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 July 18, 2013

WELL API NO. 30-005-20787

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
Loveless LQ State

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

8. Well Number 2

HOBBS OCD
AUG 28 2014
RECEIVED

2. Name of Operator
Cross Border Resources, Inc.

9. OGRID Number
286614

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

10. Pool name or Wildcat
Tomahawk San Andres

4. Well Location
Unit Letter F : 1980 feet from the North line and 1980 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:		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 ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: **Perforate P1, Acidize & Return to Production** ☒		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.

1. 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 4077'. Clean out hole to PBTD of 4251'.
2. MIRU wireline unit. RIH w/ 3-1/8" casing guns and perforate the P-1 San Andres as follows: 3996'-4010' and 4030'-4038' (1 spf 90 degree phasing 22 holes total.) POOH with wireline. RD wireline unit.
3. RIH w/ 4-1/2" treating packer and RBP. Set RBP at 4048' (Note: Only 20' between P1 and P2 perfs). Set packer at 3950'. 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-1 perforations (3996'-4010' and 4030'-38') with 2500 gallons 20% NEFE HCL. Drop 45 ball sealers. Do not exceed 2500 psig or 2.5 BPM. Let acid sit for one hour. Be prepared for acid to break around down to the P2 perforations. Swab load back and determine fluid rates and oil cut.
4. Release tools. Set packer at 4048' and set RBP at 4200'. Acidize original perforations with 6,000 gallons 20% NEFE HCl. Pump 1000 gallons of acid then drop 1000# rocks salt in Tom-Tom produced water. Repeat the process till the final stage is 1000 gallons 20% NEFE HCl acid. Flush perforations with 200 bbls (two transports) of fresh water.
5. Allow acid and fresh water to react for two hours before swabbing. Swab well until well cleans up. Release packer and RBP and POOH.
6. RIH with production equipment. 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: TITLE Petroleum Engineer DATE 08/28/14
Conditions of Approval (if any):

AUG 29 2014