

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
FORM APPROVED  
OMB No. 4-0137  
Expires: January 31, 2018

Lease Serial No. MNM15035  
OCB HOBB'S

**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.*

6. If Indian, Allottee or Tribe Name

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

HOBB'S OCB  
NOV 28 2018

1. Type of Well

Oil Well     Gas Well     Other

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

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. (325) 573-0750  
*(Area code)*

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	V+P
	<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 recomplete 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 recompletion 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 determined that the site is ready for final inspection.)

CML Exploration, LLC is requesting permission to flare casing head gas for the the above mentioned well due to the small quantities of gas being produced. This well was completed in Jan. 1995, has produced 252,443 bbl of oil and 66,545 MCF since then and currently produces on average 13 BOPD, 24 BWPD & 5 MFCD. As of August 2018, our gas purchaser terminated our purchasing agreement and we have not been able to find a financially viable option to continue gas sales. We are therefore looking at flaring the casing head gas for the remainder of the well life in order to prevent premature abandonment.

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

10/31/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jonathon Shepard

Title

Petroleum Engineer

Office

Carlsbad Field Office

NOV 8 6 2018

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.

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.

## 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

**Bureau of Land Management**

**RECEIVED**

NOV 02 2018



**BTA OIL PRODUCERS, LLC**

104 SOUTH PECOS STREET  
MIDLAND, TEXAS 79701-5021  
432-682-3753  
FAX 432-683-0311

CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

**GULF COAST DISTRICT**  
TOTAL PLAZA  
1201 LOUISIANA STREET, STE. 570  
HOUSTON, TEXAS 77002  
713-658-0077 FAX 713-655-0346

**ROCKY MOUNTAIN DISTRICT**  
600 17TH STREET, STE. 2230 SOUTH  
DENVER, COLORADO 80202  
303-534-4404 FAX 303-534-4661

June 7, 2018

CML Exploration, LLC  
Attn: Contract Administration  
P.O. Box 890  
Snyder, TX 79550

RE: Antelope Ridge Facility Agreement (the "Agreement") dated October 1, 1997,  
between BTA Oil Producers, LLC ("BTA") and CML Exploration, LLC ("CML"),  
successor-in-interest to Patterson Petroleum, Inc.

Dear Contract Administration,

Pursuant to Article VI of the Agreement, BTA hereby gives CML notice of BTA's intention to terminate the Agreement. The Agreement will terminate effective August 1, 2018. BTA will no longer accept deliveries covered under this agreement beginning 8/1/2018.

Should you need additional information please contact the undersigned at 432-682-3753 or [kmarcom@btaoil.com](mailto:kmarcom@btaoil.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelsey Marcom', written over a white background.

