

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

HOBBS OCD
OIL CONSERVATION DIVISION
 OCT 10 2018
RECEIVED
 1020 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-42511
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CML Exploration, LLC		6. State Oil & Gas Lease No. 303997
3. Address of Operator P.O. Box 890 Snyder, TX 79549		7. Lease Name or Unit Agreement Name Paddy 13 State
4. Well Location Unit Letter <u>O</u> : <u>330</u> feet from the <u>South</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>13</u> Township <u>17S</u> Range <u>32E</u> NMPM County <u>Lea</u>		8. Well Number <u>2</u> 9. OGRID Number <u>256512</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4097' GR		10. Pool name or Wildcat WC-025 G-03 S173318N; Yeso [97727]

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS
- CASING/CEMENT JOB
- OTHER:
- ALTERING CASING
- P AND A

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.

During initial drilling of this well we encountered high pressures in the San Andres formation due to ongoing waterflooding in the immediate area that resulted in poor primary cementing of the production casing. Following initial completion of the well it was discovered that the backside of the 5 1/2" production casing had 500 psi of pressure at the surface. The annulus was bled off to a vacuum truck flowing back sour oil, gas and water. We believe that high pressures in the San Andres formation resulted in poor primary cementing of the production casing from TOC at 1729' to 4350' and resulted in channeling behind pipe that was causing the surface pressure and flow. The decision was made to perform a bradenhead squeeze (800 sx class C neat) and attempt to bring the 5 1/2" TOC back inside of the surface casing set @ 1,604' and seal off any channels. The squeeze was only partially successful in sealing off the channels and pressure was still being observed on the backside of the casing although the rate of pressure increase was slowed. The TOC on 5 1/2" casing is calculated to be at ground level. Attached you will find the workover report from the squeeze. The work was performed between 11/19/2015 & 11/23/2015.

Spud Date:

Rig Release Date:

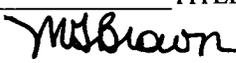
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE ENGINEER DATE 10/2/2018

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

For State Use Only

Accepted for Record Only

APPROVED BY:  TITLE M. Brown DATE 10/9/2018

Conditions of Approval (if any):

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

CML EXPLORATION, LLC FILE

PADDY 13 STATE NO. 2

Workover Report

- 11/19/15 MIRUPU. Unset pump. Rigged up hot oiler. Hot oiled tubing & rods with 40 bbls of lease oil. Pulled out of the hole with pump & rods. Sandscreen was almost plugged off with sand. NDWH, NUBOP & tripped out of the hole with tubing. Mud anchor was full of sand. Ran in the hole with 10K 5-1/2" packer to 5662' & set. Loaded 5-1/2" casing with 60 bbls of fresh water. Shut well in for the night.
- 11/20/15 Rigged up cement pump truck. Pressured up on 5-1/2" casing to 1500 psi & held during job. Rigged up cement pump truck on 9-5/8" casing. Pumped 800 sacks of "C" neat cement, rate 2.5 BPM @650 psi. Shut in 9-5/8" casing, pressure 450 psi. Rigged down cementers & shut well in for the weekend.
- 11/23/15 Released packer & tripped out of the hole with tubing. Laid down packer. Tripped in the hole with production assembly. NDBOP, set TAC & flanged up wellhead. Tripped in the hole with pump. Picked up new 1" fiberglass rods. Spaced out pump. Hung back on & put well back on production.

TUBING DETAIL

183 – jts of 2-3/8" N80 tubing
1 – 5-1/2" x 2-3/8" TAC
2 – jts 2-3/8" N80 tubing
1 – 2-3/8" seat nipple @5800'
1 – 2-3/8" x 4' perf sub
1 – jt 2-3/8" tubing w/bullplug

ROD DETAIL

1 – 1" x 3' fiberglass sub
1 – 1" x 9' fiberglass sub
1 – 1" x 18' fiberglass sub
78 – 1" fiberglass rods (new)
100 – 7/8" steel rods
1 – 7/8" x 3' stabilizer
1 – 26K shear tool
1 – 2-3/8" x 1-1/2" x 24' pump
1 – 8' sandscreen w/6' extension