

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

HOBBS OCD

DEC 22 2016

RECEIVED

David R. Catanach, Division Director
Oil Conservation Division



Response Required – Deadline Enclosed
Underground Injection Control Program

December 19, 2016

CERTIFIED MAIL 7014 1Z00 0002 1826 6226

Cross Borders Resources, Inc.
14282 Gillis Rd
Farmers Branch, TX 75244

RE: NOTICE TO OPERATOR: FAILED MECHANICAL INTERGRITY TEST UNDER UIC TESTING REQUIREMENTS FOR 2016

Dear Operator:

Under the provisions of Division Rule 19.15.26.10(A) NMAC, an operator of an **INJECTION (Salt Water Disposal and Enhanced Recovery)** well or **PRODUCING** well in a special designated area must maintain and periodically test these wells for mechanical integrity. For injection wells, this includes external mechanical integrity tests (MITs) such as Bradenhead testing on casing where cement was not circulated to surface.

As detailed in Division Rule 19.15.26.11(A)(5) NMAC, it is the responsibility of the operator to notify and schedule with Division personnel the opportunity to witness any pending MITs. Prior to January 1, 2017, District I provided letters to operators of record that identified wells with violations of Rule 19.15.26.10(A) NMAC and the tests that were required.

This letter is to serve as "**Notice of Failure**" to comply with the rules referenced above for the listed well(s) in the attachment to this letter. By failing to comply, the listed well(s) have been recorded as "**test failed**". **This will require that the wells listed be shut-in immediately and incoming lines to the wellhead be disconnected.**

In addition, the listed well(s) will be forwarded to Mr. Daniel Sanchez, daniel.sanchez@state.nm.us 505-476-3493, Enforcement and Compliance Manager, Santa Fe. Upon receipt, Mr. Sanchez will consider further enforcement action(s) as necessary.

Sincerely,

A handwritten signature in cursive script that reads "Maxey G. Brown".

Maxey G. Brown, District I Supervisor
Hobbs District Office
Phone: 575-393-6161 ext. 102

ATTACHMENT: List of Well(s) Subject to "Notice of Failure"

<u>API #</u>	<u>WELL NAME AND No.</u>	<u>OPERATOR</u>	<u>UL</u>	<u>SEC</u>	<u>Twp</u>	<u>Rng</u>	<u>TEST</u>
30-005-20530-00-00	MILLER FEDERAL #6H	CROSS BORDER RESOURCES	M	34	7S	31E	BHT
30-005-20532-00-00	HAHN FEDERAL #5	CROSS BORDER RESOURCES	K	27	7S	31E	MIT
30-005-20686-00-00	TOM 36 STATE #1	CROSS BORDER RESOURCES	A	36	7S	31E	BHT
30-005-20814-00-00	WATTAM FEDERAL #6H	CROSS BORDER RESOURCES	A	7	8S	31E	BHT

VRD
 CONSERVATION DIVISION
 5 N FRENCH DRIVE
 3BS NM 88240



HASLER

\$006.49⁰
 12/22/2016 ZIP 88240
 012E14642224

CROSS BORDERS RESOURCES, INC.
14282 GILLIS Rd.
FARMERS BRANCH, TX 75244

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>CROSS BORDERS RESOURCES 14282 GILLIS Rd. FARMERS BRANCH, TX 75244</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p>7014 1200 0002 1826 6226</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL™



7014 1200 0002 1826 6226
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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49

Postmark Here

Sent To **CROSS BORDERS**

Street, Apt. No., or PO Box No. **14282 GILLIS RD.**

City, State, ZIP+4 **FARMERS BRANCH, TX 75244**