

Office

Revised August 1, 2011

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

Energy, Minerals and Natural Resources

HOBBS OGD

OCT 18 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-005-20686

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

L-5120

7. Lease Name or Unit Agreement Name

Tom 36 State

8. Well Number 1 SWD

9. OGRID Number 2866614

10. Pool name or Wildcat

SWD; San Andres

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 Ave Ste 900 Dallas TX 75201

4. Well Location

Unit Letter A : 660 feet from the North line and 660 feet from the East line
Section 36 Township 7S Range 31E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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: 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 Report

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

TITLE Agent

DATE 10/17/12

Type or print name Tommy W. Folsom

E-mail address: tommy@redmountainresources.com PHONE: 214.871.0400

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

FEB 04 2013

Cross Border Resources, Inc.
Tom 36 State #1
Sec 36, T-7S, R-31E
SHL 660' FNL & 660' FEL
BHL 1897' FNL & 1695' FEL
Chaves County, New Mexico

HOBBS OCD

OCT 18 2012

RECEIVED

Workover Details

- 8/14/12 MIT failed test
- 8/31/12 Moved rig on to location
- 9/4/12 POOH w/ tbg and laid down all tbg. TIH w/ RBP and PKR and attempted to isolate problem, Unable to get positive test.
- 9/5/12 TIH w/ bit and scrapper to clean csg. RU wireline and ran csg inspection log several possible holes indicated. Ran CBL to define cmt top TOC by cbl at 2912'.
- 9/6/12 RD off well
- 9/7/12 Completed procedure to repair, completed C-103 and C-144 to file with the OCD for approval.
- 9/13/12 Received approval of C-103 and C-144 to conduct procedure to repair well.
- 9-28-12 Moved rig to location. Notified NMOCD of work start date.
- 10/1/12 TIH w/ ECP, stage tool and 4 ½" 11.6# FL4S csg. Set ECP at 3,832.99, opened stage tool and pumped 300 sxs of Halcem with cmt cir. on 4 ½" pinched off valve and squeezed cmt behind 5 ½" csg good returns, water turned gray but did not get cmt returns on 5 ½".
- 10/2/12 Drilled out cmt and wiper plug.
- 10/3/12 Drilled out stage tool ID and ECP shoe.
- 10/4/12 Shut down due to high wind.
- 10/5/12 TIH w/ new IPC AD1 pkr and 2 3/8" IPC eue 8rd J-55 tbg, set pkr at 3,803.56'. Flushed csg w/ fresh water and corrosion inhibitor. Set pkr and pressured csg to 600 psi held for 20 minutes.

Cross Border Resources, Inc.

Tom 36 State #1 SWD

Workover Details

Page 2 of 2

10/8/12 Conducted MIT test pressured to 580 psi and ran chart. Sylvia Dickey notified but was not present for test. Pkr sheared and failed after test.

10/15/12 MIPU and pulled out of hole w/ pkr and replaced with new pkr TIH w/ tbg and pkr set at 3803.56'. Pressured csg to 600 psi held OK. (Adjustments were made to pkr to prevent failure.)

