

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOC
ArtesiaFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM046153A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
MILLER FEDERAL 19. API Well No.
30-005-20044-00-S110. Field and Pool, or Exploratory
TOM TOM-SAN ANDRES11. County or Parish, and State
CHAVES COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
CROSS BORDER RESOURCES, INC.-Mail: ross@redmountainresources.com

Contact: ROSS PEARSON

3a. Address
14282 GILLIS ROAD
FARMERS BRANCH, TX 752443b. Phone No. (include area code)
Ph: 214-871-04004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 34 T7S R31E SESE 660FSL 660FEL
33.657905 N Lat, 103.755371 W Lon**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SEE ATTACHED PROCEDURE

NM OIL CONSERVATION
ARTESIA DISTRICT
OCT 28 2016SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #355813 verified by the BLM Well Information System For CROSS BORDER RESOURCES, INC., sent to the Roswell Committed to AFMSS for processing by JENNIFER SANCHEZ on 10/25/2016 (17JS0005SE)	
Name (Printed/Typed) ROSS PEARSON	Title V.P. OF OPERATIONS
Signature (Electronic Submission)	Date 10/25/2016
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	Title _____ Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office _____
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Revisions to Operator-Submitted EC Data for Sundry Notice #355813

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	ACID NOI	ACID NOI
Lease:	NMNM046153A	NMNM046153A
Agreement:		
Operator:	CROSS BORDER RESOURCES 14282 GILLIS ROAD FARMERS BRANCH, TX 75244 Ph: 214-871-0400	CROSS BORDER RESOURCES, INC. 14282 GILLIS ROAD FARMERS BRANCH, TX 75244 Ph: 214-871-0400
Admin Contact:	ROSS PEARSON VP OPERATION E-Mail: ROSS@REDMOUNTAINRESOURCES.COM Cell: 469-995-0425 Ph: 469-995-0425 Fx: 214-871-0406	ROSS PEARSON V.P. OF OPERATIONS E-Mail: ross@redmountainresources.com Ph: 214-871-0400
Tech Contact:	ROSS PEARSON VP OPERATION E-Mail: ROSS@REDMOUNTAINRESOURCES.COM Cell: 469-995-0425 Ph: 469-995-0425 Fx: 214-871-0406	ROSS PEARSON V.P. OF OPERATIONS E-Mail: ross@redmountainresources.com Ph: 214-871-0400
Location:		
State:	NM	NM
County:	CHAVES COUNTY	CHAVES
Field/Pool:	TOM-TOM SAN ANDRES	TOM TOM-SAN ANDRES
Well/Facility:	MILLER FEDERAL 1 Sec 34 T7S R31E	MILLER FEDERAL 1 Sec 34 T7S R31E SESE 660FSL 660FEL 33.657905 N Lat, 103.755371 W Lon

**Miller Federal #1
(API = 30-005-20044)
660' FSL and 660' FEL
Section 34, Twp. 7-S, Rge-31-E
Chaves County, New Mexico**

Procedure to add perforations in P-2 and acidize

All perforations are based on Schlumberger Sidewall Neutron Porosity log

1. MIRU workover unit. POOH with Rods and pump. ND pumping tee. NU 3000# double manual BOP's POOH w/ production tubing (2-3/8", J-55, 4.7# EUE) bring additional tubing to check T.D. RIH w/ bit and scraper on production tubing. Check T.D. POOH and strap tubing.
2. Perforate additional P-2 San Andres based of Schlumberger Sidewall Neutron Porosity (SNP) log. Perforate P-2 San Andres as follows: 3906'-3950' (2 JSPF, 90 degree phasing, 88 holes). Perforate this interval with the gas gun. Re-perf old perforations 3954'-3984' (1 spf, 90 degree phasing, 30 holes) POOH w/ wireline. RDMO wireline unit.
3. RIH w/ 4.5" Arrow-set 1-X or equivalent packer on production tubing (hydro-test tubing while running in the hole to 6,000 psig). Have spare 2-3/8" 4.7# J-55 EUE tubing on location. Spot acid across new perforations prior to setting packer. Set packer at 3850'. Load backside with produce water. Do not put more than 300 psig on the backside. Pump 500 gallons toluene prior to acid treatment. Acidize perforations with 4,000 gallons 20% NEFE HCl w/ 10% toluene mix. Pump 1000 gallons acid followed by 1200lbs rock salt diverter in produced water. Pump another 5000 gallons 20% HCL diverted w/ 1200 lbs rock salt. Pump another 1000 gallons 20% HCL diverted with 1200 lbs rock salt. Repeat process. Pump final 1000 gallons 20% HCl acid Do not exceed 2500 psig pump in pressure. Have a total of 5000 lbs of rock salt on location in case more rock salt is required.
4. Over displace acid job with 100 bbls fresh water to ensure all the rock salt is dissolved. Swab well back till well cleans up. Release packer and POOH.
5. RIH with production equipment and return well to production.

**Miller Federal 1
30-005-20044
Cross Border Resources, Inc.
October 25, 2016
Conditions of Approval**

Notify BLM at 575-627-0205 a minimum of 24 hours prior to commencing work.

Work to be completed by January 25, 2017.

- 1. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
- 2. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 3. Surface disturbance beyond the originally approved pad must have prior approval.**
- 4. Closed loop system required.**
- 5. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 6. Operator to have H2S monitoring equipment on location.**
- 7. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 8. Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.**

JAM 102516