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

HOBBS OCD
APR 24 2013
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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

WELL API NO.
30-005-20685

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
Southard "A"

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

8. Well Number 2

2. Name of Operator
Cross Border Resources, Inc.

9. OGRID Number 286614

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

10. Pool name or Wildcat
Tom Tom (San Andres)

4. Well Location
Unit Letter H : 1980 feet from the North line and 660 feet from the East line
Section 26 Township 7S Range 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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☒	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			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

RECEIVED
APR 17 2013
NMOCD ARTESIA

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

Type or print name Tommy W. Folsom E-mail address: tommy@redmountainresources.com PHONE: 214-871-0400

For State Use Only

APPROVED BY Maley Brown TITLE Compliance Officer DATE 1/28/2014
Conditions of Approval (if any)

JAN 28 2014

Cross Borders Resources, Inc.

Southard A #2
Sec 26,7-S, 31-E
1980'FN & 660'FEL
Chaves Co, New Mexico
Tom Tom Field
API No: 30-005-20685

Workover procedure for well remediation and recompletion

Casing

Surf	8.625"	J-55	24#	1653'	cmt circ to surf
Prod	4.500"	K-55	10.5#	4177'	TOC @ 2322' (calc)
Tbg	2.375"	J-55	4.7#	?'	

Logs

Gamma Ray Neutron Log: 8/26/67

PERFORATIONS

San Andres Interval – (4,010' – 4,136') 1 SPF

(4,010' – 4,057') – 47' (14 Holes) *Existing Perfs
(4,101' – 4,136') – 35' (17 Holes) *Existing Perfs

Objective

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

Discussion

A geological review of the Southard A #2 was performed by Earl Sebring and reviewed by Tommy Folsom. The subject well is offset due south of the Southard A #3 (37,652 BO, 31,416 MCF, 31,333 BW Completed only in P3)and shows pay similar to that of the Southard A #3. Recommendations for this well are to perform a cleanup of the existing perforations and wellbore 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 ¾" 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 @ 3,995' ±
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. TIH w/ AS1 packer and set pkr @ 4,085'±
14. Acid treat down tbg into perfs at 4,100' – 4,136' with 2000 gals 15% HCL NEFE, acid treat at 3 to 4 bpm with 3000 psi max pressure. Flush w/ produced water double the tbg capacity. Record 5, 10, 15 minute shut in pressures
15. Release pkr, pull up hole and set pkr @ 3,995'
16. Acid treat down tbg into perfs at 4,010' – 4,057' with 2000 gals 15% HCL NEFE, acid treat at 3 to 4 bpm with 3000 psi max pressure. Flush w/ produced water double the tbg capacity. Record 5, 10, 15 minute shut in pressures
17. Swab test for potential, ensure live acid is not being produced
18. Release pkr, POH and lay down tools
19. RIH w/ 2 3/8" production tbg and BHA
20. Run tbg as follows

    - Slotted tapped BP MA

- SN
- 6 jts 2 3/8 J-55 tbg
- TAC
- Remaining 2 3/8" tbg required to set EOT at 4,130'

21. Set TAC w/ 15k tension @ 3,944' ±
22. Set SN at 4,099' ±
23. ND BOP and NU well head
24. RIH w/ rods and pmp
25. Run rods and pmp as follows
    - PR
    - 1 - ¾" rod
    - Required ¾"space out rods
    - 157 - ¾" Rods
    - 6 - 7/8" Rods
    - 2" pump (pump will be sized from swab test)
26. Space out rods and pmp, check for pmp action
27. Hang on horse head and rods
28. Put well back on production and report production daily
29. RD PU, clean up location