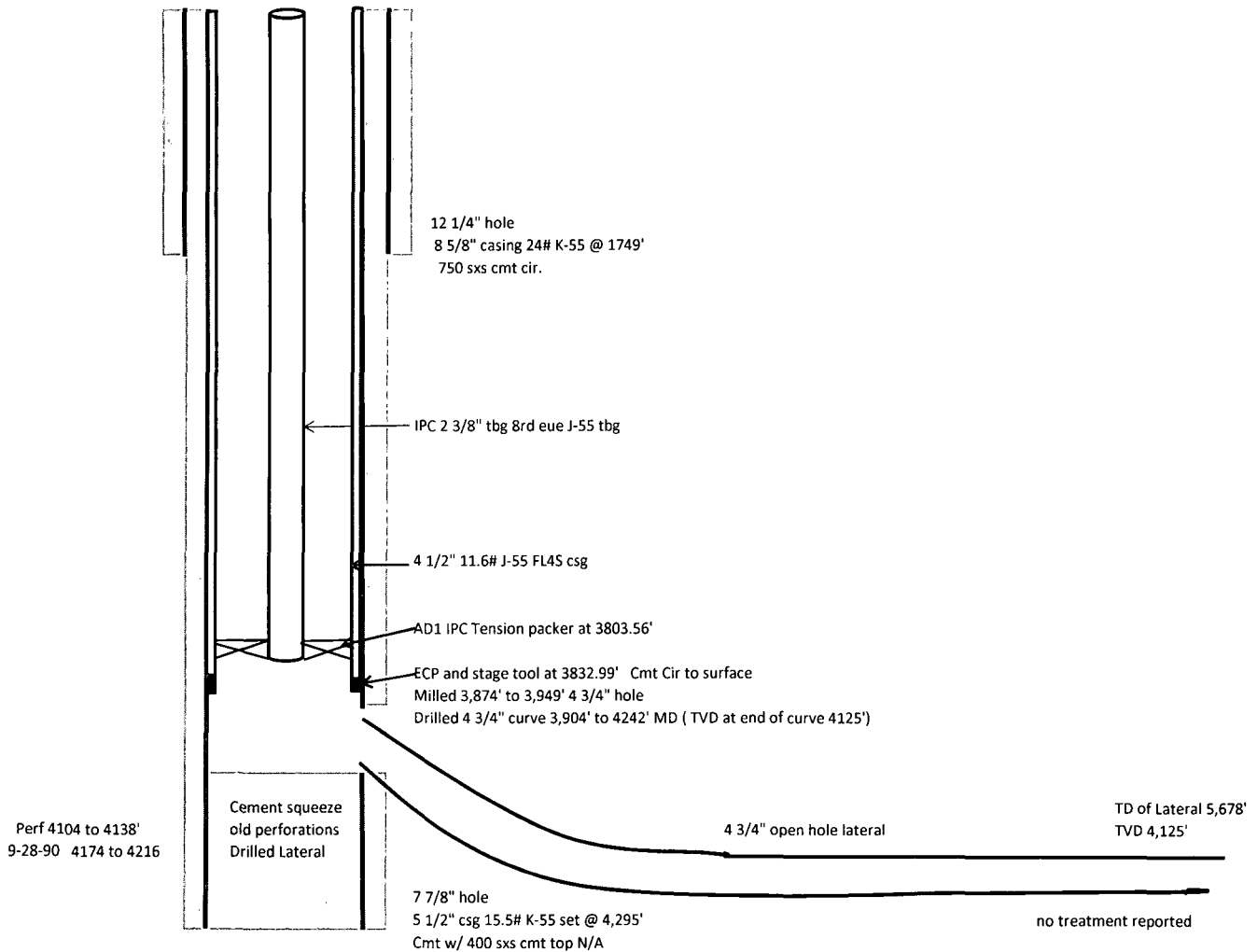
10/16/12 Conducted MIT test and charted tested good. Sylvia Dickey with the OCD was notified but was not present for test.

