

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 July 18, 2013

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

WELL API NO.
30-005-20833

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
LG-2426

7. Lease Name or Unit Agreement Name

Loveless LQ State

8. Well Number 8

9. OGRID Number
286614

10. Pool name or Wildcat
Tomahawk 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.)

HOBBS OGD

AUG 27 2014

RECEIVED

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Cross Border Resources, Inc.

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

4. Well Location

Unit Letter N : 330 feet from the South line and 2310 feet from the West line
Section 36 Township 7S Range 31E NMPM Chaves County

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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: **Drill out CIBP, Acidize & Return to Production** ☒

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.

- MIRU workover unit. NU 3000# double manual BOP's. RIH 3-3/4" w/ bit and 4 drill collars. PU and RIH w/ newly purchased 2-3/8" 4.7# J-55 EUE production tubing. Drill out 40' cmt and a CIBP set at 3904'. Clean out hole to PBTD of 4181'.
- RIH w/ 4-1/2" treating packer on 2-7/8" 6.5# L-80 integral joint rental string. Set packer at 3900'. Attempt to load hole to make sure the packer has a seat in the casing. Do not put more than 300 psig on the backside. Acidize P-2 perforations (3954' - 4168') with 2500 gallons 20% NEFE HCL. Drop 30 ball sealers. MIRU Pumping Services company. Prepare to Pad-Acid frac the subject well with 10,000 gallons 22# X-linked Borate Gel, 10,000 gallons 15% NEFE, 10,000 gallons 22# X-linked Borate Gel, 10,000 gallons 15% NEFE HCL. Attempt to pump job at 25 bpm. Overflush with 100 bbls produced water.
- Allow acid to react for two hours before swabbing. Swab well until well cleans up. Release packer and POOH.
- RIH with production equipment (2-3/8" production tubing). Visit with Dallas office on placement of SN. Plan on running a 76 rod string with 1.5" insert pump. RDMOSU. Return well to production.

** PLEASE SEE ATTACHED WELL BORE DIAGRAM **

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 Alan W. Barksdale TITLE Chairman DATE 8/25/14

Type or print name Alan Barksdale E-mail address: alan@redmountainresources.com PHONE: 214-871-0400

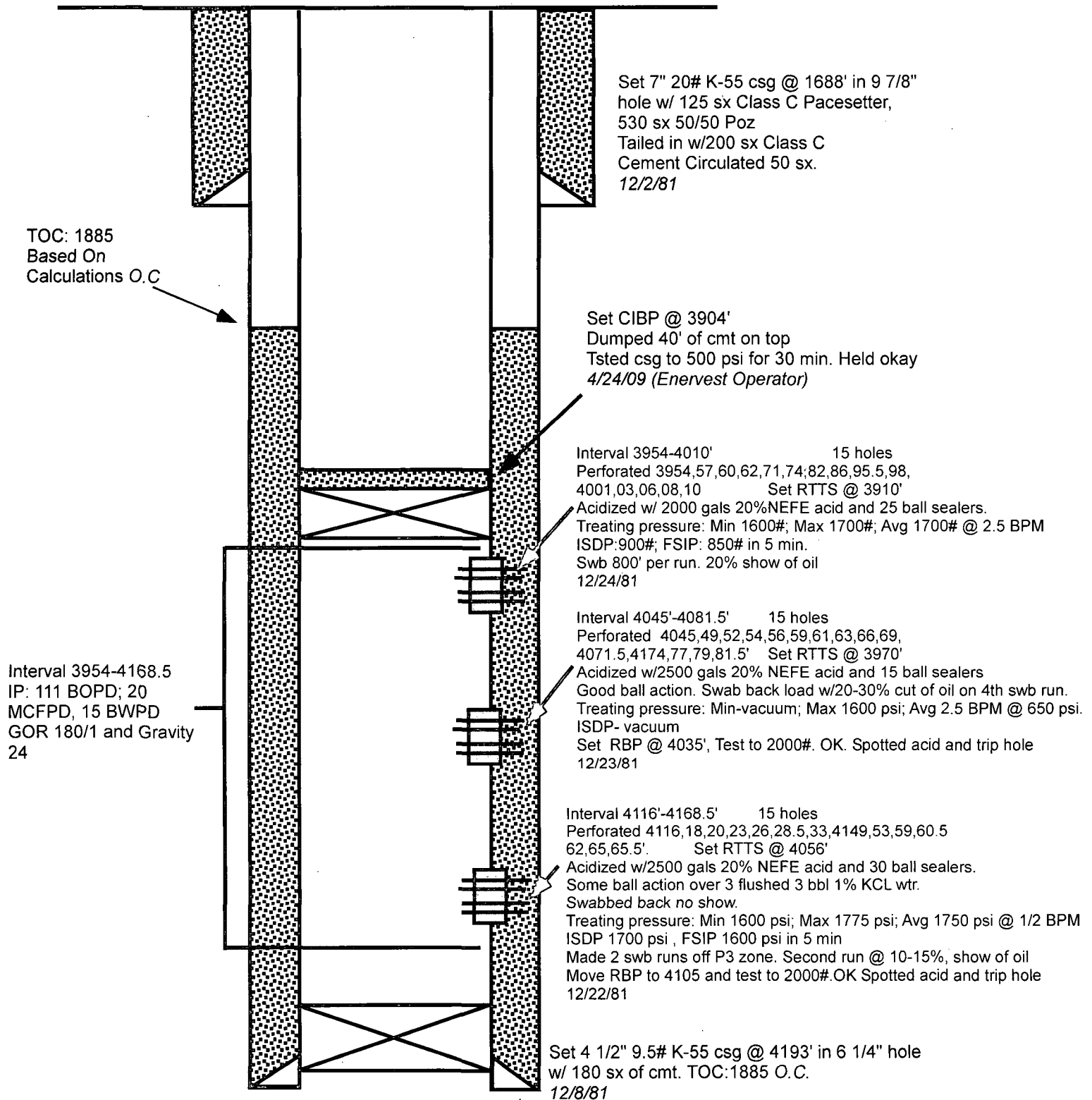
For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 08/27/14

Conditions of Approval (if any):

AUG 27 2014

Yates Petroleum
 Loveless "LQ" State #8
 API:3000520833
 NM, Chaves Co.
 Loc: 330FSL 2310FWL



TD:4200'
 PB:4181'
 12/8/81

NOT TO SCALE