

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 <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
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.)

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.)

HOBBS OCD  
 AUG 27 2014  
 RECEIVED

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <b>Drill out CIBP, Acidize &amp; Return to Production</b> <input checked="" type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/> P AND A <input type="checkbox"/>

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. RD MOSU. 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

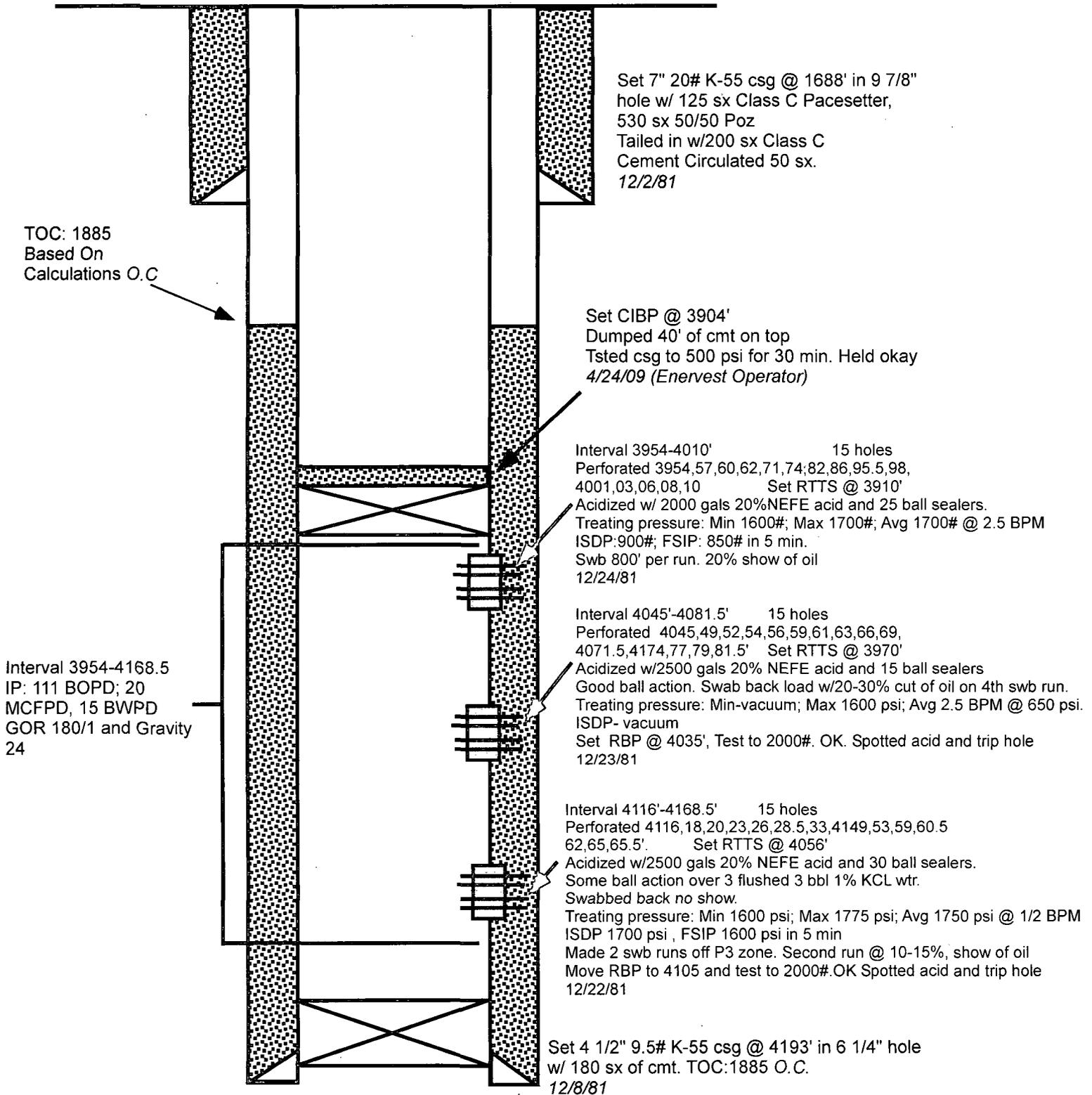
For State Use Only  
 APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 08/27/14

Conditions of Approval (if any):

AUG 27 2014

[Handwritten mark]

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



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

NOT TO SCALE