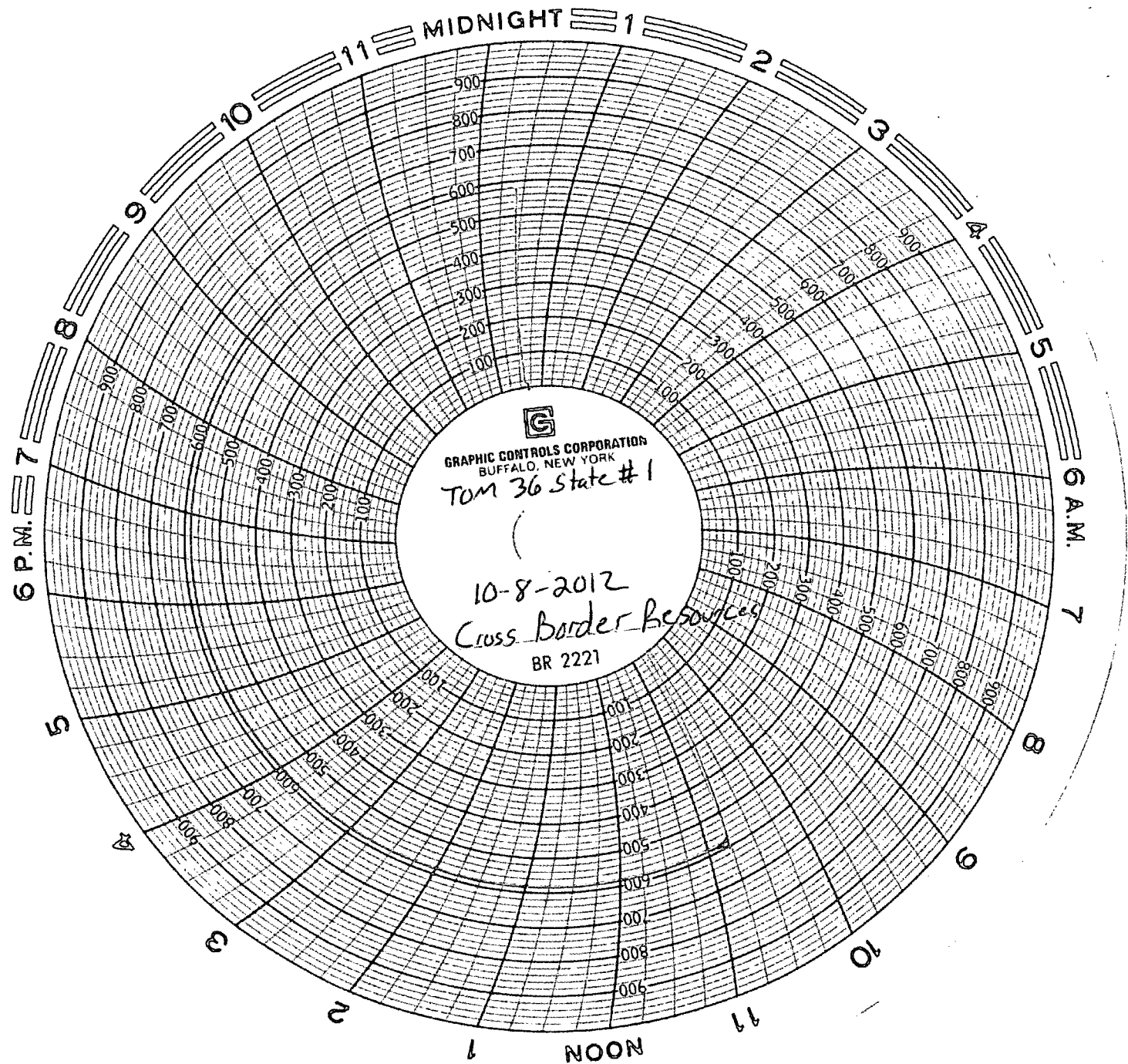
All fluids required for disposal of at facility R360 were disposed as required. The tanks were removed from the well site and the location was cleaned as required. The well is ready to return to service.

Cross Border Resources
Tom 36 State #1 SWD
Sec 36, T-7S, R-31E
SHL 660' FNL and 660' FEL
BHL 1897' FNL & 1695' FEL
Chaves County, New Mexico

GL 4,418' KB 4,430'

