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

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

Form C-103
Revised July 18, 2013

WELL API NO.
30-025-42511

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
303997

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.)

HOBBS OCD
JAN 29 2019
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7. Lease Name or Unit Agreement Name
Paddy 13 State

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 2

2. Name of Operator
CML Exploration, LLC

9. OGRID Number 256512

3. Address of Operator P.O. Box 890
Snyder, TX 79550

10. Pool name or Wildcat
WC-025 G-03 S173318N; Yeso (97727)

4. Well Location
Unit Letter O : 330 feet from the South line and 1650 feet from the East line
Section 13 Township 17S Range 32E NMPM Lea County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
4097' GR

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☒	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Due to collapsed 5½" casing @ ± 4290', we propose to cement squeeze with a packer set @ ± 4100' using 400 sx of Class "C" cement to abandon perforations (5806 – 5951') and squeeze the damaged casing area in the San Andres/ Grayburg interval. 2 3/8" tubing is stuck in the well from 4258' to 5843' and will remain in the well with cement in place. Plugging operations will continue as previously planned on Step # 5 of the C-103 submitted on 10/10/2018.

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 [signature] TITLE Area Engineer DATE 1/31/19

Type or print name Nolan Von Roeder E-mail address: vonroedern@cmlexp.com PHONE: 325-574-6295

For State Use Only

APPROVED BY: Kerry Fortner TITLE Compliance Officer A DATE 2-1-19
Conditions of Approval (if any):

CML EXPLORATION, LLC
P.O. BOX 890
SNYDER, TX 79550
325-573-0750

PADDY 13 STATE NO. 2

01/23/19 Rigged up wireline truck & ran in the hole with 1-11/16" O.D. chemical cutter. Set down in collar @4290'. Pulled out of the hole with cutter. Ran in the hole with 1-3/8" O.D. cutter & cut tubing @4360'. Pulled out of the hole & rigged down rigged down wireline. Worked stuck tubing. Pulled up to 80,000 lb (60,000 lb over string weight). Could not free pipe. Rigged up pump truck, circulated tubing & casing with 30 bbls of brine water, rate 2 BPM @450 psi. Rigged down pump truck. Could not rotate tubing. Rigged up wireline truck. Ran in the hole with shot, backed tubing off @4258' & rigged down. Rigged up pump truck, circulated tubing & casing with 25 bbls of brine & rigged down. Pulled out of the hole with 135 jts of 2-3/8" tubing & shut well in for the night.

EDC: $ 19,700
CUM: $ 60,800

01/24/19 SICP = 300 psi. Bled casing down to half tank. Rigged up vacuum truck & pulled vacuum on casing while running in the hole with overshot, bumper sub, jars, 6 – 3-1/2" drill collars, accelerator & 2-3/8" tubing. Latched onto fish @4258'. Jarred on fish for 5 hours, did not move fish. Attempted to release overshot from fish. Ran steel rods from the derrick, pulled out of the hole & laid down steel rods. Shut well in for the night.

EDC: $ 11,600
CUM: $ 72,400

01/25/19 SICP = 320 psi. Bled casing down to half tank. Pumped 25 bbls of brine down tubing. Hooked vacuum truck onto tubing valve. Ran in the hole with fiberglass rods from the derrick. Pulled out of the hole & laid down fiberglass rods. Rigged up wireline truck. Ran in the hole with 1-3/8" jet cutter, could not get down past the 3rd drill collar. Pulled out of the hole & laid down cutter. Ran in the hole with 1" weight bar & collar locator. Ran in the hole to 4330'& logged connections on tools. Ran in the hole with stringshot & set off in the overshot while holding right hand torque. Released overshot from fish. Pulled out of the hole with wireline tools & rigged down wireline truck. Pulled out of the hole with tubing & fishing tools. Shut well in for weekend.

EDC: $ 21,200
CUM: $ 93,600

01/28/19 SICP = 360 psi. Bled casing down to the half tank. Pulled vacuum on casing head with vacuum truck. Picked up overshot, bumper sub, 6 – 3-1/2" drill collars & accelerator. Picked up & ran in the hole with 2-7/8" L80 workstring. Latched onto fish @4258'. Jarred up 100K on fish, could not get any movement. Released overshot from fish & pulled out of the hole. Laid down overshot & shut well in for the night.

EDC: $ 10,700
CUM: $ 104,300

CML EXPLORATION, LLC
P.O. BOX 890
SNYDER, TX 79550
325-573-0750

PADDY 13 STATE NO. 2

01/17/19 MIRUPU. Tubing & casing both flowing. 1000 psi on 9-5/8" casing. Pump was stuck. Worked stuck pump, sheared at shear tool. Pulled out of the hole & laid down rods. Left pump in the hole. NDWH. Could not get tubing anchor released. NUBOP. Attempted to release TAC with tubing tongs. Shut well in for the night.

