,858	1,661	3,369	3,194	2,205	
BOE (10:1)		83	120	137	125	137	144	131	223	73	178	203	148	
LOE EXPENSE / BOE		\$21.39	\$10.53	\$24.82	\$31.22	\$10.85	\$18.14	\$13.83	\$17.30	\$22.73	\$18.93	\$15.72	\$14.89	

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

4400.023

Net Revenue Interest
0.77475

		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
		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	12 months
Volumes														
3.OIL	OIL - NET WI (Bbls)	443	423	512	410	275	278	404	404	274	271	277	414	4,385
3.GASV	GAS - NET WI (MCF)	38	71	71	46	72	77	57	68	60	36	23	57	676
Gross Sales														
3.OIL	OIL & CONDENSATE - NET WI	\$ 39,378.53	\$ 40,024.59	\$ 46,761.35	\$ 37,166.71	\$ 24,888.26	\$ 26,392.04	\$ 37,517.17	\$ 33,430.97	\$ 21,360.54	\$ 19,742.10	\$ 18,387.74	\$ 22,143.20	\$ 367,193.20
3.GASAA	GAS - NET WI	230	405	402	237	459	478	345	432	312	192	94	173	3,758
Total Sales - Net WI		39,608	40,430	47,163	37,403	25,347	26,870	37,862	33,863	21,673	19,934	18,482	22,316	370,951
Average Price														
3.OIL	OIL & CONDENSATE (per Bbl)	\$ 88.91	\$ 94.73	\$ 91.31	\$ 90.68	\$ 90.46	\$ 94.97	\$ 92.93	\$ 82.72	\$ 77.89	\$ 72.80	\$ 66.28	\$ 53.46	\$ 83.73
3.GASAA	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														
3.800.010	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
3.800.020	LOE - COMPANY PUMPER	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.030	LOE - CONTRACT PUMPING	374	374	374	374	374	374	374	748	-	374	374	374	4,486
3.800.040	LOE - COMPRESSION FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.050	LOE - COMPRESSOR RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.060	LOE - UTILITIES	426	442	502	481	428	509	495	480	461	518	503	446	5,692
3.800.070	LOE - COMPANY LABOR	50	50	550	50	50	50	50	50	50	4,050	50	2,050	7,100
3.800.080	LOE - CHEMICALS	1,152	67	67	67	1,154	67	67	1,154	67	67	67	67	4,059
3.800.090	LOE - FIELDMAN EXPENSES	-	-	67	-	-	-	-	-	-	52	-	19	138
3.800.100	LOE - CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	2,066	529	-	2,595
3.800.110	LOE - DAMAGES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.120	LOE - DIRTWORK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.125	LOE - DISTRICT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.130	LOE - ENVIRONMENTAL COMPLIANCE	-	13	-	-	-	-	-	-	-	-	-	-	13
3.800.140	LOE - EQUIPMENT RENTAL	-	-	-	-	-	-	-	-	-	537	-	-	537
3.800.150	LOE - EQUIPMENT REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.160	LOE - FRESH WATER INJECTION	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.170	LOE - FUEL, OIL, AND PROPANE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.180	LOE - GATHERING & MKTG FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.190	LOE - HOT OIL TREATMENT	-	678	531	481	476	-	1,596	-	481	2,199	2,188	1,367	9,997
3.800.200	LOE - INSURANCE & BONDS	-	117	(18)	46	-	-	-	-	-	611	-	-	756
3.800.210	LOE - LANDMAN - CONTRACT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.215	LOE - LANDMAN - COMPANY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.220	LOE - LEGAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.230	LOE - LOCATION & ROADS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.240	LOE - MAT & SUPPLIES - SURFACE	-	-	-	-	-	-	256	-	-	-	-	-	256
3.800.250	LOE - MAT & SUPPLIES - SUBSURFA	-	-	536	1,628	-	-	304	179	-	707	505	48	3,908
3.800.260	LOE - MINIMUM ROYALTY	-	-	-	-	-	-	-	-	-	-	-	519	519
3.800.270	LOE - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.280	LOE - PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.290	LOE - PIT CLEANUP	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.300	LOE - PUMP TRUCK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.310	LOE - PROPERTY TAXES	-	-	-	-	-	-	-	-	-	-	-	510	510
3.800.320	LOE - PULLING UNIT	-	-	-	-	-	-	-	-	-	-	1,207	-	1,207
3.800.330	LOE - RECORDING FEES	-	-	-	-	-	-	-	-	-	14,122	-	9,179	23,301
3.800.340	LOE - REPAIRS & MAINT-SUBSURFA	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.345	LOE - REPAIRS & MAINT-SURFACE	-	-	-	450	-	718	-	-	304	2,543	356	613	3,155
3.800.350	LOE - RIGHT OF WAY	-	-	-	-	-	-	-	-	-	251	-	-	2,079
3.800.360	LOE - ROUSTABOUT SERVICES	-	-	3,446	-	-	-	-	-	-	570	-	-	4,016
3.800.370	LOE - SALT WATER DISPOSAL	142	1,560	2,182	-	-	650	710	642	492	965	568	-	7,910
3.800.380	LOE - SAND CONTROL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.390	LOE - SUBMERSIBLE PUMP REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.400	LOE - SWAB UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.410	LOE - TANK CLEANING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.420	LOE - TRUCKING & HAULING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.430	LOE - VACUUM TRUCK	-	-	-	-	-	-	-	-	-	1,703	-	-	1,703
3.800.440	LOE - VEHICLE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.450	LOE - WEED CONTROL	-	-	-	-	195	-	-	-	-	-	-	-	195
3.800.460	LOE - WELDER	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.470	LOE - WIRELINE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.888	LOE - MRU FACILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.999	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	96,303
3.TAXAA	REVENUE PRODUCTION TAXES	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	COMPRESSION - BILLED THROUGH REV	350	350	350	350	350	350	350	350	350	350	350	350	4,200
3.410.110	REVENUE OTHER MARKETING CHARGES	-	568	-	-	-	-	122	-	272	-	668	150	1,779
3.840	WORKOVER COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
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	\$ 20,818	\$ 29,260	\$ 26,325	\$ 16,326	\$ (13,860)	\$ 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	3,254	1,854	30,722	6,958	15,190	
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	