Well Bore with 4 1/2" csg





Stone Oilfield Service

Lovington NM

Unit # K8

Calibrated Date - 8-2-2012 Ser# ~~8159~~
8519

Test Date 10-8-2012

David Anthony - *DA*

RMR Operating LLC

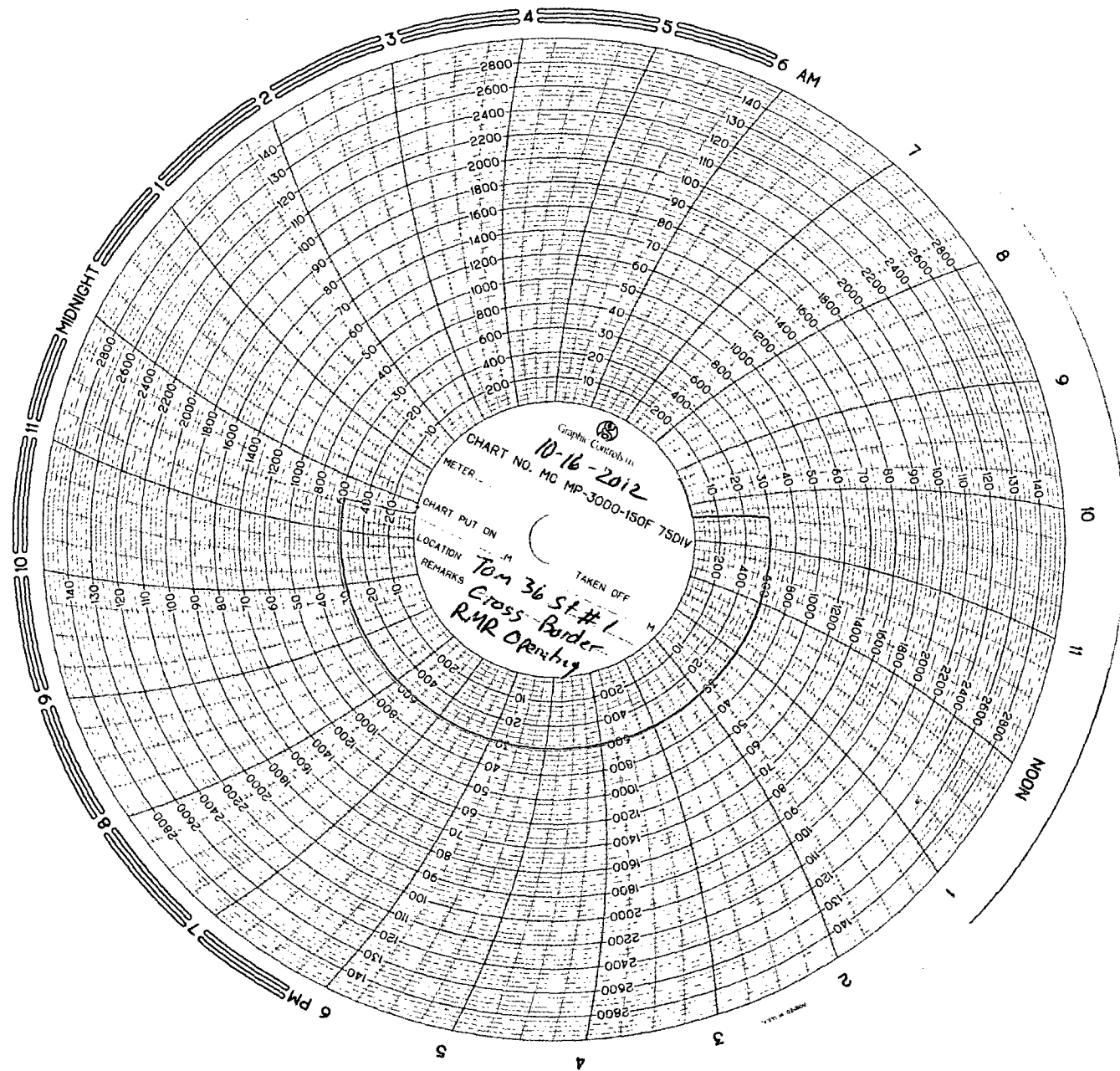
Tom 36 State # 1

API 30-005-20686

Sec 36 T7S, R31E

MIT 10-8-2012

MH Michael Huber



Stone Oil Field Service


Lovington NM

Unit # K8

Calibrated Date: 10-15-12 ser# CLP1549

Test Date - 10-16-12

David Anthony



Cross Border

RMR Operating LLC

Tom 36 State #1

API 30-005-20686

Sec 36 T7S R31E

MIT 10-16-12

Chaves County New Mexico

Michael Huber MK

HALLIBURTON

RMR OPERATING LLC

**Tom 36 State 1
TEXON NORTH
Texas**

HOBBS OCD

OCT 18 2012

RECEIVED

Cement Production Liner

Job Site Documents

Field Ticket

Field Ticket Number: 9858626		Field Ticket Date: Monday, October 01, 2012	
Bill To: RMR OPERATING LLC 2515 MCKINNEY AVE STE 900 DALLAS, TX 75201		Job Name: Production Liner Order Type: Streamline Order (ZOH) Well Name: Tom 36 State 1 Company Code: 1100 Customer PO No.: NA Shipping Point: Hobbs, NM, USA Sales Office: Permian Basin BD Well Type: Disposal Well Well Category: Development	
Ship To: RMR TOMS 36 STATE 1, CHAVES TOMS 36 STATE 1 2955117 TOMS 36 STATE 1 ROSWELL, NM 88201			

Material	Description	QTY	UOM	Base Amt	Unit Amt	Gross Amount	Discount	Net Amount
7525	CMT PRODUCTION LINER BOM	1	JOB	0.00	0.00	0.00		0.00
1	MILEAGE FOR CEMENTING EQUIPMENT	120	MI	0.00	9.79	1,174.80	35%	763.62
	Number of Units	1						
2	MILEAGE FOR CEMENTING CREW	120	MI	0.00	5.76	691.20	35%	449.28
	Number of Units	1						
