

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

HOBBS OGD

Energy, Minerals and Natural Resources

OCT 18 2012

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

RECEIVED

WELL API NO. 30-005-20686
5. Indicate Type of Lease STATE [X] 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 [X]

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 [Signature] TITLE Agent DATE 10/17/12

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

APPROVED BY: [Signature] TITLE Dist. Mgr DATE 1-4-2013

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.)

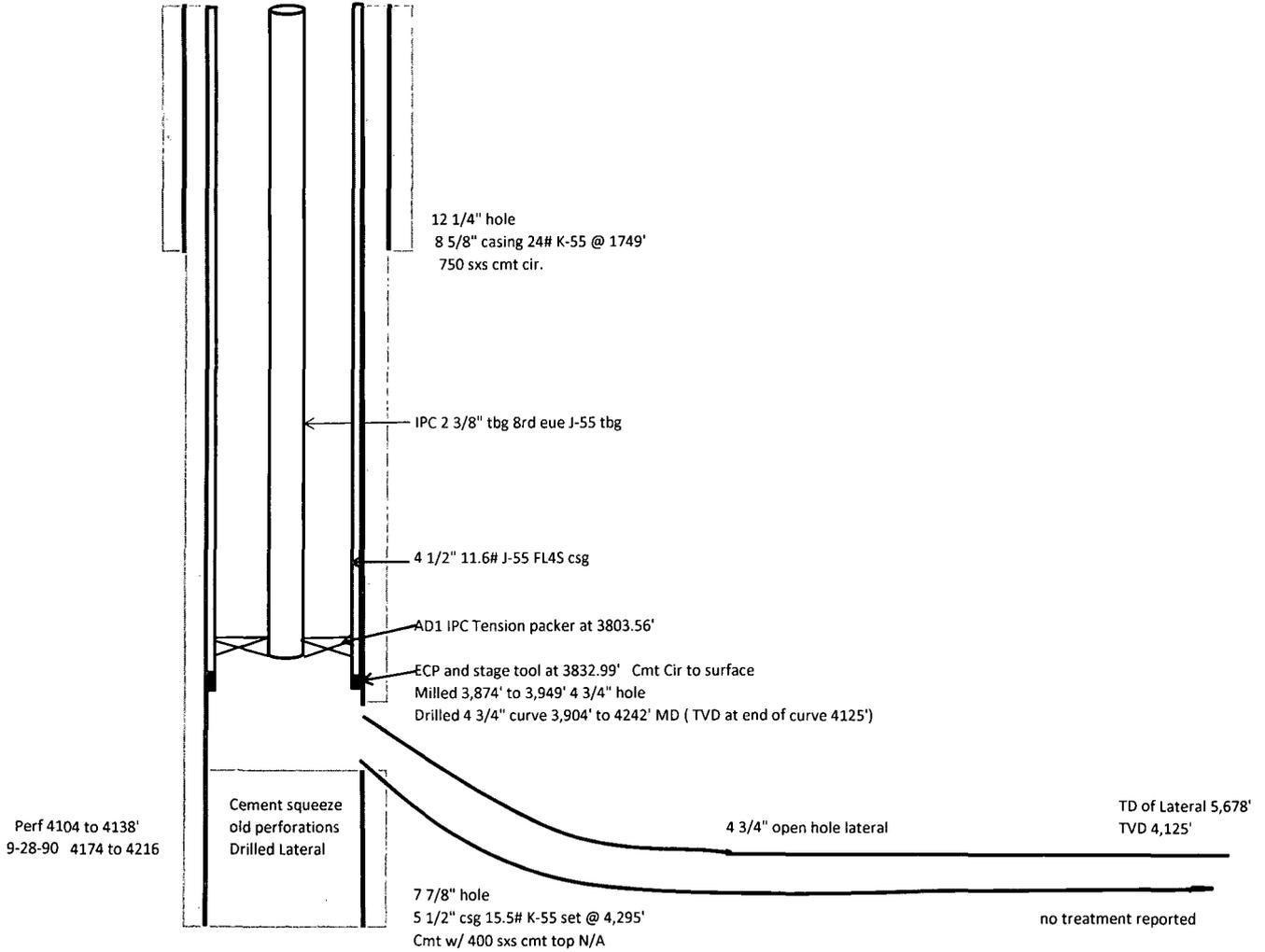
10/16/12 Conducted MIT test and charted tested good. Sylvia Dickey with the OCD was notified but was not present for test.

