

Submit 1 Copy To Appropriate District

Office

District I - (575) 393-6161
1625 N French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S. First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBS OCD
OCT 04 2012
RECEIVED

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-20530
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> Fed <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Miller Federal SWD
8. Well Number #6
9. OGRID Number 286614
10. Pool name or Wildcat Tom-Tom/ San Andres SWD
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 Gas Well Other SWD

2. Name of Operator
Cross Border Resources, Inc.

3. Address of Operator
2515 McKinney Avenue Suite 900, Dallas, TX 75201

4. Well Location
Unit Letter M : 660' feet from the South line and 660' feet from the West line
Section 34 Township 7S Range 31E NMPM County lea

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

OTHER:

OTHER: Well Repair

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

~in response to NMOCD Letter of Violation and Shut-In Directive dated September 19, 2012

Spud Date:

Rig Release Date:

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

SIGNATURE [Signature] TITLE Agent DATE 10/3/12

Type or print name Tommy W. Folsom E-mail address: tommy@redmountainresources.com PHONE: 214.871.0400

APPROVED BY [Signature] TITLE Dist. Mgr DATE 10-4-2012
Conditions of Approval (if any):

Cross Border Resources, Inc.
Miller Federal #6 SWD
Sec 34, T-7S, R-31E
SHL 660' FSL & 660 FWL
BHL 1113' FSL & 2482' FWL
Chaves County, New Mexico

8-14-2012 Conducted MIT, the test failed.

8-29-2012 RUPU and POOH w/ tbg, TIH w/ work string and attempted to isolate csg problems. Was unable to isolate problem.

8-30-2012 TIH w/ bit and scrapper, RU wireline and ran csg inspection log indicated several possible holes.

Prepared procedure to repair well was submitted to David Glass BLM for approval. Received approval on procedure 9-7-2012

9-21-2012 Notified BLM of starting work.

9-23-2012 TIH w/ 3 ½" ECP (10' seal assembly expanding to max of 8") 4" stage tool and 3,546' of 4 ½" FL4S 11.6# J-55 csg. Circulated class "C" cmt attempted to squeeze to 5 ½" annulus and pressured to 1800psi. Circulated 50 sxs cmt to surface.

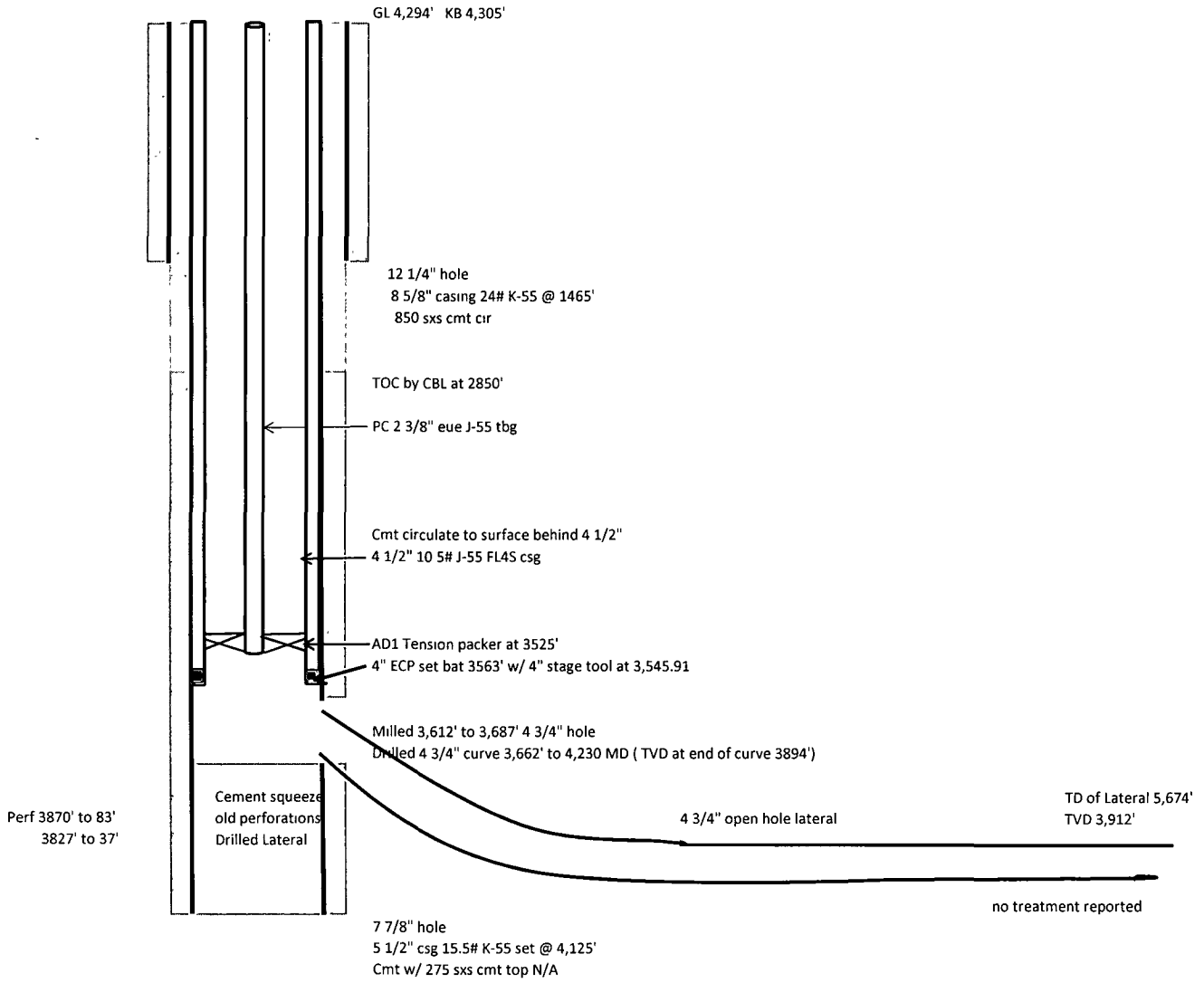
9-24,25-2012 Drilled out cmt, stage tool ID and ID of ECP to access disposal zone.