EDC: $ 4,500
CUM: $ 4,500

01/18/19 Rigged up wireline truck. Ran in the hole with 1-7/16" O.D. freepoint tool. Set down in tubing at 1320', could not get down. Pulled out of the hole with freepoint tool & added a weight bar. Could not get past 1320' on second attempt. Pulled out of the hole & rigged down wireline truck. Rigged up swab. Ran paraffin knife with 1.90" O.D. washer. Could not get down past 300'. Pulled out of the hole with knife, had a large amount of paraffin & scale. Rigged down swab. Began picking up K-bars & rods with paraffin knife. Ran in the hole to 700' & shut down for the day due to high wind.

EDC: $ 9,700
CUM: $ 14,200

01/21/19 SICP = 380 psi. Bled casing down to half tank. Connected vacuum truck to tubing valve & caught fluid while tripping in the hole with rods. Rigged up pump truck & pumped 20 bbls of brine down casing. Ran in the hole with rods & paraffin knife to 1000'. Pulled out of the hole with rods, knife was clean. Ran in the hole with paraffin knife to 2000', did not tag anything. Pulled out of the hole with rods & knife. Ran in the hole with paraffin knife on sandline & tagged up @2400'. Pulled out of the hole with sandline. Ran in the hole with rods & paraffin knife to top of the pump @5770'. Laid down 2 rods & shut well in for the night.

EDC: $ 7,600
CUM: $ 21,800

01/22/19 SICP = 320 psi. Flowed casing down to the half tank. Hooked vacuum truck to tubing valve. Pulled out of the hole with rods. Lost the washer on the knife, left it in the tubing. Rigged up pump truck & pumped 25 bbls of brine down tubing. Rigged up wireline truck. Ran in the hole with free point tool, found tubing stuck @4290'. Could not get down past 4300' with 1-716" free point tool. Pulled out of the hole & rigged down wireline truck. Ran in the hole with weight bar on sandline, could not get down past 4320'. Pulled out of the hole with weight bar. Ran in the hole with rods - 1-1/2" coupling on bottom. Pushed washer down to pump. Pulled out of the hole with rods & shut well in for the night.

EDC: $ 19,300
CUM: $ 41,100

CML EXPLORATION, LLC
P.O. BOX 890
SNYDER, TX 79550
325-573-0750

PADDY 13 STATE NO. 2

01/29/19 Bled casing down to the pit. Pulled vacuum on casing with vacuum truck. Picked up 4-3/4" flat bottom shoe with cut rite on bottom & inside. Picked up 4 joints of 4-1/2" wash pipe. Ran bumper sub, jars & 6 – 3-1/2" drill collars. Ran in the hole with 2-7/8" tubing to 4250'. Rigged up swivel & nippled up stripper head. Rigged up reverse pump & broke circulation. Picked up joint of tubing & washed down to bad casing @4275'. Milled casing to 4287' (12'). Quit cutting. Rigged down swivel, nipple down stripper & started out of the hole with tubing. Shut well in for the night.

EDC: $ 16,800
CUM: $ 121,100

01/20/19 Bled casing pressure down to pit. Rigged up vacuum truck & pulled vacuum on casing. Finished pulling wash pipe. Laid down worn shoe. Picked up redressed 4-3/4" flat bottom shoe with same BHA & 2-7/8" tubing. Began milling tight casing @4278'. Milled down to 4294' in 5½ hours. Swivel broke down. Laid down swivel & started out of the hole with tubing. Pulled 60 stands & shut well in for the night.

EDC: $ 16,800
CUM: $ 137,900

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t III – (505) 334-6178
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, M als and Natural Resources

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

Form C-103
Revised July 18, 2013

HOBBS OCD
NOV 21 2018
RECEIVED

WELL API NO. 30-025-42511	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No. 303997	
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.)	7. Lease Name or Unit Agreement Name Paddy 13 State
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 2
2. Name of Operator CML Exploration, LLC	9. OGRID Number 256512
3. Address of Operator P.O. Box 890 Snyder, TX 79549	10. Pool name or Wildcat WC-025 G-03 S173318N; Yeso [97727]
4. Well Location Unit Letter O : 330 feet from the South line and 1650 feet from the East line Section 13 Township 17S Range 32E NMPM County Lea	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 4097' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Attached to this form you will find the complete P&A procedure & wellbore diagrams for the above mentioned well. This procedure details our recommended approach to squeezing the San Andres voids and channeling.

