

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

RECEIVED

JUL 16 2009

HOBBSCOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-39366	✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	✓
6. State Oil & Gas Lease No. 303999	
7. Lease Name or Unit Agreement Name PADDY 19 STATE	✓
8. Well Number 4	✓
9. OGRID Number 256512	✓
10. Pool name or Wildcat 97727 WILDCAT G-03 S173318N; BLINEBRY	✓

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	✓
2. Name of Operator CML EXPLORATION, LLC	✓
3. Address of Operator P.O. BOX 890 SNYDER, TX 79550	
4. Well Location Unit Letter <u>C</u> : <u>900</u> feet from the <u>NORTH</u> line and <u>1650</u> feet from the <u>WEST</u> line Section <u>19</u> Township <u>17-S</u> Range <u>33-E</u> NMPM County <u>LEA</u>	✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4116'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 DAILY COMPLETION REPORT

Spud Date:

04-16-2009

Rig Release Date:

05/03/2009

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

SIGNATURE Nolan von Roeder TITLE Area Engineer DATE 07/13/2009Type 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 JUL 17 2009

Conditions of Approval (if any):

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

PADDY 19 STATE NO. 4
Sec. 19, T-17-S, R-33-E
Lea County, New Mexico
Property Code #303999 – API #30-025-39366

DAILY COMPLETION REPORT

- 06/08/09 MIRUPU. NUBOP. Unloaded & racked 217 jts of 2-3/8" tubing.
- 06/09/09 Rigged up Wood Group wireline truck. Ran cement bond log, gamma ray & collar locator. Cement looked good, top @3820'. Perforated lower Blinebry (6886-95'), (6856-64'), (6840-49'), (6804-10') & (6796-6800') 2 spf. Rigged down wireline. Picked up packer & ran in with new tubing to 6889'. SWIFN.
- 06/10/09 Moved packer to 6902'. Rigged up acid truck & spotted 100 gals across perforations. Moved & set packer @6714'. Pressured up on casing to 500 psi. Started break down on water, packer failed w/2000 psi on tubing. Moved & reset packer @6686'. Rigged up acid pump. Packer failed @1700 psi. Pulled out of the hole with tubing & packer. Had one rubber damaged on packer. Tripped back in with new packer & set @6686'. Pressured up to 500 psi on casing & packer. Formation broke @2600 psi. Treated well with remaining 3000 gals of acid & 150 ball sealers. Average rate & pressure 3600 psi @3.2 bpm. ISIP – 2770 psi, 2595 psi in 15 minutes. Flowed down to test tank Recovered 40 bbls of fluid. Swabbed well down to seat nipple after recovering 90 bbls of 130 bbl load. Last run was acid water with 3% oil. SWIFN.
- 06/11/09 SITP = 100 psi. First swab run fluid @4000' from surface, had 70% oil at the top of the run & 3% on bottom. Made 3 swab runs & dried up. Waited 1 hour & made another run, 400' of fluid – 20% oil & 80% acid water. Swabbed a total of 13 bbls. Recovered 103 bbls of 130 bbl load. Released packer. Pulled out of the hole & laid down tubing & packer. NDBOP. NUWH. Shut well in, waiting on frac on the 16th.
- 06/16/09 Rigged up Frac Tech and Guardian casing saver. Frac Lower Blinebry w/ 1000 gals 15% HCL acid, 109,956 gals 15# gel, 79,513 lbs 16/30 TG sand & 21,432 lbs 16/30 Super LC sand from 0.5 ppg to 3.0 ppg. Avg. Rate = 60.3 BPM, Avg. Pressure = 4220 psi, Max. Rate = 65 BPM, Max. Pressure = 4555 psi. Displaced w/ 1000 gals acid and 118 bbls linear gel. ISIP = 3681 psi. Rigged up wireline. Set composite flow thru plug @6775'. Perforated (6722 – 28'), (6702 – 08'), (6684 – 90'), (6672 – 78') & (6642 – 50') w/3-1/8" gun, 2 spf, 64 holes.
Frac Stage 2 w/1000 gals 15% HCL acid, 134,716 gals 15# gel, 89,628 lbs 16/30 TG sand & 34,403 lbs 16/30 Super LC sand from 0.5 ppg to 3.0 ppg.. Avg. Rate = 66.1 bpm, Avg. Pressure = 4727 psi, Max. Rate = 67 BPM, Max. Pressure = 45272 psi. Displaced w/ 1500 gals acid & 120 bbls linear gel. ISIP = 3579 psi. Rigged up wireline. Set composite flow thru plug @6610'. Perforated (6566 – 75'), (6548 – 54'), (6518 – 24'), (6506 – 14') & (6492 – 6500') w/3-1/8" gun, 2 spf, 74 holes. Rigged down wireline. Attempted to break down formation to 6500 psi, could not get a pump-in rate. Rigged up wireline. Dump bail 8 gals 15% acid @6506', still could not pump-in. Waited on perforating gun. Re-perf (6492 – 6502') w/3-1/8" gun, 3 spf w/23 gram charges. Dump bail another 8 gals acid @6490'. Broke down perfs @3 bpm and 6500 psi. Continued pumping and increasing rate as pressure came down to 5500 psi.
Frac Stage 3 w/1000 gals 15% HCL acid, 100,120 gals 15# gel, 67,827 lbs 16/30 TG sand & 20,816 lbs 16/30 Super LC sand from 0.5 ppg to 3.0 ppg.. Avg. Rate = 66.1 bpm, Avg. Pressure = 5053 psi, Max. Rate = 67 bpm, Max. Pressure = 5671 psi. Displaced w/115 bbls linear gel ran out of fluid 37