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

APL 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

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# RMR OPERATING LLC

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Tom 36 State 1  
TEXON NORTH  
Texas

HOBBS OCD

OCT 18 2012

RECEIVED

## Cement Production Liner

### Job Site Documents

Field Ticket

<b>Field Ticket Number:</b> 9858626		<b>Field Ticket Date:</b> Monday, October 01, 2012	
<b>Bill To:</b> RMR OPERATING LLC 2515 MCKINNEY AVE STE 900 DALLAS, TX 75201		<b>Job Name:</b> Production Liner <b>Order Type:</b> Streamline Order (ZOH) <b>Well Name:</b> Tom 36 State 1 <b>Company Code:</b> 1100 <b>Customer PO No.:</b> NA <b>Shipping Point:</b> Hobbs, NM, USA <b>Sales Office:</b> Permian Basin BD <b>Well Type:</b> Disposal Well <b>Well Category:</b> Development	
<b>Ship To:</b> 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
	<i>Number of Units</i>	1						
2	MILEAGE FOR CEMENTING CREW	120	MI	0.00	5.76	691.20	35%	449.28
	<i>Number of Units</i>	1						
7	ENVIRONMENTAL SURCHARGE	1	JOB	0.00	134.00	134.00		134.00
544299	Fuel Surcharge	1	EA			319.82		319.82
	<i>Number of Units</i>	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

Field Ticket

<b>Field Ticket Number:</b> 9858626	<b>Field Ticket Date:</b> Monday, October 01, 2012
<b>Bill To:</b> RMR OPERATING LLC 2515 MCKINNEY AVE STE 900 DALLAS, TX 75201	<b>Job Name:</b> Production Liner <b>Order Type:</b> Streamline Order (ZOH) <b>Well Name:</b> Torn 36 State 1 <b>Company Code:</b> 1100 <b>Customer PO No.:</b> NA <b>Shipping Point:</b> Hobbs, NM, USA <b>Sales Office:</b> Permian Basin BD <b>Well Type:</b> Disposal Well <b>Well Category:</b> Development
<b>Ship To:</b> 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 NUMBER OF TONS	60 14.21	MI	0.00	3.35	2,856.21	35%	1,856.54
3965	SVC CHRG, CMT & ADDITIVES NUMBER OF EACH	305 1	CF	0.00	5.49	1,674.45	35%	1,088.39
100008028	SUGAR, GRANULATED, IMPERIAL	200	LB	0.00	6.44	1,288.00	35%	837.20
<b>Totals</b>						<b>USD</b>		
						<b>48,372.78</b>	<b>16,602.94</b>	<b>31,769.84</b>

Halliburton Rep: JOSHUA MCPHERSON  
 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**      Were you satisfied with our Equipment? **Y or N**      Were you satisfied with our people? **Y or N**  
 (Health, Safety, Environment)

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						
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						
<b>TOTAL</b>			<i>Total is the sum of each column separately</i>					

Job

Job Times

Formation Name	Formation Depth (MD)	Top	Bottom	Called Out	Date	Time	Time Zone
Form Type			BHST	On Location			
Job depth MD	3550. ft		Job Depth TVD	3550. ft	Job Started		
Water Depth			Wk Ht Above Floor		Job Completed		
Perforation Depth (MD)	From		To		Departed Loc		