Post Work-over

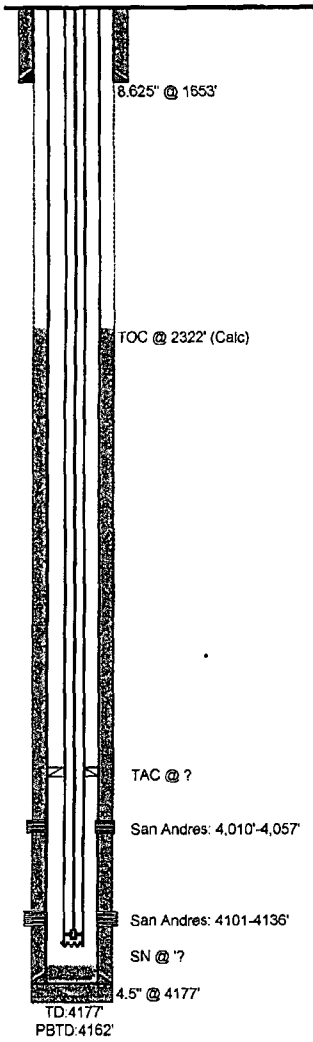
- Track production daily
- Check and report fluid level on weekly basis following work over until fluid level is pumped off then continue monitoring on schedule.
- Follow up on production at 1 month, 3 month, and 6 month, make applicable changes to ensure well is producing at optimal efficiency

Procedure Written By: Casey Satterfield, _____

Approved By: _____

Cross Borders Resources, Inc.

Well data as of: 4/12/2013



WELL NAME:	SOUTHARD A 2	FIELD:	Tom Tom	LSE#:			
STATE:	NM	COUNTY:	Chaves	LOCATION:	1980'FN &660'FEL Sec 26, 7S-31E		
API NO:	30-005-20685	SPUD DATE:	7/25/1979	FORMATION:	San Andres		
TD:	4177'	PBTD:	4162'	GL ELEVATION:	4378	KB ELEVATION:	4388

PIPE RECORD										CEMENT DATA	
CSG	OD	ID	Grd	Thrd	Wt/Ft	Depth(ft)	Hole Sz(in)	Collapse Str	Burst Str	Ten Str	SX	TOC
Surf	8.625"	8.097"	J-55	-	24.0#	1653'	12.250"	2950 psi	2950 psi	244000 psi	550 sx Halt, 200 sx class C	Surf
Intrmed	N/A	0.000"	-	-	0.0#	0'	0.000"	-	-	-	-	0'
Prod	4.500"	4.090"	J-55	8RD	10.5#	4177'	7.875	4010 psi	4790 psi	132000 psi	250 sx	2322(calc)
Tbg	.000"	0	$ -	-	0.0#	0'	-	8100 psi	7790 psi	71730 psi		

Remarks:

8/18/1979 Perforated intervals: 4,101'-4,136', 1SPF
Acid treated with 4,000 gal 20% Ne acid, and 24 ball sealers @ 2-3 bpm and max press 2700 psi
ISDP - 1900 psi Break down @ 1700psi
Perforated intervals: 4,010'-4,057', 1SPF
Acid treated with 6,000 gal 20% Ne acid, and 24 ball sealers @ 2-3 bpm and max press 2500 psi
ISDP - 1800 psi Break down @ 2400 psi

CAPACITIES	(bbl/ft)	(ft/bbl)	(cf/ft)
4.5"/24#	.01590	62.70	.08960
2.375"/4.7#	.00390	258.65	.02170

VOL BETWEEN	(bbl/ft)	(ft/bbl)	(cf/ft)
Tbg&Csg:	.01050	95.51	.05880
Csg&HOLE:	.12610	7.93	.70800

PERFORATION RECORD

DATE	TOP	BTM	ZONE	STATUS	SPF
8/18/1979	4010'	4010'	San Andres	Open	1
	4012'	4012'	San Andres	Open	1
	4016'	4017'	San Andres	Open	1
	4020'	4020'	San Andres	Open	1
	4023'	4023'	San Andres	Open	1
	4029'	4029'	San Andres	Open	1
	4030'	4030'	San Andres	Open	1
	4033'	4033'	San Andres	Open	1
	4048'	4049'	San Andres	Open	1
	4055'	4057'	San Andres	Open	1
	4101'	4103'	San Andres	Open	1
	4111'	4113'	San Andres	Open	1
	4116'	4118'	San Andres	Open	1
	4127'	4131'	San Andres	Open	1
	4133'	4136'	San Andres	Open	1

* Safety Factor Not Included

PREPARED BY: Casey Satterfield
DATE: 3/20/2013
Updated: 4/1/2013
OFFICE:
FAX: