

Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

RECEIVED

OIL CONSERVATION DIVISION

NOV 30 2010

HOBBSOCD

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-39855
5. Indicate Type of Lease STATE <input 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

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' GR	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

SEE ATTACHED COMPLETION REPORT

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 11/29/2010

Type 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 JAN 03 2011

Conditions of Approval (if any):

CML EXPLORATION, LLC
PO BOX 890
SNYDER, TEXAS 79550

HENRY 24 NO. 1

Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-39855

DAILY COMPLETION REPORT

- 09/16/10 MIRUPU. NUBOP. Unloaded & racked 161 joints of new 2-3/8" J55 tubing. Rigged up wire line truck & ran GR/CBL/CCL to PBDT @5085'. Logged back to 3330' & cement top @600'. Ran in hole with 3-1/8" perforating gun & perforated the lower Penrose (5049-5056') 2 SPF. Rigged down wire line truck. Picked up 2 jts of 2-3/8" tubing for tail pipe, model R packer & 153 jts of tubing and ran in the hole. Set packer @4999' with tail pipe @5064'. Swabbed tubing down to the seat nipple in 4 runs - all water, no oil or gas show. Waited 1 hour & made another run, did not have any fluid entry. Shut well in for the night.
- 09/17/10 SITP = 0. Ran in the hole with swab, did not have any entry over night. Tubing was still dry. Rigged up acid pump truck & treated well with 1000 gallons of 20% HCL NEFE. Loaded tubing with 18 bbls of acid. Pressured up on tubing to 2500 psi, formation did not break down. Opened the by-pass on the packer & put 2 bbls acid across the perforations. Broke down with 2700 psi, treating .6 BPM @2200 psi, increased rate to 1 BPM @2380 psi & increased rate to 2 BPM @2690 psi. ISIP = 2316 psi, down to 2019 psi in 15 minutes. Rigged down pump truck & began swabbing load back (45 bbls) to the test tank. Swabbed down to the seat nipple with 32 bbls of load water to the tank, had 20% oil cut & 80% acid water. Waited 30 minutes. Ran back in the hole with the swab, had 300' of entry (100% oil). Waited 1 hour. Made another run, had 300' of entry, 100 % oil. Made 1 run per hour for the next 2 hours, had 300' of entry each time with 100% oil & good gas show. Shut the well in for the night.
- 09/18/10 SITP = 50 psi. Made swab run, fluid level @4000' from the surface. Pulled 1000' of oil with 20% water on the bottom & 300' of the run acid water. Also had a good gas show with the run. Opened the by-bass on the packer to wash possible acid away from the top of the packer. Closed the by-bass & swabbed the water back out of the tubing & formation with 4 runs. Shut well in for the night.
- 09/19/10 SITP = 55 psi. Made swab run, fluid level @4000' from the surface. Pulled 1000' of oil with a trace of water on the bottom of the run. Had a good gas show. Shut well in for the night.
- 09/20/10 SITP = 50 psi. Fluid level @4000' from the surface. Pulled 1000' of oil with 20% load water on the bottom of the run. Rigged down swab, released the packer & laid down 3 jts of tubing. NDBOP. Set packer @4902' with tail pipe @4967' & flanged up the well head. Swabbed tubing dry. Rigged up acid pump & treated the lower Penrose 5049' to 5056' with 4000 gallons of 20% gelled acid & 10 ball sealers. Rate 4 bpm @3550 psi. Had an increase of pressure with 10 balls on formation to 3675 psi @4.1 bpm. ISIP = 2470 psi, down to 2270 psi in 15 minutes. Left well shut in overnight.

HENRY 24 NO. 1

Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-39855

DAILY COMPLETION REPORT

- 09/21/10 SITP = 1450 psi. Bled well down to the test tank. Rigged up swab & swabbed tubing dry with 41 bbls of the load recovered (load from the acid job was 120 bbls). Waited 30 minutes & made another run, had 500' of fluid entry. Continued swabbing. Made a run every 30 minutes, had 300' entry on each run. Recovered 63 bbls of acid water with a trace of oil. Shut well in for the night.
- 09/22/10 SITP = 40 psi. Fluid level @2300' from the surface. Had 50' of free oil & 20% oil through the rest of the run, pulled 1500' of fluid. 2nd run fluid level 3200' from the surface, pulled 1300' of load water with a trace of oil. NDWH, NUBOP, released packer & tripped out of the hole. Rigged up wire line truck & perforated the lower Penrose (4988-4992') 2 SPF. Rigged down wire line truck. Tripped in hole with retrievable bridgeplug & packer. Set RBP @5020', released on-off tool, set packer & tested RBP good to 2000 psi. Rigged up acid truck & spotted 2 bbls of 10% HCL across perforations. Moved packer up to 4862' & set. Pressured up on casing & packer to 500 psi, held. Treated well with 1000 gallons of 10% HCL with clay-safe additives. Broke formation down @3517 psi, established injection rate of 1 BPM @2050 psi. Shut down, opened by-pass on the packer & displaced acid to the end of the tubing. Closed by-pass & continued with acid job. Treated @3 BPM @2470 psi. ISIP = 1873 psi. Bled down to 1340 psi in 15 minutes. Flowed down to the test tank & began swabbing 45 bbls load back. Swabbed the tubing dry after recovering 22 bbls of water to the tank. Waited 30 minutes & made another run, had no fluid. Waited 1 hour. Had 250' of fluid, no oil or gas just load water. Waited another hour, had no fluid entry. Shut well in for the night.
- 09/23/10 SITP = 9 psi. 1st swab run had fluid 4000' from the surface. Pulled 500' of fluid, had 200' of oil & 300' of load water. 2nd run tagged fluid 200' above the seat nipple but swab came up dry. Released the packer, dropped down & latched onto RBP. Released the RBP, moved up to 4970' & set RBP. Released on-off tool, laid down 1 joint of tubing & set the packer. Rigged up pump truck & tested RBP good to 2000 psi. Released packer & tripped out of the hole. Rigged up wire line truck & ran in the hole with 3-1/8" gun with Gamma Ray. Got on depth, perforated (4948-56') 2 SPF. Ran back in the hole with packer & treated with 1500 gallons of 10% HCL + clay-safe additives. Spotted acid across perforations, pressured up on formation to 1000 psi & shut down. Pressure bled back to 800 psi in 2 minutes. Pressured up to 1500 psi & shut down, pressure bled back to 700 psi in 2 minutes. Started pumping in formation @.5 BPM @1400 psi. Shut down & opened the by-pass on packer. Spotted acid near end of tubing, closed by-pass & continued with the acid job. Treated 2.5 BPM @2150 psi. ISIP = 1840 psi, down to 1672 psi in 15 minutes. Shut well in for the night.
<NOTE> Wireline measurements are 15' higher than pipe strap measurements.

HENRY 24 NO. 1
Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-39855

DAILY COMPLETION REPORT

- 09/24/10 SITP = 800 psi. Flowed well down to the test tank. rigged up swab and began swabbing. Load from the acid job (60 bbls). Swabbed well down to 3800' from the surface after recovering 32 bbls. Continued swabbing. Fluid level stayed @3800' to 4000' from the surface swabbing at rate of 8 BPH - 100% salt water, no oil or gas. Recovered a total of 80 bbls of water. Rigged down swab. Unset packer & retrievable bridgeplug, tripped out of the hole with tubing & tools. Shut well in for the weekend.
- 09/27/10 Rigged up wire line truck, ran in the hole & set cast iron cement retainer @4930'. Rigged down wire line truck. Tripped in with retainer stinger & tubing to the retainer. Stung into the retainer, loaded casing with 8 bbls of water & pressured up to 500 psi. Rigged up on tubing & established pump-in rate of 2 BPM @1400 psi. Squeezed all open perforations off with 50 sx Class "C" +0.4% Halad 322 & 50 sx class "C" neat. Pumped cement slurry 2 BPM @700 psi, shut down & washed up pump & lines. Displaced with fresh water, 1 BPM @1200 psi. Shut down with 5 bbl displacement remaining, waited 15 minutes on cement & then continued pumping at rate of 0.5 BPM, pressure 1500 psi. (another 2 bbls of displacement water). Shut down & waited another 15 minutes. Pumped 1 bbl at rate of 0.5 BPM, pressure 1560 psi, shut down & waited 30 minutes. Pumped 2 bbls at rate of 0.5 BPM, pressure 2400 psi. Shut down & stung out of the retainer. Reversed excess cement to the pit (1 bbl). Rigged down cement truck & pulled out of the hole with tubing. SWIFN.
- 09/28/10 Rigged up wireline truck & ran in hole with 3-1/8" perforating gun. Perforated Penrose B (4868-71') & (4880-88') 2spf. Rigged down wire line truck. Ran in the hole with tubing & packer to 4890'. Rigged up acid truck & spotted 2 bbls of 10% HCL across perforations. Moved & set packer @4721'. Broke formation down @2940 psi, established injection rate 0.8 BPM @2600 psi. Opened by-pass on the packer & displaced acid to the end of the tubing. Continued acid job with 1500 gallons of 10% HCL + clay safe additives & 30 ball sealers. Treated 3.6 BPM @2080 psi, had good ball action with pressure increase to 2800 psi. Surged balls off & finished flush 3.5 BPM @1980 psi. ISIP = 1370 psi, down to 1227 psi in 15 minutes. Load is 60 bbls. Flowed well down to the test tank & started swabbing. Recovered 18 bbls of water & dried up. Waited 1 hour & made a run, had 600' of fluid (water). Waited 1 hour & made a run, had 200' of fluid (water). Waited 1 hour, made run, had 250' of fluid with 50' of oil on the top of the run. Wait 1 hour, had 100' of fluid with a small amount of oil on the top of the run. Recovered 23 bbls of water. SWIFN.

CML EXPLORATION, LLC
PO BOX 890
SNYDER, TEXAS 79550

HENRY 24 NO. 1
Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-39855

DAILY COMPLETION REPORT

- 09/29/10 SITP = 10 psi. Fluid level @3500' from the surface on the first run. Pulled 1000' of fluid, had 400' oil & 600' of water. Continued swabbing the rest of the day, waiting 1 hour between runs. Averaged 300' of entry per hour with a 16% oil cut. Recovered a total of 7 bbls of fluid. Total load back from acid job is 30 bbls. SWIFN.
- 09/30/10 SITP = 0. Had a weak blow on the tubing. Fluid level @3800' from the surface. Pulled 800' of fluid, 500' of free oil & 300' of water. Released packer & NDBOP. Reset packer & flanged up wellhead. Swabbed tubing back down & shut well in for the weekend.
- 10/04/10 SITP = 50 psi. Fluid level @3500' from the surface. Pulled 1000' of fluid, 500' of oil & 500' of water. Chlorides on the water are 146,000. Shut well in, wait on frac. RDMOPU.
- (Frac Job)**
- 10/28/10 SITP = 150 psi. MIRUPU, NDWH & NUBOP. Tripped out of the hole with tubing & packer. NU 7-1/16" 5K frac valve & frac stack. SWIFN.
- 10/29/10 RU up Basic Energy Services frac equipment. Frac Penrose Formation down 5½" casing with 28,470 gals of 20# Borate crosslinked gel + 50,000 lbs of 20/40 resin coated sand staged from ½ ppg to 4.0 ppg. Flushed to top perf with linear gel. Avg rate = 15.2 BPM, Avg pressure = 1976 psi, Max rate = 15.6 BPM & Max pressure = 2290 psi. ISIP = 2030 psi, 5 min = 1790 psi, 10 min = 1669 psi, 15 min = 1607 psi. Total load to recover = 832 bbls. SWIFN. RD all frac equipment.
- 10/30/10 SICP = 35 psi. Opened well to flowback tank on full 2". Died after flowing back 1.5 bbls of water. Left well open to the tank for the rest of the weekend.
- 11/01/10 ND Frac valve & NUBOP. Tripped in the hole with notched collar, seat nipple & tubing to sand @4898' (10' below the bottom perforations). RU pump truck & washed out sand to PBTD @4930'. Circulated clean & moved tubing up to 4700'. Began swabbing load back, fluid level was @400' from the surface. Recovered 14 bbls of water. NDBOP & NUWH. Released pulling unit. MIRU swab unit. Continued swabbing load back. Recovered a total of 44 bbls (water), fluid level @1000' from the surface. SWIFN. 145 jts of 2-3/8" tubing in the hole.
- 11/02/10 SITP = 0 psi. FL @600' from the surface on the 1st run. Continued swabbing all day. Recovered a total of 244 bbls. FL @2600' from the surface. Oil cut was 7% on the last run. Shut well in for the night.

HENRY 24 NO. 1
Sec. 24, T-19-S, R-35-E
Lea County, New Mexico
Property Code #38266 – API #30-025-39855

DAILY COMPLETION REPORT
(Frac Job)

- 11/03/10 SITP = 0 psi. Had a weak blow. SICP = 50 psi. FL @1300' from the surface on the 1st run. Pulled 1400' of fluid, 300' free oil, 1100' water. Continued swabbing. Recovered 206 bbls of fluid. Fluid level @2800' from the surface, oil cut 12% on the last run. SWIFN.
- 11/04/10 SITP = 100 psi. SICP = 110 psi. FL @1600' from the surface on the 1st run. Pulled 1400' of fluid, 700' oil & 700' water. Continued swabbing for the next 8 hours. Recovered 169 bbls of fluid, oil cut 15%. Fluid level remained @2800' from the surface.
- 11/05/10 SITP = 100 psi. SICP = 140 psi. FL @1600' from the surface. Pulled 1400' of fluid, 750' oil, 650' water. Shut well in & rigged down swab unit. Wait on pumping unit & tank battery.
- 11/11/10 MIRPU, NDWH, NUBOP, SWIFN.
- 11/12/10 Tripped out of the hole with tubing. Ran in the hole with tubing barrel, S.S. seat nipple & set standing valve in place. Ran in the hole with production tubing. NDBOP, set TAC & flanged up well head. Ran in the hole with plunger & used rods. Spaced out plunger & hung on. Started generator & checked pump action (good). Shut down. Will hook up tank battery next week. RDMOPU.

TUBING DETAIL

145 – jts 2-3/8" tubing
1 – 5-1/2" x 2-3/8" TAC
2 – jts 2-3/8" tubing
1 – 4' x 2-3/8" sub
1 – 20' barrel w/S.S. seat nipple @4784'
1 – 4' x 2-3/8" perf sub
1 – 2-3/8" mud anchor w/bull plug

ROD DETAIL

1 – 2' x 7/8" sub
109 – 7/8" steel rods (used)
81 – 3/4" steel rods
11 – 7/8" steel rods (used)
1 – No Tap tool
1 – 7/8" steel rod (used)
1 – 2' x 3/4" sub
1 – standing valve w/6' sand screen