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

4400.023

Net Revenue Interest
0.77475

	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 12 months
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	
Volumes													
3.OIL OIL - NET WI (Bbls)	407	134	308	548	129	537	410	425	276	292	413	138	4,018
3.GASV GAS - NET WI (MCF)	46	63	66	49	84	76	67	79	69	54	52	17	721
Gross Sales													
3.OIL OIL & CONDENSATE - NET WI	\$ 32,537.78	\$ 10,923.25	\$ 27,093.53	\$ 48,280.44	\$ 11,789.16	\$ 49,578.69	\$ 41,418.97	\$ 43,625.74	\$ 28,221.62	\$ 28,273.98	\$ 36,237.69	\$ 12,459.74	\$ 370,440.60
3.GASAA GAS - NET WI	194	307	313	261	392	347	360	414	386	307	267	81	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													
OIL & CONDENSATE (per Bbl)	\$ 79.85	\$ 81.43	\$ 87.83	\$ 88.16	\$ 91.10	\$ 92.40	\$ 101.00	\$ 102.62	\$ 102.43	\$ 98.71	\$ 87.71	\$ 90.44	\$ 92.20
GAS (per MCF)	\$ 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
Gross Operating Costs													
3.800.010 POH - PRODUCING OVERHEAD	927	927	927	996	996	996	996	996	996	996	996	996	11,741
3.800.020 LOE - COMPANY PUMPER	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.030 LOE - CONTRACT PUMPING	374	374	374	374	374	374	374	374	374	374	-	-	3,738
3.800.040 LOE - COMPRESSION FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.050 LOE - COMPRESSOR RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.060 LOE - UTILITIES	388	391	471	380	375	457	431	436	540	362	377	364	4,970
3.800.070 LOE - COMPANY LABOR	50	1,550	50	50	50	50	50	50	50	50	50	2,050	4,100
3.800.080 LOE - CHEMICALS	-	65	1,152	65	65	1,152	65	65	1,152	65	65	65	3,977
3.800.090 LOE - FIELDMAN EXPENSES	1,016	573	425	-	-	-	-	-	-	-	-	35	2,049
3.800.100 LOE - CONTRACT SERVICES	507	-	-	256	-	-	-	-	19	-	-	-	782
3.800.110 LOE - DAMAGES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.120 LOE - DIRTWORK	577	1,015	-	-	-	-	-	-	-	-	-	-	1,592
3.800.125 LOE - DISTRICT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.130 LOE - ENVIRONMENTAL COMPLIANCE	-	-	13	-	-	-	-	-	-	203	-	-	216
3.800.140 LOE - EQUIPMENT RENTAL	-	-	1,388	-	-	-	-	-	-	-	-	-	1,388
3.800.150 LOE - EQUIPMENT REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.160 LOE - FRESH WATER INJECTION	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.170 LOE - FUEL, OIL, AND PROPANE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.180 LOE - GATHERING & MKTG FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.190 LOE - HOT OIL TREATMENT	1,267	-	-	-	-	-	-	385	-	-	-	1,579	3,231
3.800.200 LOE - INSURANCE & BONDS	128	-	-	-	-	-	-	-	-	18	889	-	1,035
3.800.210 LOE - LANDMAN - CONTRACT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.215 LOE - LANDMAN - COMPANY	-	-	500	-	-	-	-	-	-	-	-	-	500
3.800.220 LOE - LEGAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.230 LOE - LOCATION & ROADS	2,031	2,081	-	-	-	-	-	-	-	-	-	-	4,112
3.800.240 LOE - MAT & SUPPLIES - SURFACE	1,409	8,608	242	454	-	-	-	-	-	-	-	-	10,713
3.800.250 LOE - MAT & SUPPLIES - SUBSURFA	-	-	-	-	-	-	-	-	-	-	-	387	387
3.800.260 LOE - MINIMUM ROYALTY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.270 LOE - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.280 LOE - PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.290 LOE - PIT CLEANUP	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.300 LOE - PUMP TRUCK	-	-	-	532	-	-	-	-	-	-	-	-	532