PADDY 19 STATE NO. 4 DAILY COMPLETION REPORT (continued)

Total load for 3 stages = 8493 bbls. Rigged down casing saver and frac equipment. Shut well in for night @12:00 am.

06/17/09 SICP @11:30 am = 2200 psi. Hook up flow tree and flow back manifold. Opened well up on a 16/64" choke. Flowed 113 bbls the first hour. Recovered a large amount of sand with bottoms up but cleaned up after 40 more bbls. Continued flowing well on various choke size as pressure decreased.

06/18/09 FCP = 0 psi. Recovered 745 bbls in 19½ hours. Well is open on 2" choke making 5 bbls per hour. Continued flowing to test tank @rate of 5 bph with a trace of oil.

06/19/09 Continued flowing to test tank @rate of 3 bph with a trace of oil. Got 833 bbls of load back.

06/20 – 06/22/09 Well quit flowing. Waiting on pulling unit.

06/23/09 MIRUPU. Nipple down frac valve. NUBOP. Picked up 3½" drill collar & 4-3/4" bit. Picked up tubing from the ground & tripped in to 4100'. SWIFN.

06/24/09 Continued trip in hole with tubing. Tagged sand @6487'. Rigged up reverse rig & washed through sand to composite plug @6610'. Drilled out first plug & tripped in to second composite plug @6775'. Drilled out plug. Tripped in hole to 7140', had no sand below first plug to 7140'. Circulated clean. Pulled out of the hole with tubing. Laid down drill collar & bit. Had slight flow after drilling second plug. SWIFN.

06/25/09 Ran in the hole with production assembly & tubing. NDBOP. Set TAC. NUWH. SWIFN.

TUBING DETAIL

198 – jts 2-3/8" tubing
1 – 2-3/8" x 5-1/2" TAC
2 – jts 2-3/8" tubing
1 – 2-3/8" SN @6444'
1 – 2-3/8" perf sub
1 – jt 2-3/8" mud anchor

06/26/09 Picked up new pump & rods, spaced out. Stacked out on stuffing box & waiting on pumping unit.

ROD DETAIL

1 – 7/8" x 6' sub
149 – 7/8" rods
98 – 3/4" rods
9 – 7/8" rods
1 – 7/8" x 4' sub w/guides
1 – tap tool
1 – back off tool
1 – 2-3/8" x 1-1/2" x 20' pump
1 – sand filter w/extension