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/3<sup>rd</sup> 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
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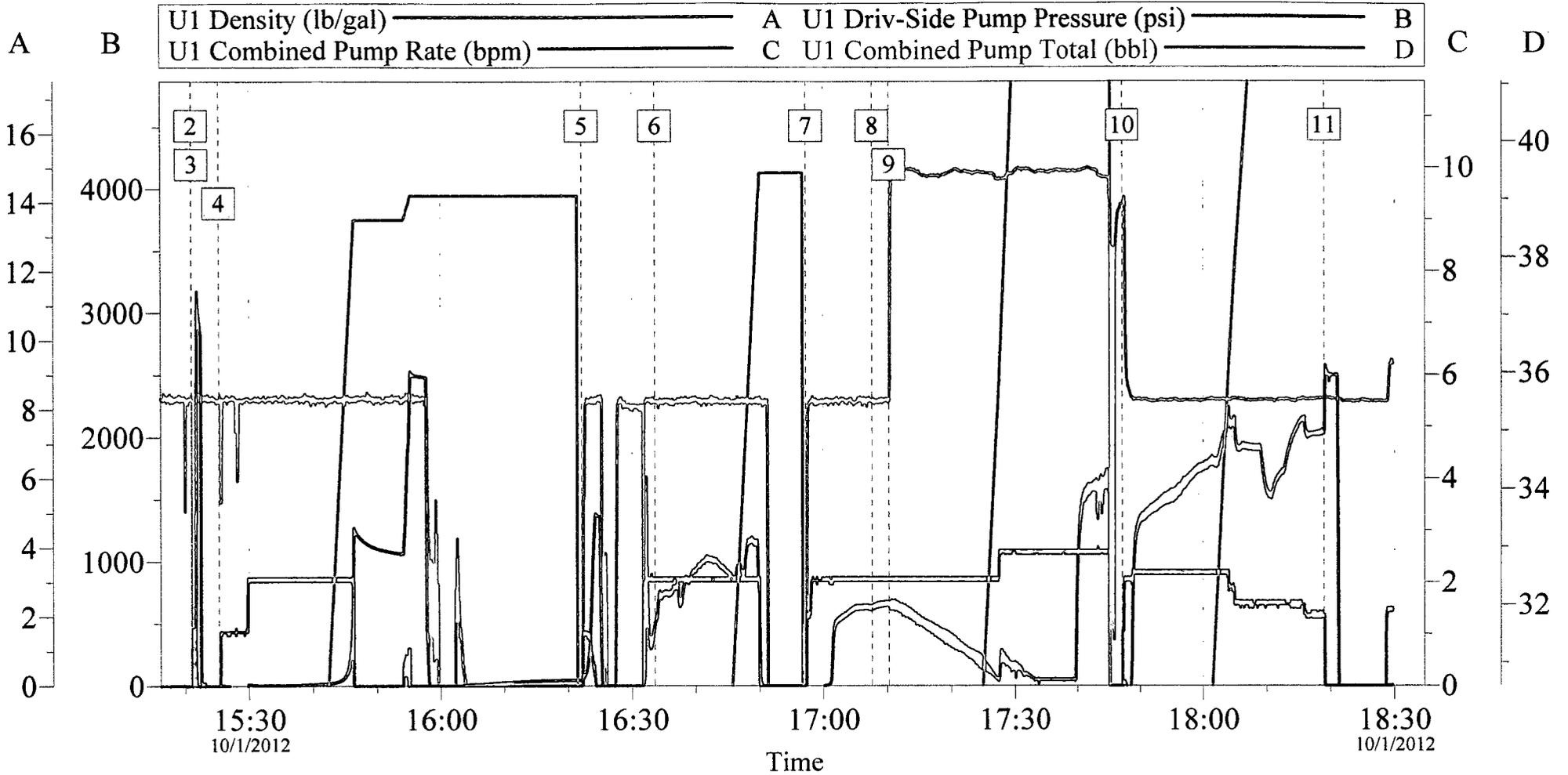
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft <sup>3</sup> /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	Pump 20 bbl Gel Spacer			bbl	.	.0	.0	.0	
	2.5 lbm/bbl	WG-19, 50 LB BAG (100003638)							
2	Mix and pump 300 sks HalCem - C	HALCEM (TM) SYSTEM (452986)		sacks	14.8	1.33	6.3		6.3
	6.302 Gal	FRESH WATER							
	0.6 %	HALAD(R)-322, 50 LB (100003646)							
<b>Calculated Values</b>		<b>Pressures</b>			<b>Volumes</b>				
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	
<b>Rates</b>									
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		
<b>The Information Stated Herein Is Correct</b>				Customer Representative Signature					

*The Road to Excellence Starts with Safety*

<b>Sold To #:</b> 365815	<b>Ship To #:</b> 2955117	<b>Quote #:</b>	<b>Sales Order #:</b> 9858626
<b>Customer:</b> RMR OPERATING LLC		<b>Customer Rep:</b> Folsom, Tommy	
<b>Well Name:</b> Tom 36 State		<b>Well #:</b> 1	<b>API/UWI #:</b> 30-005-20686
<b>Field:</b>	<b>City (SAP):</b> ROSWELL	<b>County/Parish:</b>	<b>State:</b> Texas
<b>Legal Description:</b>			
<b>Lat:</b> N 0 deg. OR N 0 deg. 0 min. 0 secs.		<b>Long:</b> E 0 deg. OR E 0 deg. 0 min. 0 secs.	
<b>Contractor:</b> WORK OVER		<b>Rig/Platform Name/Num:</b> ????	
<b>Job Purpose:</b> Cement Production Liner			<b>Ticket Amount:</b>
<b>Well Type:</b> Disposal Well		<b>Job Type:</b> Cement Production Liner	
<b>Sales Person:</b> THORNTON, PAUL		<b>Srvc Supervisor:</b> MCPHERSON, JOSHUA	<b>MBU ID Emp #:</b> 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.

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:	Job Date: 01-Oct-2012	Sales Order #: 9858626
Well Description:	UWI:	