7	ENVIRONMENTAL SURCHARGE	1	JOB	0.00	134.00	134.00		134.00
544299	Fuel Surcharge	1	EA			319.82		319.82
	Number of Units	1						
372867	DOT Vehicle Charge	2	EA	0.00	241.00	482.00		482.00
16100	LINER CEMENTING	1	EA	0.00	5,220.00	5,220.00	35%	3,393.00
	DEPTH	3550						
	FEET/METERS (FT/M)		FT					
141	RCM w/ RA DENSOMETER	1	JOB	0.00	1,990.00	1,990.00	35%	1,293.50
	NUMBER OF UNITS	1						
104535	SQUEEZE MANIFOLD, W/HALLIBURTON	1	EA	0.00	626.00	626.00	35%	406.90
	DAYS OR PARTIAL DAY(WHOLE NO.)	1						
74038	PLUG CONTAINER RENTAL w/HALLIBURTON	1	EA	1,322.00	0.00	1,322.00	35%	859.30
	DAYS OR FRACTION (MIN1)	1						
100003638	WG-19	50	LB	0.00	240.00	12,000.00	35%	7,800.00
452986	HALCEM (TM) SYSTEM	300	SK			15,060.00	35%	9,789.00
100003646	HALAD-322	170	LB	0.00	20.79	3,534.30	35%	2,297.29

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Ship To: RMR TOMS 36 STATE 1, CHAVES TOMS 36 STATE 1 2955117 TOMS 36 STATE 1 ROSWELL, NM 88201	

Material	Description	QTY	UOM	Base Amt	Unit Amt	Gross Amount	Discount	Net Amount
76400	MILEAGE, CMT MTLs DEL/RET	60	MI	0.00	3.35	2,856.21	35%	1,856.54
	NUMBER OF TONS	14.21						
3965	SVC CHRG, CMT & ADDITIVES	305	CF	0.00	5.49	1,674.45	35%	1,088.39
	NUMBER OF EACH	1						
100008028	SUGAR, GRANULATED, IMPERIAL	200	LB	0.00	6.44	1,288.00	35%	837.20
Totals						48,372.78	16,602.94	31,769.84

Halliburton Rep:

JOSHUA MCPHERSON

Totals

USD

48,372.78

16,602.94

31,769.84

Customer Agent:

Tommy Folsom

Halliburton Approval

THIS OUTPUT DOES NOT INCLUDE TAXES. APPLICABLE SALES TAX WILL BE BILLED ON THE FINAL INVOICE.

CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ABOVE AND ON THE ATTACHED DOCUMENTS.

X
FIELD TICKET TOTAL: USD

31,769.84

Customer Signature

Was our HSE performance satisfactory? Y or N
(Health, Safety, Environment)

Were you satisfied with our Equipment? Y or N

Were you satisfied with our people? Y or N

Comments

The Road to Excellence Starts with Safety

Sold To #: 365815	Ship To #: 2955117	Quote #:	Sales Order #: 9858626
Customer: RMR OPERATING LLC		Customer Rep: Folsom, Tommy	
Well Name: Tom 36 State	Well #: 1	API/UWI #: 30-005-20686	
Field:	City (SAP): ROSWELL	County/Parish:	State: Texas
Contractor: WORK OVER		Rig/Platform Name/Num: ????	
Job Purpose: Cement Production Liner			
Well Type: Disposal Well		Job Type: Cement Production Liner	
Sales Person: THORNTON, PAUL		Srvc Supervisor: MCPHERSON, JOSHUA	MBU ID Emp #: 379814

Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
DOMINGUEZ, RAMON	4.5	412259	FRANCO, RAMIRO Cruz	4.5	434127	HINOJOSA, JOSHUA Edward	4.5	510530
MCPHERSON, JOSHUA S	4.5	379814						

Equipment

HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way
11070439	MILE	11064734	MILE				

Job Hours

Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours
10/01/2012	5.5	3						
TOTAL	Total is the sum of each column separately							

Job

Formation Name	Formation Depth (MD)	Top	Bottom	Form Type	Job depth MD	Job Depth TVD	Water Depth	Perforation Depth (MD)	From	To	Deparated Loc
				BHST	3550. ft	3550. ft					
							Wk Ht Above Floor				

Well Data

Description	New / Used	Max pressure psig	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
DV Tool / ACP								3550.	3550.		
Production Casing	Unknown		5.5	5.012	14.				4500.		
Production Liner	Unknown		4.5	4.052	10.5	ULTRA FLUSH JOINT			3550.		

Sales/Rental/3rd Party (HES)

Description	Qty	Qty uom	Depth	Supplier
SUGAR, GRANULATED, IMPERIAL	200	LB		

Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug			
Float Shoe					Bridge Plug					Bottom Plug			
Float Collar					Retainer					SSR plug set			
Insert Float										Plug Container			
Stage Tool										Centralizers			

Miscellaneous Materials

Gelling Agt	Conc	Surfactant	Conc	Acid Type	Qty	Conc	%
Treatment Fld	Conc	Inhibitor	Conc	Sand Type	Size	Qty	

Fluid Data

Stage/Plug #: 1

Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	Pump 20 bbl Gel Spacer			bbl	.	.0	.0	.0	
	2.5 lbm/bbl	WG-19, 50 LB BAG (100003638)							
2	Mix and pump 300 sks HalCem - C	HALCEM (TM) SYSTEM (452986)		sacks	14.8	1.33	6.3		6.3
	6.302 Gal	FRESH WATER							
	0.6 %	HALAD(R)-322, 50 LB (100003646)							
Calculated Values		Pressures		Volumes					
Displacement		Shut In: Instant		Lost Returns		Cement Slurry		Pad	
Top Of Cement		5 Min		Cement Returns		Actual Displacement		Treatment	
Frac Gradient		15 Min		Spacers		Load and Breakdown		Total Job	
Rates									
Circulating		Mixing		Displacement		Avg. Job			
Cement Left In Pipe	Amount	0 ft	Reason	Shoe Joint					
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID		
The Information Stated Herein Is Correct				Customer Representative Signature					