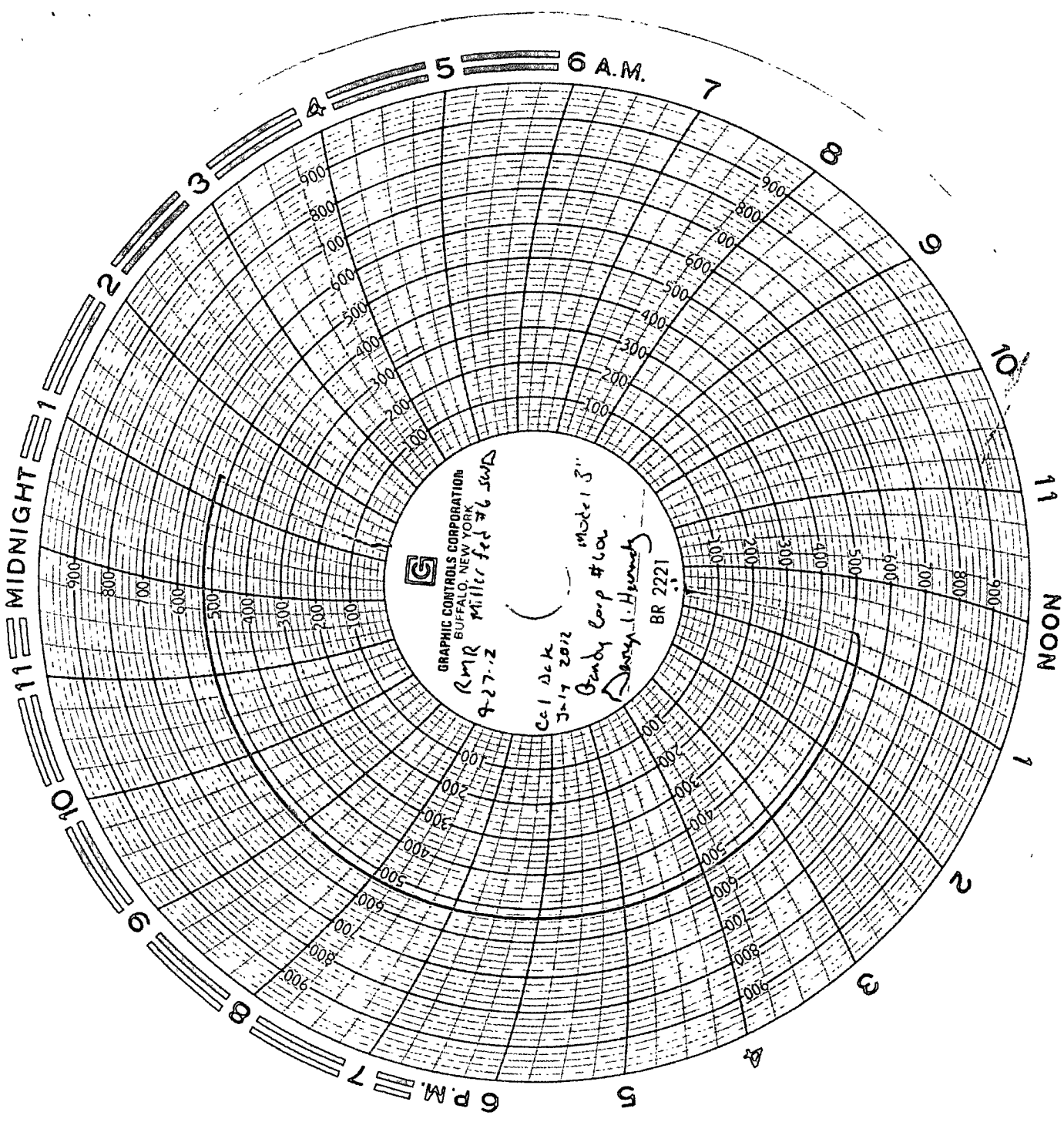
9-26-2012 TIH w/ 4 ½" x 2 3/8" plastic coated packer Tension AD1 packer, and 3,525' of new 2 3/8" 4.7# J-55 tbg . Set packer NUWH and called BLM and NMOCD to schedule MIT test.

9-27-2012 BLM and NMOCD did not show up to witness test. Pressured csg to 520 psi and held for 30 minutes, test was recorded on chart. Called David Glass and requested and was granted permission to return SWD to service. Installed meter connected to pump and started injecting produced water. Placed wells going to this disposal back in operation.

Cross Border Resources
 Miller Federal #6 SWD
 Sec 34, T-7S, R-31E
 SHL 660' FSL and 660' FWL
 BHL 1113' FSL & 2482' FWL
 Chaves County, New Mexico

Well bore with 4 1/2" csg in hole





GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

RMR Miller fed #6 SWD
9-27-12

Cal Deck
3-17-2012

Bundy Corp #602

Darryl L. Hensch

BR 2221

Miller Fed # 6 SWP
API 30-005-20530
SW SW Sec 34 T7S R31E
Chaves County New Mexico

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MBA