

RECEIVED
SEP 13 2010
HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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| WELL API NO. 30-025-39855 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. 38266 |
| 7. Lease Name or Unit Agreement Name HENRY 24 |
| 8. Well Number 1 |
| 9. OGRID Number 256512 |
| 10. Pool name or Wildcat PEARL; QUEEN |

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| 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>G</u> : <u>1980</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>EAST</u> line Section <u>24</u> Township <u>19S</u> Range <u>35E</u> NMPM County <u>LEA</u> | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3710' | |

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

08/28 - 08/29/10 Started moving in Patterson-UTI Drilling Co. rig #63.

08/30/10 960' - Finished moving in drilling rig, drilled & surveyed. Spudded well @3:30 p.m. 08/29/10. Bit #1 - 12 1/4"

08/31/10 1779' - Drilled & surveyed.

09/01/10 1810' - Drilled. Ran 43 jts 8-5/8" 24# J55 STC casing set @1800'. Ran 15 centralizers. Cemented w/655 sx of EconoCem w/3 pps Gilsnite + 235 sx of "C" w/1% CCL. Circulated 100 sx to pit. Plug down @6:30 p.m. MST 08/31/10. Waited on cement.

09/02/10 2650' - Waited on cement, drilled plug & cement, drilled & surveyed. Bit #2 - 7-7/8"

09/03/10 3810' - Drilled & surveyed.

09/04/10 4430' - Drilled & surveyed.

09/05/10 5137' - Drilled, circulated samples & surveyed.

09/06/10 5200' - Drilled, surveyed & logged well. Logger's TD = 5184'.

Spud Date:

08/29/2010

Rig Release Date:

09/07/2010

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 SEP 15 2010

Type or print name Nolan von Roeder E-mail address: voroedern@cmlexp.com PHONE: 325/573-1938

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 15 2010

Conditions of Approval (if any):

09/07/10 5200' - Ran 121 jts of 5½" 17# J55 LTC casing, set @5200'. Ran 20 centralizers & 24 turbolizers on bottom 12 jts. Pumped 20 bbl spacer, 500 gals Superflush & 500 gals fresh water. Cemented w/350 sx of EconoCem-C + 400 sx VersaCem-C w/3% salt, 0.75% LAP-1, 0.4% CFR-3 & 0.25 lb/sk of D-Air 3000. Cement did not circulate to surface. Plug down @2:45 a.m. 09/07/10 MST.

RIG RELEASED @9:00 A.M. 09/07/10 MST