

Office

Revised August 1, 2011

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87505

HOBBS OCD

Energy, Minerals and Natural Resources

APR 24 2013

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-005-20816
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Paul LR
8. Well Number 5
9. OGRID Number 286614
10. Pool name or Wildcat Tom Tom (San Andres)
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

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 B : 660 feet from the North line and 1980 feet from the East lineSection 25Township 7SRange 31E

NMPM

County Lea

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:

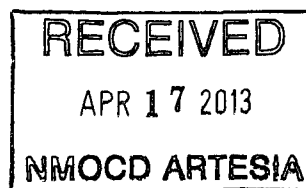
PERFORM REMEDIAL WORK ☒PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

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.

Please see attached procedure



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

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):

JAN 28 2014

Cross Borders Resources, Inc.

Paul LR #5
Sec 25, 7S, 31-E
660'FNL & 1980'FEL
Chaves Co, New Mexico
Tom Tom Field
API No: 30-005-20816

Workover procedure for well remediation and recompletion

Casing

Surf	8.625"	J-55	24#	1621'	cmt circ to surf
Prod	4.500"	K-55	10.5#	4456'	TOC @ 2225' (calc)
Tbg	2.375"	J-55	4.7#	?'	

Logs

Neutron Porosity Log: 8/6/1981
Dual Laterolog: 8/6/1981

PERFORATIONS

San Andres Interval – (4,049' – 4,096') 1 SPF

(4,049' – 4,096') – 47' (9 Holes) *Existing Perfs P-1
(4,356' – 4,445') – 89' (12 Holes) *Existing Perfs P-3 lower, No Shows was
plugged back*

PROPOSED PERFORATIONS

San Andres P1 and P3 Upper – P1-(3,982' – 3,990') P3upper-(4,144' – 4,156') 4SPF

(3,982' - 3,990') - 8' (32 Holes)
(4,144' – 4,156') – 12' (48 holes)

Objective

Research and evaluate opportunities for increased production and optimization potential for well

Discussion

A geological review of the Paul LR #1 was performed by Earl Sebring and reviewed by Tommy Folsom. The subject well is offset to Paul LR #3 which was completed in the P1,P2, and P3 pays and has produced 25,400 BO, 3675 MCF, 24.414 BW. The potential for pay in the Paul LR #5 has been confirmed by correlation of the neutron porosity logs in both wells. The #5 well is 5' updip to the west of the #3 well. Recommendations for this well are to perform a cleanup of the existing perforations and wellbore, then perforate the proposed P1 and P3 upper zones, acidize new and existing perforations and put well on production.

Pre Work-over

- Shoot Fluid level and run Dyno on well if available
- If well is pumping, hot water casing w/ 75 bbls to clean up paraffin and salt
- An oil sample should be collected and sent to stimulation company to be analyzed to insure emulsion is not created during stimulation.
- Notify BLM 24 hours before starting work over

Remediation and Optimization Procedure

1. MIRU PU
2. POH w/ rods and pump
Note:
 - While POH, look for rod pitting, wear, and fatigue, If scale or paraffin are observed take samples to be analyzed, lay down any damaged equipment or any equipment not deemed fit for service
 - With pump on surface make note of any material in pump and report any general observations about the pump. Send pump into shop for a complete teardown and report
3. ND wellhead, NU 4.5" x 2 3/8" BOP (3,000 psi)
4. Release TAC, RIH and tag for fill, report tag depth
5. POH and tally out
Note:
 - While POH, look for pitting and wear, If scale or paraffin are observed take samples to be analyzed, lay down any damaged equipment or any equipment not deemed fit for service
 - With tbg on surface make note of any material in or on the tbg and report any general observations about the tbg
 - RIH w/ bailer and clean out to PBTD if necessary
6. RIH w/ 3 3/4" bit and scraper
7. RIH to TD, testing in hole to 4000 psi above slips
8. POH and lay down tools
9. TIH w/ AS1 packer set packer @ 4,034' \pm
10. Load csg w/ 40 bbls produced water and pressure test annulus to 300 psi
Note:
 - If test fails, POH w/ tools , RIH w/ pkr and RBP to isolate breakdown in csg, a squeeze procedure will be prepared
 - If test passes, continue on w/ procedure
11. Release pkr, POH lay down tools
12. RU wireline and junk basket and gauge ring, run CBL log from TD 100' above cement top. Look for perforated intervals and cmt top

13. RIH w/ 3 3/8" perforating gun w/ 4SPF and 90 degree phasing, correct on depth and perforate as follows:

San Andres P1 and P3 Upper – P1-(3,982' – 3,990') P3upper-(4,144' – 4,156') 4SPF

(3,982' - 3,990') - 8' (32 Holes)

(4,144' – 4,156') – 12' (48 holes)

