

State of New Mexico
Energy, Minerals and Natural Resources**RECEIVED****MAR 05 2009****HOBBSOCD**

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-39246

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

37462

7. Lease Name or Unit Agreement Name

PADDY 15 STATE

8. Well Number 1

9. OGRID Number

256512

10. Pool name or Wildcat

MALJAMAR; BLINEBRY, EAST

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.)

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

2. Name of Operator

CML EXPLORATION, LLC

3. Address of Operator P.O. BOX 890

SNYDER, TX 79550

4. Well Location

Unit Letter N: 900 feet from the SOUTH line and 1800 feet from the WEST lineSection 15 Township 17S Range 33E NMPM County LEA

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

4173' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED COMPLETION REPORT

Spud Date:

12/10/08

Rig Release Date:

01/01/09

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

SIGNATURE Nolan von Roeder TITLE ENGINEER DATE 03-03-2009Type or print name Nolan von Roeder E-mail address: vonroedern@cmlexp.com PHONE: 325-573-1938**For State Use Only**APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 18 2009

Conditions of Approval (if any):

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

PADDY 15 STATE NO. 1
Sec. 15, T-17-S, R-33-E
Lea County, New Mexico
Property Code #37462 – API #30-025-39246

DAILY COMPLETION REPORT

- 01/27/09 Nipple up 5K 7-1/16" frac valve. Set plug in wellhead & tested valve to 3000 psi (tested good). Continued filling frac tanks with fresh water.
- 01/28/09 Rigged up wireline truck & ran GR/CBL/CCL. Had good cement throughout pay zones. Ran in the hole with perforating guns & perforated lower Blinebry (6971-81') 2 spf, (6948-62') 1 spf, (6915-23') 2 spf, (6882-6902') 1 spf & (6858-750) 1 spf. Shut well in for night.
- 01/29/09 Rigged up Guardian casing saver. Extension was too long, had to wait on another. Rigged up FracTech lines to casing saver. Frac Lower Blinebry zone w/3450 gals 15% HCL acid + 100 Bio ball sealers @10.5 bpm & 3521 psi average. Max pressure = 4784 psi. ISIP = 3759 psi. Continued frac w/88,746 gals 20# XL Borate system + 60,820 lbs of 16/30 Brady Sand. Avg rate = 57.2 bpm, Max rate = 60.3 bpm. Avg pressure = 5076 psi, Max pressure = 5711 psi. Staged sand concentration from 0.5 ppg up to 2.5 ppg. Had to cut sand & job short because pressure began increasing rapidly w/2.5 ppg on formation. Did not use any resin coated sand. Load = 2232 bbls. ISIP = 4243 psi, 5 min = 3387 psi, 10 min = 3277 psi, 15 min = 3216 psi. Knocked off frac lines & removed casing saver. Rigged up wireline. Set composite flowthrough frac plug @6850'. Perforated Upper Blinebry (6680-84') 3 spf, (6702-06') 3 spf, (6744-48') 3 spf, (6754-61') 2 spf, (6768-74') 2 spf, (6785-6800') 1 spf, (6806-10') 3 spf & (6820-36') 1 spf. Rigged down wireline. Hooked up casing saver & frac lines @3:00 a.m. Frac Upper Blinebry w/3000 gals 15% HCL acid + 100 ball sealers @16 bpm & 4263 psi average. ISIP = 3685 psi. Continued frac w/178,248 gals of 20# XL Borate system + 213,026 lbs of 16/30 Brady Sand. Avg rate = 61.9 bpm, Max rate = 66.8 bpm. Avg Pressure = 5198 psi, Max pressure = 5612 psi. Staged sand concentration from 0.25 ppg to 3 ppg. Last stage contained 48,260 lbs of resin coated sand. Load water = 4228 bbls. ISIP = 4044 psi, 5 min = 3601 psi, 10 min = 3430 psi, 15 min = 3348 psi. Shut well in. Rigged down all frac equipment @5:30 a.m.
- 01/30/09 Shut in casing pressure @9:00 a.m. – 2800 psi. Rigged up flow back equipment to flow back tanks. Will begin flow back in the morning.
- 01/31/09 Shut in casing pressure @8:00 a.m. – 2300 psi. Opened up to flow back tank on 12/64" choke. Pressure @2050 psi. Recovered 117 bbls in the 1st hour. Continued flowing. Opened choke to maintain a good flow rate. Had a small amount of sand with bottoms up @6:00 p.m. Recovered a total of 1417 bbls of fluid. Choke full open rate – 60 bph (clean fluid) with 20 psi on the manifold. Left open overnight.
- 02/01/09 Made 160 bbls of water overnight. 10 psi at the manifold had a small stream at the tank. Left choke full open. Load to be recovered = 4883 bbls.

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DAILY COMPLETION REPORT

- 02/02/09 Rigged down flow back equipment. Nippled down 5K frac valve. NUBOP. Picked up 4-3/4" bit & 6 – 3 1/2" drill collars. Ran in the hole with new 2-3/8" tubing. Tagged sand @6810' (40' above plug). Washed through sand to plug @6850'. Drilled through plug & circulated clean. Tripped in the hole with tubing to sand @7250'. Washed sand to 7500' & circulated clean. Tripped out of the hole with 20 stands of tubing & shut well in for the night.
- 02/03/09 Pulled out of the hole with tubing & drill collars. Laid down collars & bit. Tripped back in the hole with 2-3/8" production assembly. NDBOP, set TAC & NUWH. Began swabbing tubing. Made 17 runs, recovered 136 bbls of water. Fluid level remained @1800' from the surface. Shut well in for the night.
- 02/04/09 Picked up new pump & rods. Tripped in the hole & spaced out pump. Rigged down pulling unit. Waiting on electricity.

ROD DETAIL

1 – 7/8" x 4' sub
154 – 7/8" steel rods
98 – 3/4" steel rods
9 – 7/8" steel rods
1 – 7/8" x 4' sub w/guides
1 – back off tool
1 – tap tool
1 – 2-3/8" x 1-1/2" x 20' pump
1 – 1" x 20' gas anchor

TUBING DETAIL

201 – jts 2-3/8" tubing (new)
1 – 2-3/8" x 5-1/2" TAC
2 – jts 2-3/8" tubing (new)
1 – 2-3/8" seat nipple @6566'
1 – 2-3/8" perf sub
1 – 2-3/8" tubing mud anchor w/bullplug

- 02/11/09 Set a new Sentry 320-256-120 pumping unit w/concrete base.
- 02/12/09 Set new 40 hp electric motor & 4CP195 power band belts.