

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

Form C-103
Revised August 1, 2011

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.)		WELL API NO. 30-005-20686
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CROSS BORDER RESOURCES		6. State Oil & Gas Lease No. L-5120
3. Address of Operator 2515 McKinney Avenue Suite 900, Dallas TX 75201		7. Lease Name or Unit Agreement Name TOM "36" STATE SWD
4. Well Location Unit Letter <u>A</u> : 660' feet from the North line and 660' feet from the East line Section 36 Township 7S Range 31E NMPM County Chaves		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 286614
		10. Pool name or Wildcat TOMAHAWK SWD; San Andres

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details and 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.

Per Underground Injection Control Program Manual
11.6C Packer shall be set within or less than 100 feet of the uppermost injection perfs or open hole.

SEE ATTACHED PROCEDURE

**The Oil Conservation Division
MUST BE NOTIFIED 24 Hours
Prior to the beginning of operations**

**Condition of Approval: notify
OCD Hobbs office 24 hours
prior of running MIT Test & Chart**

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 of Cross Border Resources DATE 9/7/2012

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

APPROVED BY [Signature] TITLE Det. MAF DATE 9-13-2012

Conditions of Approval: The Operator shall give the OCD District office 24 hours notice before work begins.

CONDITION OF APPROVAL: Notify OCD Hobbs Office 24 hours prior to running MIT Test & Chart.

SEP-13-2012

RMR Operating, LLC.
415 West Wall Suites 910
Midland, Texas 79701

Phone 214-871-0400

WORKOVER PROCEDURE

September 6, 2012

Cross Border Resources, Inc.
Tom 36 State #1 SWD
Sec 36, T-7S, R31E
SHL 660' FNL & 660' FEL
BHL 1897' FNL & 1695' FEL
Chaves County, New Mexico

API # 30-005-20686

GL: 4418' KB: 4430'

Casing:

Hole	Casing	Weight	Grade	Depth	Cement
12 1/4"	8 5/8"	24#	K-55	1,749'	750 sxs cmt cir.
7 7/8"	5 1/2"	15.5#	K-55	4,295'	400 sxs cmt

Lateral Drilled 12-8-94 Milled 5 1/2" csg 3,874' to 3,949', Kicked off at 3904' to 4242' MD, TVD 4,125' drilled from 4242' to 5,678' MD lateral TVD 4125' - 4 3/4" Lateral drilled to 5,678' (TVD 4125')

DISCUSSION:

The tbg was pulled from the well 8-29-12 and multiple holes were found in the tbg. A RBP and pkr were run, and an attempt was made to find and isolate problems in the csg. The tools were moved and set in many different areas and several attempts were made to isolate a positive test in the csg. A positive test was not located, the tbg and tools were pulled from the hole. A bit and scrapper was ran to 3850' with no tag, cleaned the csg ID, a csg inspection log was ran, with several holes indicated. The well was capped to establish plan to repair, and place well back in service.

Tom 36 State #1 SWD

Workover procedure

Page 2 of 2

1. Set matting board for Rig. (Notify NMOCD Hobbs office 24 hrs in advance of starting repair operations)
2. ND 5 1/2" x 2 3/8" csg head, NU 5 1/2" x 4 1/2" csg head. NU 3k manual BOPS w/ 4 1/2" pipe rams.
3. GIH w/ 4" hydraulic set ECP (External Casing Packer), stage tool and 3800' of 4 1/2" 10.5# J-55 FL4S csg.
4. Drop plug and set packer, and isolate below 4 1/2" csg and drop plug and open stage tool.
5. Circulate and cmt csg with 80 sxs class C neat cmt w/ an additional 670 sxs cmt to squeeze in the annulus of 5 1/2" csg. (This is 21% calculated excess and friction reducers will be added to cmt)
 - a. Break circulation
 - b. Circulate cmt with the annulus of the 5 1/2" closed and the annulus of the 4 1/2" opened.
 - c. When cmt reaches surface on the 4 1/2" annulus pinch valve closed and open annulus of 5 1/2" csg to force cmt up between the 8 5/8" and the 5 1/2". Circulate until cmt is seen at surface or all 750 sxs have been pumped with 4 1/2" calculated displacement volume on top of 4 1/2" wiper plug.
 - d. Have sugar on location to pour in open top tank to prevent cmt from setting.
6. Shut well in and allow cmt to set up.
7. ND cmt head, ND BOP, set slips and pack off on 4 1/2" csg. Install 4 1/2" x 2 3/8" csg head and NU BOP with 2 3/8" pipe rams.
8. GIH w/ bit 4 - 2 7/8" collars and 2 3/8" work string and drill out cmt and plugs from the bottom of csg.
 - a. Do not allow bit to enter into milled hole or lateral below 4 1/2" csg.
 - b. Circulation should be lost when plug is drilled.
9. Pull out of hole laying down work string and tools.
10. TIH w/ nickel plated 4 1/2" x 2 3/8" ADI tension packer, and 3,750' of 2 3/8" plastic coated tbg.
11. Set packer, nipple down BOP and NU well head. Pressure back side of csg on chart to 750 psi and hold for 30 minutes for integrity test. (Notify NMOCD Hobbs office 24 hrs in advance of test)
12. Install coated surface valve, coated meter and surface equipment as needed, to place well back in service.