3.800.310 LOE - PROPERTY TAXES	-	-	-	-	-	-	-	-	-	1,525	-	-	1,525
3.800.320 LOE - PULLING UNIT	3,545	-	-	-	-	-	-	-	-	-	-	5,739	9,284
3.800.330 LOE - RECORDING FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.340 LOE - REPAIRS & MAINT-SUBSURFA	-	3,497	-	-	-	-	-	-	-	-	-	-	-
3.800.345 LOE - REPAIRS & MAINT-SURFACE	3,983	290	-	-	116	333	-	256	-	-	-	1,995	5,492
3.800.350 LOE - RIGHT OF WAY	-	-	-	-	-	-	-	-	-	-	-	-	4,978
3.800.360 LOE - ROUSTABOUT SERVICES	10,183	7,980	5,543	1,613	-	-	-	-	-	-	-	-	25,624
3.800.370 LOE - SALT WATER DISPOSAL	-	623	1,185	930	734	-	674	736	757	658	666	631	7,592
3.800.380 LOE - SAND CONTROL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.390 LOE - SUBMERSIBLE PUMP REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.400 LOE - SWAB UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.410 LOE - TANK CLEANING	214	2,616	-	1,213	-	-	-	-	-	-	-	-	4,043
3.800.420 LOE - TRUCKING & HAULING	2,028	2,771	858	-	-	-	-	-	-	-	-	-	5,657
3.800.430 LOE - VACUUM TRUCK	914	-	-	-	-	333	-	-	-	-	-	-	1,248
3.800.440 LOE - VEHICLE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.450 LOE - WEED CONTROL	-	-	-	-	-	-	-	195	-	-	-	-	195
3.800.460 LOE - WELDER	616	-	-	668	-	-	-	-	-	-	-	-	1,284
3.800.470 LOE - WIRELINE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.888 LOE - MRU FACILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.999 LOE - NON-OPERATED WELLS	-	-	-	-	-	-	-	-	-	-	-	-	-
Total LOE Expense	30,157	33,363	13,126	7,529	2,708	3,695	2,589	3,798	3,887	4,251	3,042	13,842	121,986
3.TAXAA REVENUE PRODUCTION TAXES	2,796	961	2,342	4,146	1,043	4,265	3,570	3,763	2,462	2,459	3,140	1,079	32,028
3.500.040 COMPRESSION - BILLED THROUGH REV	350	350	350	350	350	350	350	350	350	350	350	350	4,200
3.410.110 REVENUE OTHER MARKETING CHARGES	-	-	91	-	-	-	-	-	-	-	-	113	204
3.840 WORKOVER COSTS	5,140	25,676	-	-	-	-	-	-	-	-	-	-	30,817
Total Operating Costs	38,443	60,350	15,910	12,026	4,101	8,310	6,509	7,911	6,699	7,060	6,532	15,383	189,235
Income From Operations - Net WI	\$ (5,711)	\$ (49,120)	\$ 11,497	\$ 36,516	\$ 8,080	\$ 41,616	\$ 35,269	\$ 36,129	\$ 21,909	\$ 21,521	\$ 29,973	\$ (2,842)	\$ 184,836
TOTAL LOE EXPENSE - PRODUCING OH	29,230	32,436	12,199	6,534	1,713	2,699	1,594	2,802	2,891	3,255	2,046	12,846	
BOE (10:1)	87	76	97	104	97	130	108	122	97	83	93	31	
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	

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Condition of Approval to Flare Gas

1. Subject to like approval from NMOCD
2. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.
5. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
6. This approval does not authorize any additional surface disturbance.

43CFR §3162.7-1 Disposition of production.

(a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas, and sulphur produced from the leased land.

(d) The operator shall conduct operations in such a manner as to prevent avoidable loss of oil and gas. A operator shall be liable for royalty payments on oil or gas lost or wasted from a lease site, or allocated to a lease site, when such loss or waste is due to negligence on the part of the operator of such lease, or due to the failure of the operator to comply with any regulation, order or citation issued pursuant to this part.