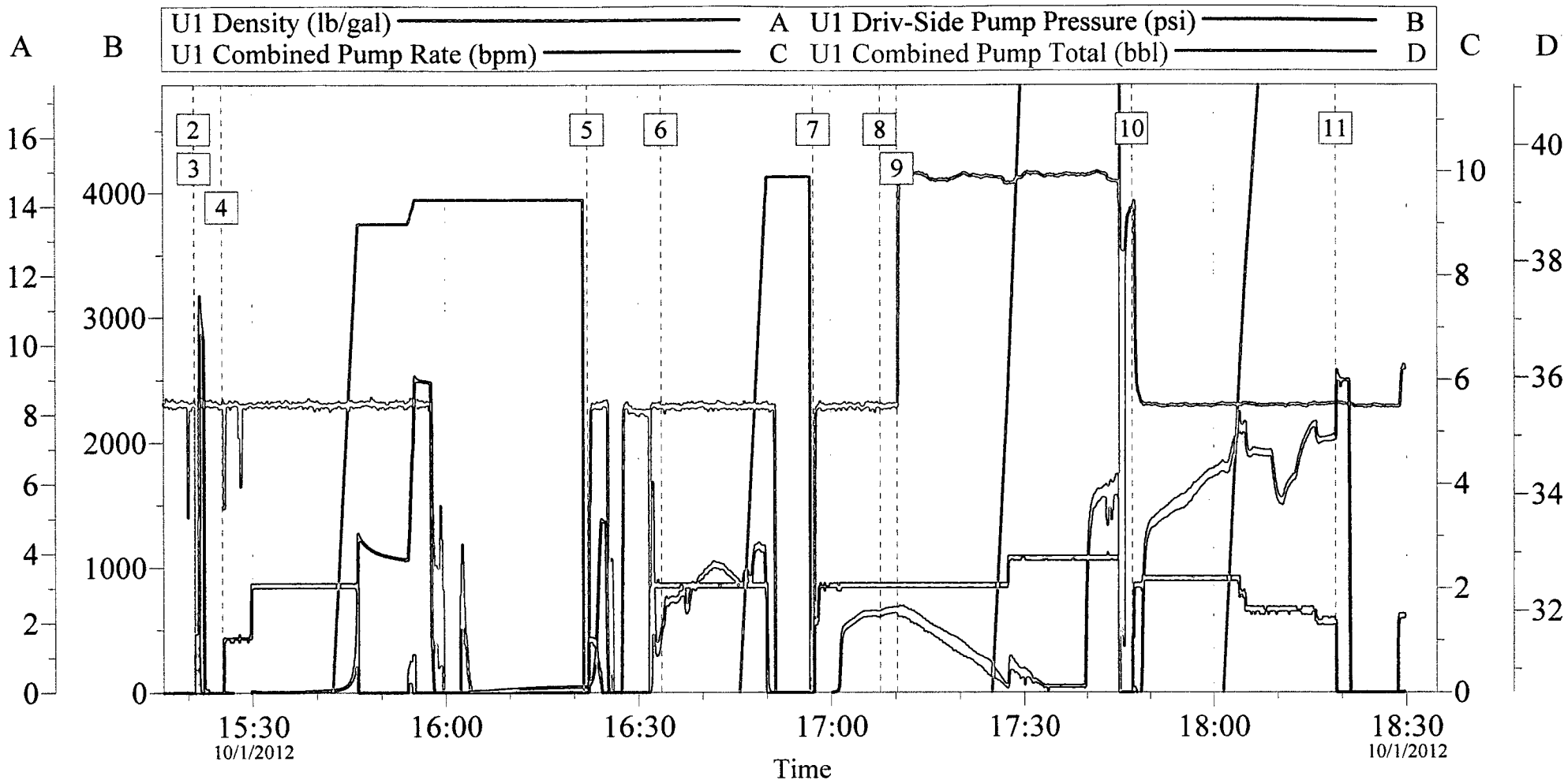
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Well Name: Tom 36 State		Well #: 1	API/UWI #: 30-005-20686
Field:	City (SAP): ROSWELL	County/Parish:	State: Texas
Legal Description:			
Lat: N 0 deg. OR N 0 deg. 0 min. 0 secs.		Long: E 0 deg. OR E 0 deg. 0 min. 0 secs.	
Contractor: WORK OVER		Rig/Platform Name/Num: ????	
Job Purpose: Cement Production Liner			Ticket Amount:
Well Type: Disposal Well		Job Type: Cement Production Liner	
Sales Person: THORNTON, PAUL		Srv Supervisor: MCPHERSON, JOSHUA	MBU ID Emp #: 379814