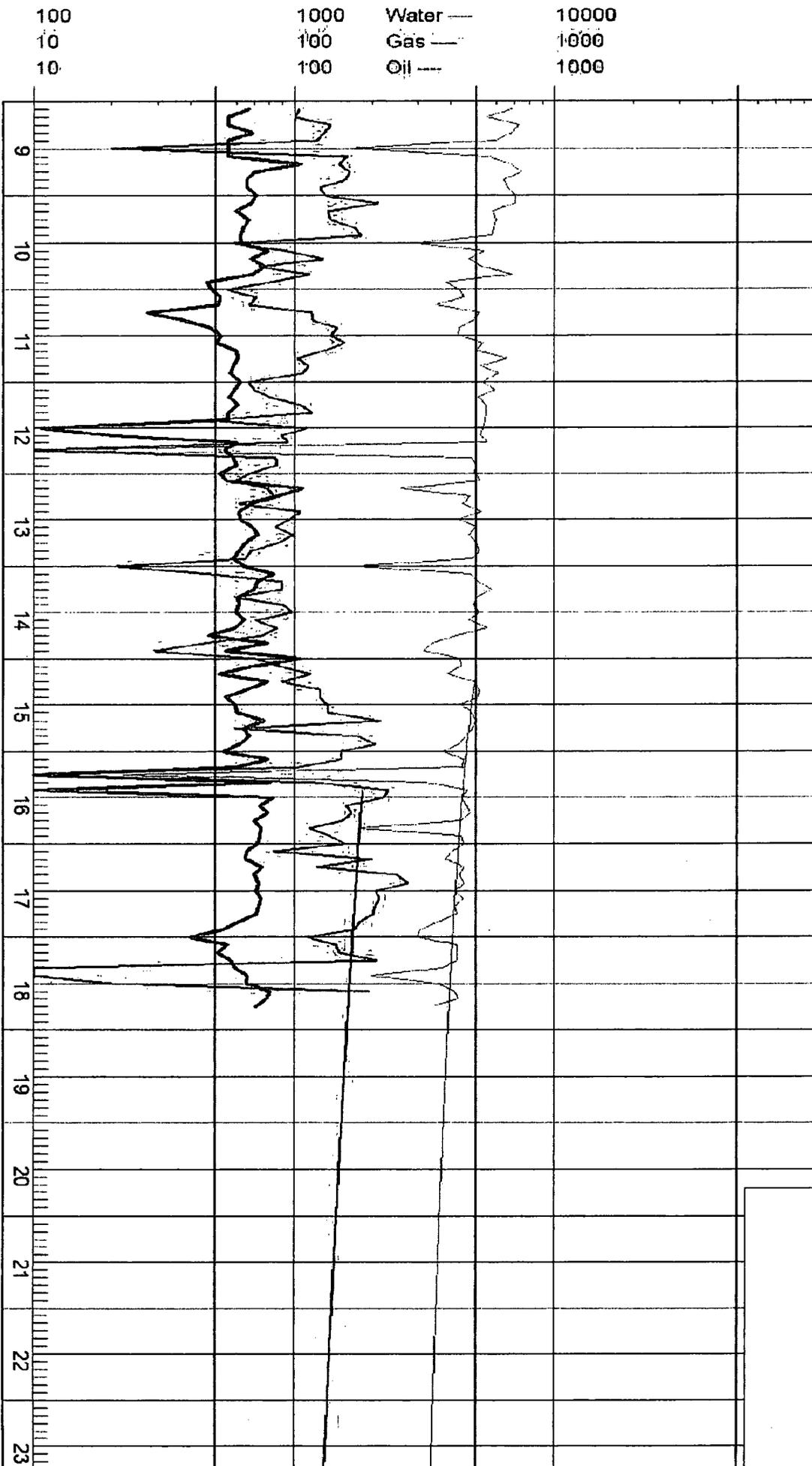
Kelsey Marcom  
Oil & Gas Marketing

Rate (Bbl/d)  
10000  
1000  
100

Unique ID: TRIPLE A FEDERAL #1  
Projected Oil(MBBL): 91.79  
Projected Gas(MMCF): 32.861

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

Cum Oil(MBBL): 249.31  
Cum Gas(MMCF): 66.268  
Cum Water(MBBL): 175.461



Oil - HYP 3.9 - 9.88%

Gas - HYP 1.5 - 5.77%

## TRIPLE "A" FEDERAL # 3

API # 30-025-32508

Date	Oil (bbl)	Gas (MCF)	Water (bbl)
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
05/2016	468	230	888
06/2016	440	220	832
07/2016	460	158	741
08/2016	477	166	791
09/2016	442	153	706
10/2016	479	114	746
11/2016	442	137	742
12/2016	447	156	722
01/2017	406	83	654
02/2017	380	200	650
03/2017	453	121	751
04/2017	430	249	705
05/2017	453	275	729
06/2017	414	206	717
07/2017	449	212	743
08/2017	415	204	735
09/2017	421	199	715
10/2017	360	178	610
11/2017	306	171	532
12/2017	296	112	399
01/2018	422	145	553
02/2018	422	149	506
03/2018	421	207	570
04/2018	373	1	594
05/2018	198		662
06/2018	353	20	659
07/2018	416	195	804
08/2018	429		785
09/2018	333		708

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

4400.023  
Net Revenue Interest  
0.77475

	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	10/31/18	11/30/18	12/31/18	YTD
Volumes	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	12 months
3.OIL	278	271	432	290	143	130	425	289	-	-	-	-	2,256
3.GASV	115	119	164	1	15	15	155	-	-	-	-	-	585
<b>Gross Sales</b>	<b>\$ 17,292.70</b>	<b>\$ 16,575.71</b>	<b>\$ 26,271.18</b>	<b>\$ 18,298.30</b>	<b>\$ 9,062.97</b>	<b>\$ 7,013.91</b>	<b>\$ 24,742.45</b>	<b>\$ 15,574.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 134,831.92</b>
3.OIL & CONDENSATE - NET WI	234	246	228	1	26	26	342	-	-	-	-	-	1,103
3.GASAA	234	246	228	1	26	26	342	-	-	-	-	-	1,103
<b>Total Sales - Net WI</b>	<b>17,526</b>	<b>16,822</b>	<b>26,499</b>	<b>18,300</b>	<b>9,089</b>	<b>7,040</b>	<b>25,085</b>	<b>15,575</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,935</b>
<b>Average Price</b>	<b>\$ 62.23</b>	<b>\$ 61.25</b>	<b>\$ 60.84</b>	<b>\$ 63.17</b>	<b>\$ 63.47</b>	<b>\$ 63.76</b>	<b>\$ 58.26</b>	<b>\$ 53.97</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59.75</b>
OIL & CONDENSATE (per Bbl)	2.02	2.07	1.39	1.86	1.66	1.68	2.21	-	-	-	-	-	1.89
GAS (per MCF)	1,087	1,087	1,087	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	9,880
<b>Gross Operating Costs</b>	<b>3,800.010</b>	<b>3,800.020</b>	<b>3,800.030</b>	<b>3,800.040</b>	<b>3,800.050</b>	<b>3,800.060</b>	<b>3,800.070</b>	<b>3,800.080</b>	<b>3,800.090</b>	<b>3,800.100</b>	<b>3,800.110</b>	<b>3,800.120</b>	<b>3,800.130</b>
POH - PRODUCING OVERHEAD	374	374	374	374	374	374	374	374	374	374	374	374	3,365
LOE - COMPANY PUMPER	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - CONTRACT PUMPING	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - COMPRESSOR FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - COMPRESSOR RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - UTILITIES	318	663	504	447	385	328	150	144	150	150	150	150	3,109
LOE - COMPANY LABOR	1,150	50	50	50	2,575	50	50	50	50	50	50	50	4,075
LOE - CHEMICALS	1,097	65	65	65	1,097	65	65	65	65	65	65	65	2,646
LOE - FIELDMAN EXPENSES	-	-	-	-	75	-	-	-	-	-	-	-	96
LOE - CONTRACT SERVICES	-	-	-	-	4,289	-	-	-	-	-	-	-	4,289
LOE - DAMAGES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - DIRTWORK	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - DISTRICT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - ENVIRONMENTAL COMPLIANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - EQUIPMENT RENTAL	-	-	-	-	981	-	-	-	-	-	-	-	981
LOE - EQUIPMENT REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - FRESH WATER INJECTION	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - FUEL OIL AND PROPANE	15	4	7	14	0	1	1	7	-	-	-	-	50
LOE - GATHERING & MKTG FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - HOT OIL TREATMENT	781	459	459	459	1,073	468	-	468	-	-	-	-	5,500
LOE - INSURANCE & BONDS	67	-	-	(14)	-	21	-	-	-	-	-	-	73
LOE - LANDMAN - CONTRACT	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - LANDMAN - COMPANY	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - LEGAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - LOCATION & ROADS	-	-	-	-	268	1,388	-	-	-	-	-	-	1,656
LOE - MAT & SUPPLIES - SURFACE	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - MAT & SUPPLIES - SUBSURFA	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - MINIMUM ROYALTY	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - PIT CLEANUP	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - PUMP TRUCK	-	-	-	-	405	-	-	-	-	-	-	-	405
LOE - PROPERTY TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - PULLING UNIT	-	-	-	-	9,047	-	-	-	-	-	-	-	9,047
LOE - RECORDING FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - REPAIRS & MAINT-SUBSURFA	-	-	-	-	4,064	-	-	-	-	-	-	-	4,064
LOE - REPAIRS & MAINT-SURFACE	-	-	-	-	193	576	-	-	-	-	-	-	769
LOE - RIGHT OF WAY	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - ROUSTABOUT SERVICES	886	-	-	307	1,432	340	-	-	-	-	-	-	2,966
LOE - SALT WATER DISPOSAL	1,919	1,599	1,880	1,256	2,372	2,031	2,327	1,083	-	-	-	-	14,467
LOE - SAND CONTROL	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - SUBMERSIBLE PUMP REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - SWAB UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - TANK CLEANING	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - TRUCKING & HAULING	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - VACUUM TRUCK	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - VEHICLE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - WEED CONTROL	-	-	-	-	-	-	195	-	-	-	-	-	195
LOE - WELDER	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - WIRELINE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - MRU FACILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
LOE - NON-OPERATED WELLS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total LOE Expense</b>	<b>7,627</b>	<b>4,388</b>	<b>4,428</b>	<b>4,061</b>	<b>28,742</b>	<b>6,745</b>	<b>4,266</b>	<b>3,293</b>	<b>3,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,643</b>
3.TAXAA	1,541	1,479	2,329	1,807	798	618	2,205	1,367	-	-	-	-	11,944
3.500.040	350	350	350	350	350	350	350	350	-	-	-	-	2,450
3.410.110	150	150	150	150	150	150	150	150	-	-	-	-	300
3.840	150	150	150	150	150	150	150	150	-	-	-	-	300
<b>Total Operating Costs</b>	<b>9,657</b>	<b>6,217</b>	<b>7,105</b>	<b>6,018</b>	<b>30,891</b>	<b>7,713</b>	<b>6,971</b>	<b>4,660</b>	<b>3,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,337</b>
<b>Income From Operations - Net WI</b>	<b>\$ 7,859</b>	<b>\$ 10,604</b>	<b>\$ 19,395</b>	<b>\$ 12,282</b>	<b>\$ (21,802)</b>	<b>\$ (672)</b>	<b>\$ 18,113</b>	<b>\$ 10,914</b>	<b>\$ (3,095)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,597</b>
TOTAL LOE EXPENSE - PRODUCING OH	6,540	3,301	3,339	2,958	28,639	5,642	3,163	2,190	1,991	0	0	0	0
BOE (10:1)	143	146	207	30	30	29	197	29	0	0	0	0	0
LOE EXPENSE / BOE	\$45.66	\$22.67	\$16.10	\$99.44	\$961.87	\$192.57	\$16.69	\$71.00	\$196.50	\$0.00	\$0.00	\$0.00	\$16.69

# **BUREAU OF LAND MANAGEMENT**

**Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

## **Conditions of Approval to Flare Gas**

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost". Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

### **Exceptions:**

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 - 3179.105.