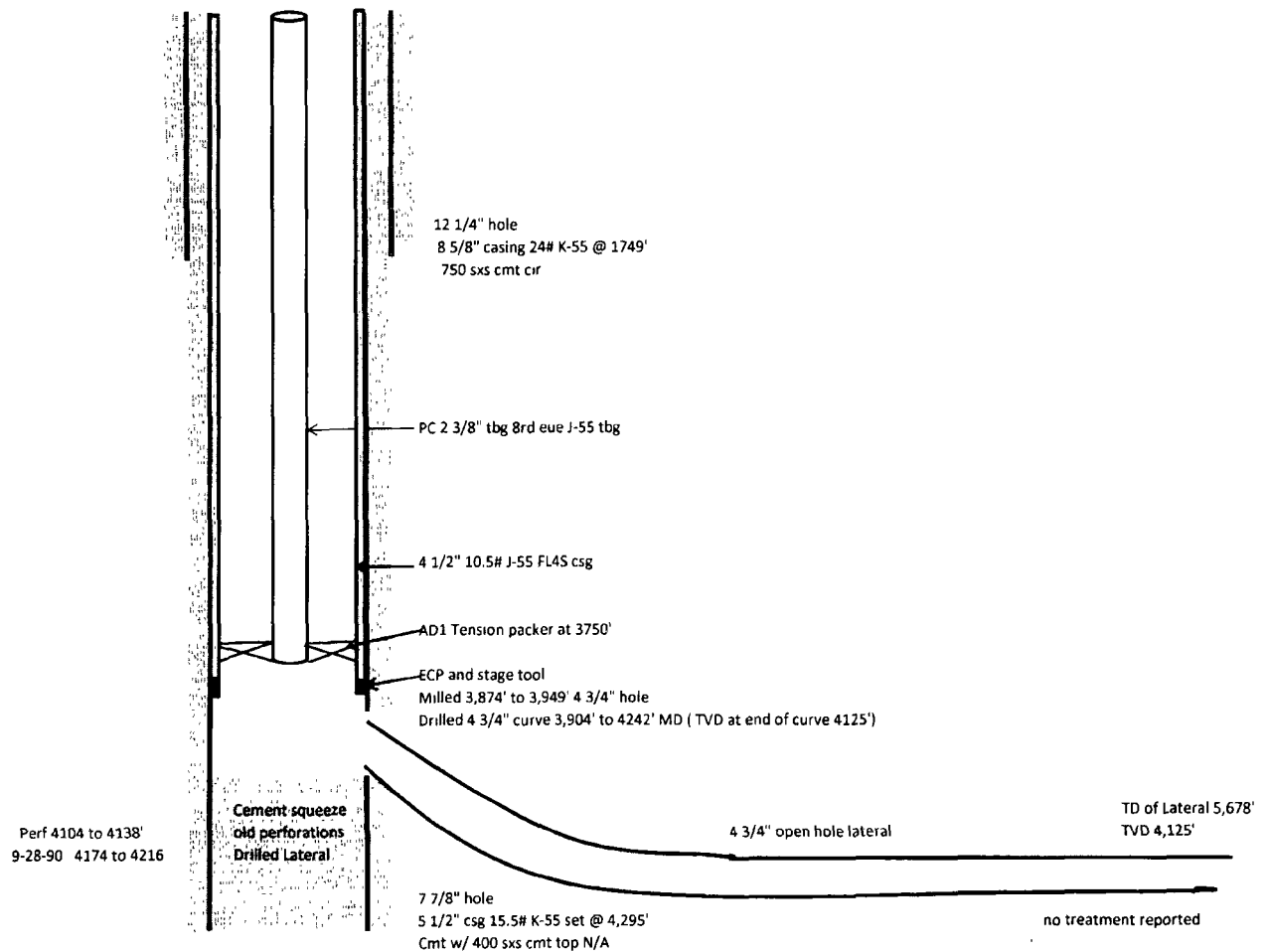
Tommy W. Folsom

EVP & Director of E&P

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



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

Current
Well bore with out 4 1/2" csg

GL 4,418' KB 4,430'