See Attached Conditions of Approval

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 [signature] TITLE ENGINEER DATE 10/10/2018

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

For State Use Only

APPROVED BY: [signature] TITLE P.E.S. DATE 11/26/2018

Conditions of Approval (if any):

Paddy 13 State #2 (30-025-42511) P&A Procedure

1. POOH & LD all rods & pump. POOH with tubing, LD tubing anchor. Tally tubing. Spot & RU flowback tank.
2. Record pressure reading on 8 5/8"- 5 1/2" casing annulus. RU choke and flow down annulus to flowback tank. Monitor flow rate & pressure. Leave annulus open to tank.
3. RIH with tubing and tag PBTD @ 6,665'. LD 1 jt and circulate 9.5 #/gal mud. POOH with tubing.
4. RU wireline & set CIBP @ 5,800'. Dump bail 5 sx cement on top of plug.
5. Squeeze cement channels above San Andres voids*
    a. Perforate @ (4,020'- 4,022') 2 spf. Record pressure on wireline packoff.
    b. Flow down 5 ½" casing to tank and monitor flow. If casing will not flow down in 5 minutes, close valve. Record pressure.
    c. RU pump truck and establish pump-in rate and pressure. RD pump truck.
    d. RIH with wireline and set cement retainer @ 3,870'.
    e. RIH w/ tbg & retainer stinger. Prior to opening retainer, RU cementing valve & hoses to cement pump truck.
    f. Establish pump-in rate and pressure.
    g. Pump 50 sx of thixotropic cement (Class C w/ 10% gypsum, 2% CaCl)
    h. Pump 2 bbls fresh water spacer
    i. Pump 20 bbls 10% CaCl water
    j. Pump 2 bbls fresh water spacer
    k. Pump 500 gals 50% sodium silicate
    l. Pump 2 bbls fresh water spacer
    m. Pump 50 sx of thixotropic cement (Class C w/ 10% gypsum, 2% CaCl)
    n. Displace cement to 20' above perforations (4,000') or to 1,500 psi squeeze pressure. Sting out of retainer.
    o. Shut well in for 48 hrs and monitor 9 5/8"- 5 ½" annulus for pressure indicating failure to squeeze channels.
    p. If squeeze unsuccessful, perforate and squeeze up hole using the above method with recommended volumes from cement engineers. Get OCD approval before proceeding. Continue until zonal isolation achieved
    q. Spot 25 sx of Class C on top of cement retainer @ (3,637' – 3,920')

STING INTO C.R., PRESSURE TEST PERF @ 4020'

6. Perforate & Squeeze 40 sx of Class C (2,150'- 2,250') Base of Salt
7. Perforate & Squeeze 35 sx of Class C (1,554'- 1,654') Surface Casing Shoe
8. Perforate & Squeeze 35 sx of Class C (1,100'- 1,200') Top of Salt
9. Perforate & Squeeze 35 sx of Class C (400'- 500') Base of Fresh Water
10. Perforate & Squeeze 25 sx of Class C (0'- 60'), circulate
11. RDMOPU. Cut off well head, weld on cap and dry hole marker. Remove anchors, trash and flowline. Haul off caliche from location and road. Replace with top soil.

*Squeeze cement volumes and pumping procedure designed by Basic Energy Services cementing engineers as their recommendation to effectively squeeze off the channeling and voids in the San Andres.

CML EXPLORATION, LLC **Updated: 10/1/2018**

RKB 4109'
GL 4097'

Lease & Well No.: **Paddy 13 State # 2**

Well Category:
Area: **New Mexico**
Subarea: **Paddock**
Legal Description: **API # 30-025-42511**
330' FSL, 1650' FEL, Sec. 13, T-17-S, R-32-E
Lea County, NM
Spudded: **4/29/2015**
TD: **5/9/2015**
Completed: **10/7/2015**

Stimulation:
6/23/15 L Blinebry - 3000 gals 15% HCL
6/25/15 L Paddock - 2000 gals 15% HCL
7/1/15 U Paddock - 3000 gals 15% HCL
10/1/15 Paddock - 64k gals of 12# gel & 57.5k # 16/30 Ottawa sand & 5k # of 16/30 resin coated

12 ¼" hole
9 5/8" 36# J-55
set @ 1604'
875 sx cement
1604' TOC = surface'

Bradenhead Sqz'd w/ 800 sx class C neat
5½" Original TOC = 1729' CBL
Cmt stringers (1729'-2260')

PRESSURE DATA
None

** Cement voids 4004 - 4040'
4170 - 4320' & 4332 - 4356'

Production Tbg
183 jts 2 3/8" 4.7# N-80 tbg
1- 5 1/2" x 2 3/8" TAC
2- jts 2 3/8" 4.7# N-80 tbg
1- 2 3/8" SN @ 5808'
1- 2 3/8" x 4' perf sub
1- jt mud anchor bullplugged

Rod Detail
86- 7/8" steel rods
144- 3/4" steel rods
9- 7/8" steel rods
1- 7/8" x 2' sub w/ guides
1- Back off tool
1- Shear tool
1- No tap tool
1- 2 3/8" x 1 1/2" x 20' pump
1- 1" x 6' sand screen w/ extension

