

CML EXPLORATION, LLC
PO BOX 890
SNYDER, TEXAS 79550

BEAMS 15 STATE NO. 1

Sec. 15, T-17-S, R-33-E
Lea County, New Mexico
Property Code #38326 – API #30-025-39919

DAILY COMPLETION REPORT

- 12/14/10 MIRUPU. Set pipe racks, unloaded & racked 351 jts of 2-7/8" tubing. NUBOP. Shut well in, waiting on pulling unit crew to return from Mexico.
- 12/27/10 Tripped in the hole with 6 - 3 1/2" drill collars & 4 3/4" drill bit. Picked up new 2-7/8" tubing from the rack. Drilled out DV tool @6475', circulated clean & tested casing and DV tool good to 1500 psi. Continued in the hole to 11,200', circulated casing with 250 bbls of 10# brine. Started out of the hole with tubing. SWIFN.
- 12/28/10 Finished tripping out of the hole with tubing. Laid down drill collars & drill bit. Rigged up wire line truck & ran GR/CBL/CCL to 12,000'. Tools shorted out, pulled back out of the hole, re-headed & ran back in the hole. Tagged PBTD @12,867', logged from 11,500' to 10,000', skipped up hole & logged from 6500' to 4000'. Top of cement @4250'. Ran in with 3-1/8" casing gun & perforated (11,104' to 11,138') 2 SPF. Rigged down wire line truck. Picked up Arrowset packer & tripped in the hole with 2500' of tubing. SWIFN.
- 12/29/10 Had slight vacuum on casing. Continued in the hole with packer to 11,145'. Rigged up acid truck, pumped 25 bbls of brine water & broke circulation. Spotted 200 gallons of 15% HCL across perforations. Moved packer up to 10,891', NDBOP, Set packer & NUWH. Attempted to load & test casing and packer. Pumped 180 bbls of brine down casing at rate of 2.8 BPM, did not load up. Casing capacity is 165 bbls. Tied onto tubing & pumped 70 bbls of fresh water at rate of 2.8 BPM, did not load up. Tubing capacity is 63 bbls. Formation appears to be broken down & the packer is leaking. Discontinued acid job. Began swabbing load back, Recovered 83 bbls of water, fluid level @5200' from the surface. No oil or gas show. SWIFN.
- 12/30/10 SITP = 15 psi, SICP "vacuum". 1st swab run, fluid level @5100' from the surface. Pulled 1500' of water with a trace of oil on top. Continued swabbing, recovered 164 bbls of water. Well kicked off flowing. Tubing pressure 50 psi open to 2" line, installed an adjustable choke set @24/64". Began flowing well to the oil tank over night. Tubing pressure 125 psi, casing pressure @350 psi.
- 12/31/11 Flowing tubing pressure fluctuating from 100 psi to 300 psi. SICP = 500 psi. Made 215 bbls of fluid in 13 hrs. Continued flowing well on 24/64" choke for another 7 hours. Tubing pressure 125 psi to 350 psi, SICP built to 650 psi & averaged 20.8 bbls of fluid per hour with a large amount of gas. Wellhead samples = 70% oil & 30% fresh water. Rigged up slick wireline truck & ran in the hole with gauges. Left well flowing 1 hour after leaving gauges at the seat nipple. Shut well in for 72 hour build up. Rigged down & released wire line truck.
- 01/01/11 SITP = 675 psi, SICP = 800 psi.

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DAILY COMPLETION REPORT

- 01/03/11 SITP = 638 psi. BHP = 2725 psi. Rigged up slick wire line truck and pulled gauges. Left well shut in overnight.
- 01/04/11 Rigged up pump truck. Pumped 30 bbls of fresh water down tubing & 30 bbls fresh water down casing to kill well. Released packer, tripped out of the hole with tubing and packer. Had 2 of the rubbers missing from the packer. Rigged up wire line truck & ran in the hole with 3-1/8" casing gun. Perforated the remaining Cisco (11,084-90'), (11,060-76'), (11,045-53') 2 spf, 90° phasing. RIH & set composite bridgeplug @11,098'. Rigged down & released wireline truck. Picked up Arrowset 10K packer & tripped in the hole to 11,085'. Rigged up pump truck & circulated casing with 240 bbls of fresh water. Shut well in night.
- 01/05/11 Rigged up acid pump & spotted 200 gallons of 15% HCL across perforations. Moved & set packer @10,794'. Took 28 bbls of water to load the casing, pressured up to 1000 psi & held. Treated well with remaining 3100 gallons of 15% HCL NEFE with 100 ball sealers. Took 40 bbls to load tubing (formation was already broke down). Pressured up to 1300 psi @5 bpm, broke back to a vacuum after getting acid on formation. Had some ball action but didn't ball out. Rigged down acid pump & began swabbing load back (228 bbls). Swabbing @4500' from the surface, well kicked off flowing after recovering 125 bbls of water. Began flowing to 500 bbl stock tank on 24/64" adjustable choke, tubing pressure 280 psi.
- 01/06/11 Flowing tubing pressure 400 psi on 24/64" choke. Made 376 bbl. in 13 hours. Shut well in for pressure buildup test.
- 01/07/11 SITP = 725 psi. Rigged up slickline truck & ran gauges for bottom hole pressure. BHP = 2802 psi. Rigged down wireline truck, rigged up pump truck & pumped 30 bbls of fresh water to kill the well. Released packer & tripped out of the hole with tubing. Picked up 3 – 3 1/2' drill collars & 4 3/4" bit. Tripped in the hole & drilled out the composite plug @11,098'. Pushed the plug down to 11,268'. Started out of the hole with tubing. Left 3000' of tubing in the hole. Shut well in for the night.
- 01/08/11 Finished tripping out of the hole with the tubing. Laid down drill collars & bit. Picked up Arrowset 10K packer with on-off tool, (2.31" X profile nipple). Tripped in with 333 jts of 2-7/8" N80 tubing. NDBOP, set packer in 20 points of compression @10,793' & NUWH. Rigged up swab & began recovering load water. (Did Not load casing after setting packer, fluid level on the back side @ ±5,000' from the surface.) Swabbed 75 bbls of water & the well kicked off flowing. Turned well to the tank battery flowing on 18/64" positive choke @400 psi. RDMOPU.