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Call Out	10/01/2012 07:00							JOB TIME @ 13:00 CST AS PER CALLSHEET.
Pre-Convoy Safety Meeting	10/01/2012 10:15							JOURNEY CREATED.
Crew Leave Yard	10/01/2012 10:30							
Arrive At Loc	10/01/2012 14:00							
Assessment Of Location Safety Meeting	10/01/2012 14:05							RIG ON BOTTOM WITH CASING AND RIGGING UP BOP.
Pre-Rig Up Safety Meeting	10/01/2012 14:25							
Rig-Up Equipment	10/01/2012 14:35							
Rig-Up Completed	10/01/2012 15:00							
Pre-Job Safety Meeting	10/01/2012 15:05							
Start Job	10/01/2012 15:20							RIG READY.
Test Lines	10/01/2012 15:21		0.5	2.25				TESTED LINES TO 3500 PSI
Other	10/01/2012 15:25		2	39			2530.0	INFLATE WEATHERFORD PACKER AFTER BALL WAS DROPPED.
Drop Plug	10/01/2012 16:02							DROPPED WEATHERFORD OPENING PLUG WAIT 20 MINS FOR FREEFALL.
Open Multiple Stage Cementer	10/01/2012 16:22		2	1			1680.0	OPENED WEATHERFORD MSC.

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Circulate Well	10/01/2012 16:33		2	20			1195. 0	ESTABLISHED CIRCULATION WITH FRESH
Pump Spacer 1	10/01/2012 16:57		2	20			625.0	WITH 50 LBS WG-19
Pump Spacer 2	10/01/2012 17:07		2	5			680.0	WITH FRESH
Pump Cement	10/01/2012 17:10		2.5	71			1740. 0	PUMPED 300 SKS HALCEM W/.6% HALAD-322
Drop Plug	10/01/2012 17:46							DROPPED WEATHERFORD CLOSING PLUG AND WIPER PLUG.
Pump Displacement	10/01/2012 17:47		2	59.2			2160. 0	WITH FRESH CLOSED WEATHERFORD MSC.
Bump Plug	10/01/2012 18:18						2500. 0	FINAL CIRCULATING PRESSURE OF 2027 PSI @ 1 BPM
Close Multiple Stage Cementer	10/01/2012 18:21							RETURNED .5 BBL TOOL CLOSED
Clean Lines	10/01/2012 18:28							WASHED UP TO PIT.
End Job	10/01/2012 18:45							CIRCULATED 85 SKS 20 BBLS OF CEMENT TO SURFACE.
Post-Job Safety Meeting (Pre Rig-Down)	10/01/2012 18:50							
Rig-Down Equipment	10/01/2012 18:55							
Rig-Down Completed	10/01/2012 19:15							
Pre-Convoy Safety Meeting	10/01/2012 19:20							
Crew Leave Location	10/01/2012 19:30							THANK YOU JOSH AND CREW.



Global Event Log

2	Start Job	15:20:57	3	Test Lines	15:21:00
4	Inflate Packer	15:25:17	5	Open Multiple Stage Cementer	16:22:07
6	Break Formation	16:33:34	7	Pump Spacer 1	16:57:17
8	Pump Spacer 2	17:07:37	9	Pump Cement	17:10:15
10	Pump Displacement	17:47:08	11	Bump Plug	18:18:59

Customer:
Well Description:

Job Date: 01-Oct-2012
UWI:

Sales Order #: 9858626

OptiCem v6.4.10
01-Oct-12 18:46