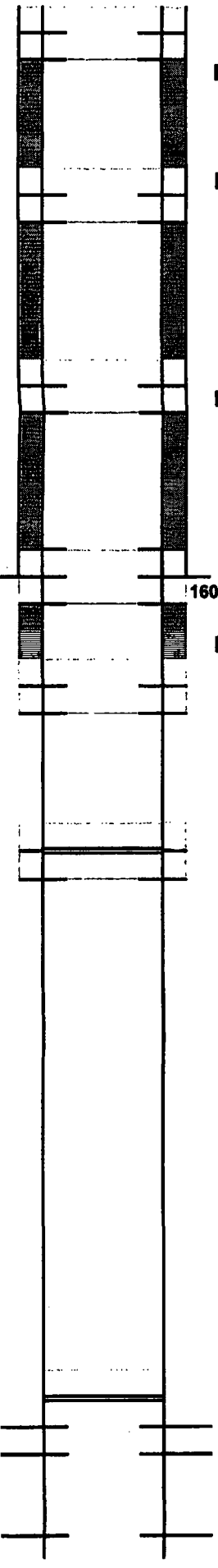
Paddock Perfs
(5806-14') 2 spf
(5817-23') 2 spf

(5946 - 51') 4 spf

Blinebry Perfs

CML EXPLORATION, LLC

Updated: 10/2/2018



RKB 4109'
GL 4097'

Lease & Well No.: **Paddy 13 State # 2**

Perf & Sqz 25 sx cmt (0'-60') PROPOSED

Well Category:
Area: **New Mexico**
Subarea: **Paddock**
Legal Description: **API # 30-025-42511**
330' FSL, 1650' FEL, Sec. 13, T-17-S, R-32-E
Lea County, NM
Spudded: **4/29/2015**
TD: **5/9/2015**
Completed: **10/7/2015**

Perf & Sqz 35 sx cmt (400'-500') PROPOSED

Stimulation:

6/23/15 L Blinebry - 3000 gals 15% HCL
6/25/15 L Paddock - 2000 gals 15% HCL
7/1/15 U Paddock - 3000 gals 15% HCL
10/1/15 Paddock - 64k gals of 12# gel & 57.5k # 16/30 Ottawa sand & 5k # of 16/30 resin coated

Perf & Sqz 35 sx cmt (1,100'-1,200') PROPOSED

12 ¼" hole
9 5/8" 36# J-55
set @ 1604'
875 sx cement
TOC = surface'

1604' **Perf & Sqz 35 sx cmt (1,554'-1,654') PROPOSE**

Perf & Sqz 40 sx cmt (2,150'-2,250') PROPOSED
Bradenhead Sqz'd w/ 800 sx class C neat
5½" Original TOC = 1729' CBL
Cmt stringers (1729'-2260')

Spot 25 sx class C on CICR (3637'-3870') PROPOSED
Perf & Sqz w/ CICR @ 3920' w/ 500 gals Sodium Silicate & 100 sx Thixotropic cement

** Cement voids 4004 - 4040'
4170 - 4320' & 4332 - 4356'

Production Tbg
183 jts 2 3/8" 4.7# N-80 tbg
1- 5 1/2" x 2 3/8" TAC
2- jts 2 3/8" 4.7# N-80 tbg
1- 2 3/8" SN @ 5808'
1- 2 3/8" x 4' perf sub
1- jt mud anchor bullplugged

CIBP @ 5800' + 5 sx cmt PROPOSED

Paddock Perfs
(5806-14') 2 spf
(5817-23') 2 spf

(5946 - 51') 4 spf

GENERAL CONDITIONS OF APPROVAL:

1) Insure all bradenheads have been exposed, identified, and valves are operational prior to rigging up on well.

2) Contact the appropriate NMOCD District Office no later than 24 hours prior to moving in and rigging up.

3) A copy of the approved C103 intent to P&A should be distributed to the onsite company and plugging representatives. Approved procedures are good for a period of one year from approved date, unless otherwise specified on the C103 intent. Approvals past this date will require the submission and approval of a new C103 intent.

4) A company representative is required to be present to witness all operations including setting CIBP's, circulation of mud laden fluids, perforating, squeezing or spotting cement plugs, tags, or any other operations approved on the C103 intent to P&A. Company representative should contact the NMOCD and report all operations.

5) Any changes that may be required during plugging operations should be approved by the NMOCD before proceeding.

6) A closed loop system is to be used for all plugging operations. Contents of the steel pits to be hauled to a NMOCD permitted disposal facility.

7) Mud laden fluids must be placed between all cement plugs mixed at 25 sacks of salt gel per 100 barrels of brine.

8) All cement plugs will be 100' or 25 sacks cement, whichever is greater. Class 'C' cement will be used above 7500' and Class 'H' below 7500'.