14. TIH w/ AS1 packer and RBP, Set RBP @ 4,180' ±, set pkr @ 4,112' ±
15. Acid treat down tbg into perfs at 4,144' – 4,156' with 2500 gals 15% HCL NEFE acid treat at 3 to 4 BPM 3000 psi max pressure, flush with produced water with 32 Bbls double tbg capacity, record 5, 10, 15 minute shut in pressure.
16. Release pkr, RIH retrieve RBP, PUH and set RBP @ 4,120' ±, PUH set pkr @ 4,028' ±
17. Acid treat down tbg into perfs at 4,049' – 4,096' with 1500 gals 15% HCL NEFE, acid treat at 3 to 4 BPM 3000 psi max pressure, flush with produced water 32 Bbls double tbg capacity.
18. Release pkr, RIH retrieve RBP, PUH and set RBP @ 4,010' ±, PUH set pkr @ 3,950' ±
19. Acid treat down tbg into perfs at 3,982' – 3,990' with 2000 gals 15% HCL NEFE, acid treat at 3 to 4 BPM 3000 psi max pressure, flush with produced water 32 Bbls double tbg capacity.
20. Release pkr, RIH retrieve RBP, POH and lay down tools
21. Swab test for potential; ensure no live acid is being produced.
22. RIH w/ 2 3/8" production tbg and BHA
23. Run tbg as follows
- Slotted tapped BP MA
 - SN
 - 8 jts 2 3/8 J-55 tbg
 - TAC
 - Remaining 2 3/8" tbg required to set EOT at 4,215'
24. Set TAC w/ 15k tension @ 3,967' ±
25. Set SN at 4,184' ±
26. ND BOP and NU well head
27. RIH w/ rods and pmp
28. Run rods and pmp as follows
- PR
 - 1 - 3/4" rod
 - Required 3/4" space out rods
 - 159 - 3/4" Rods
 - 6 - 7/8" Rods
 - 2" pump (pump will be sized from swab test)
29. Space out rods and pump, check for pump action
30. Hang on horses head.
31. Put well back on production and report production daily
32. RD PU, clean up location

Post Work-over

- Track production daily
- Check and report fluid level on weekly basis following work over until fluid level is pumped off then continue monitoring on schedule.
- Follow up on production at 1 month, 3 month, and 6 month, make applicable changes to ensure well is producing at optimal efficiency

Procedure Written By: Casey Satterfield, _____

Approved By: _____

Cross Borders Resources, Inc.

Well data as of: 4/12/2013

WELL NAME: PAUL LR 5 FIELD: Tom Tom LSE#:
 STATE: NM COUNTY: Chaves LOCATION: 660'N & 1980'E Sec 25, 7S-31E
 API NO: 30-005-20818 SPUD DATE: 7/26/1981 FORMATION: San Andres
 TD: 4456' PBTD: 4325' GL ELEVATION: 4355 KB ELEVATION: 4397

PIPE RECORD										CEMENT DATA		
CSO	OD	ID	Grd	Thrd	Wt/Ft	Depth(ft)	Hole Sz(in)	Collaps Str	Burst Str	Ten Str	SA	TCC
Surf	8.625"	8.067"	J-55	-	24.0#	1621'	12.250"	2950 psi	2950 psi	244000 psi	680 sz	Surf
Intmed	N/A	0.000"	-	-	0.0#	0'	0.000"	-	-	-	-	0'
Prod	4.500"	4.090"	J-55	-	9.5#	4456'	7.875"	4010 psi	4790 psi	132000 psi	350 sz	1860 (calc)
Tbg	2.375"	0	-	-	0.0#	4010'	-	8100 psi	7700 psi	71730 psi	-	-

Remarks:
 9/1/1981 Perforated intervals: 4,356'-4,445', 15PF
 Acid treated with 2500 gal 20% DS-30 acid w/ 35 ball sealers, no shows of oil perfs were plugged back
 No pressure data found as of 4/10/13
 Perforated intervals: 4,049'-4,096', 15PF
 Acid treated w/ 1,500 gal 20% NaFe and 9 ball sealers
 No pressure data found as of 4/10/13

Proposed Perfs: San Andres P3 lower and P1: P1- (3,982' - 3,990') P3-(4,144'-4,156') 45PF
 (3,982' - 3,990') - 8' (32 holes)
 (4,144' - 4,156') - 12' (48 holes)

CAPACITIES	(bbl/ft)	(ft/bbl)	(c/ft)
4.5724#	01590	62.70	.06960
2.375/14.7#	00390	258.85	.02170
VOL BETWEEN	(bbl/ft)	(ft/bbl)	(c/ft)
TROCKS	01950	95.51	.05880
CSO-GLE	12610	7.93	.70800

PERFORATION RECORD					
DATE	TOP	BTM	ZONE	STATUS	SPF
9/1/1981	4040'	4040'	San Andres	Open	1
	4051'	4051'	San Andres	Open	1
	4063'	4063'	San Andres	Open	1
	4069'	4069'	San Andres	Open	1
	4079'	4079'	San Andres	Open	1
	4088'	4088'	San Andres	Open	1
	4088'	4088'	San Andres	Open	1
	4090'	4090'	San Andres	Open	1
	4096'	4096'	San Andres	Open	1
	4356'	4357.5'	San Andres	Closed	1
	4372'	4373'	San Andres	Closed	1
	4376'	4377'	San Andres	Closed	1
	4391.5'	4391.5'	San Andres	Closed	1
	4396'	4397.5'	San Andres	Closed	1
	4402'	4402'	San Andres	Closed	1
	4409.5'	4409.5'	San Andres	Closed	1
	4419'	4419'	San Andres	Closed	1
	4425'	4425'	San Andres	Closed	1
	4427'	4427'	San Andres	Closed	1
	4435'	4435'	San Andres	Closed	1
	4445'	4445'	San Andres	Closed	1

* Safety Factor Not Included

PREPARED BY: Casey Satterfield
 DATE: 4/10/2013
 Updated: 4/10/2013

OFFICE:
 FAX:

8.625" @ 1621'

TOC @ 1860' (Calc)

TAC @ ?

San Andres: 4049'-4096'

SN @ ?

CIBP @ 4345'

San Andres: 4356'-4445'

SN @ ?

4.5" @ 4456'

TD: 4456'
 PBTD: 4325'