

June 5, 2012

Sent via U.S. Mail

Cross Border Resources, Inc.  
Attn: Jo Ana Kessler  
22610 US Highway 281 North, Suite 218  
San Antonio, Texas 78258

RE: **Well Proposal: Burkett State # 1**  
COG Operating LLC ("COG"), as Operator  
SHL: 1650' FNL & 1650' FEL (Unit G – SWNE)  
Section 16, T17S-R31E, Eddy County, New Mexico  
API # 30-015-40013

Gentlemen,

On March 26, 2012 COG Operating LLC ("COG") sent a proposal letter to Total E&P USA, Inc, proposing to drill the Burkett 16 State #1 to a total vertical depth of 6700' in the Yeso formation. By Correction Assignment recorded May 25, 2012, we have been advised you now hold record title of this interest. Please find enclosed, for your review and approval, a copy of COG's Authority of Expenditure ("AFE") detailing the estimated costs for drilling and completing the Burkett 16 State #1 well. Should C be interested in participating in this proposal, please review and approve the enclosed AFE and Joint Operating Agreement.

Thank you for your time and consideration of this proposal. Should you require additional information or have any questions, please do not hesitate to contact the undersigned at (432) 221-0333.

Sincerely,

COG Operating LLC

Katayoun "Katie" Mohebkhosravi  
Landman  
KMohebkhosravi@concho.com

NMOCD CASE NO. 14855  
JUNE 25, 2012  
COG EX. 4

1. Article Addressed to:

Cross Border Resources, Inc.  
Attn: Jo Ana Kessler  
22610 US Highway 281 North, Ste. #218  
San Antonio, Texas 78258  
Re: Well Proposal-  
Burkett 16 State #1

2. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

91 7199 9991 7030 4047 5417

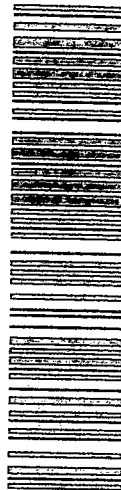
PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

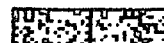
Concho Resources LLC  
50 W. Texas Ave. Suite 100  
Midland, Texas 79701

91 7199 9991 7030 4047 5417



Cross Border Resources, Inc.  
Attn: Jo Ana Kessler  
22610 US Highway 281 North, Ste. #218  
San Antonio, Texas 78258

Priority Mail  
ComBasPrice



CORRECTION ASSIGNMENT

STATE OF NEW MEXICO

§  
§  
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF EDDY

Recitals

1. Under the terms of an Assignment of Oil, Gas and Mineral Leases from Fina Oil and Chemical Company ("**Fina Oil**") to Manix Energy, LLC ("**Manix**") dated April 29, 1999 and recorded in Book 351, Page 250 of the Records of Eddy County, New Mexico (the "**Fina/Manix Assignment**"), Fina Oil transferred, sold, assigned and conveyed to Manix all of Fina Oil's right, title and interest in and to the Oil, Gas and Mineral Leases described in Exhibit "A" to the Fina/Manix Assignment, including all of Fina Oil's right, title and interest in and to State of New Mexico Lease No. B-3105 dated July 10, 1934 to Fred Turner Jr., insofar as the said lease covered the W/2 NE/4 and N/2 NW/4 of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico (the "**Subject Interests**").
2. By mesne conveyances, the Subject Interests which were initially transferred by Fina Oil to Manix under the Fina/Manix Assignment are currently owned by the following parties (the "**Current Owners**") in the following percentages:

<u>Current Owner</u>	<u>Percentage Ownership</u>
Apache Corporation	50%
Cross Border Resources, Inc.	25%
Chisos, Ltd.	25%

Each of the Current Owners' Percentage Ownership of the Subject Interests is burdened by an overriding royalty interest reserved by Manix Royalty, Ltd. (f/k/a Fenix Royalty, Ltd) (the "**Manix Royalty**") equal to the positive difference, if any, between 22.5% and existing lease burdens on the Subject Interests as of August 1, 1999 (the "**Manix ORRF**"), as more particularly described in the Conveyance from Manix Energy, LLC to Fenix Royalty, LLC dated August 1, 1999 recorded at Book 379, Page 1574 of the Records of Eddy County New Mexico, as corrected by Correction Conveyance from Manix Energy, LLC to Fenix Royalty, LLC dated November 12, 1999 recorded at Book 382, Page 661 of the Records of Eddy County, New Mexico.

3. It has been recently determined that at the time of the execution of the Fina/Manix Assignment, record title to the Subject Interests was held in the name of FINA, Inc. and not Fina Oil. As a result, although it was the intent of FINA, Inc. and Fina Oil that the Subject Interests be assigned and conveyed to Manix under the terms of the Fina/Manix Assignment, record title to the Subject Interests was not properly conveyed to Manix under the Fina/Manix Assignment.
4. Total Petrochemicals & Refining USA, Inc. ("**Assignor**"), formerly known as Fina Oil and Chemical Company, is the successor in interest by merger to FINA, Inc. with respect to any interest FINA, Inc. may have held in the Subject Interests and Assignor has agreed to execute

and deliver this Correction Assignment (this "**Assignment**") to effectuate the intent of Fina Oil as the then main operating subsidiary of FINA, Inc. to assign and convey all interest then held by Fina companies in the Subject Interests to Manix under the terms of the Fina/Manix Assignment and to properly reflect record title in Eddy County, New Mexico to the Subject Interests in the Current Owners subject to the Manix ORRI.

5. Ownership of the Subject Interests subsequent to execution and delivery of the Fina/Manix Assignment is unknown to Assignor, and therefore Assignor is making this assignment as an accommodation to Assignees, and is relying on the representations of Assignees in respect of the matters set forth in paragraphs two (2) and three (3) above and as to the current proper ownership of the Subject Interests.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Assignment.** Subject to the further provisions set forth below, Assignor hereby bargains, sells, assigns, quitclaims and conveys all of its right, title and interest in and to the Subject Interests to the Current Owners in the following percentages, subject however to the prior reservation to Manix Royalty, Ltd. ("**Manix Royalty**") of the Manix ORRI and any other reservations, terms and provisions evidenced in conveyances or other instruments of record in the Office of the Clerk of Eddy County, New Mexico, including, but not limited to, the instruments recorded in the Office of the Clerk of Eddy County, New Mexico, identified in Exhibit "A", attached hereto and incorporated herein by reference:

<u>Current Owner</u>	<u>Percentage Ownership</u>
Apache Corporation	50%
Cross Border Resources, Inc.	25%
Chisos, Ltd.	25%

2. **Ratification.** Each of the Current Owners and Manix Royalty (collectively, "**Assignees**") hereby ratify, confirm, bargain, sell, assign and quitclaim unto each other such, rights, titles and interests in and to the Subject Interests as is necessary to effectuate the intent of this Assignment as set forth in the Recitals hereof and Paragraph 1 above.

3. **Effective Date.** This Assignment is intended to be effective with respect to each of the Assignees as of the date each such Assignee initially acquired its rights in the Subject Interests in the "chain of title" ("chain of title" defined herein as conveyances or instruments of record in the Office of the Clerk of Eddy County, New Mexico) following the Fina/Manix Assignment. In respect of Assignor, this Assignment is intended to be effective as of January 1, 1999.

4. **Disclaimer of Warranties.** This Assignment is made by Assignor without warranty of any kind whatsoever, express or implied. Additionally, to the extent that this Assignment constitutes an assignment of personal property or fixtures, Assignor expressly disclaims and negates (a) ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESSED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, and (c) ANY IMPLIED OR EXPRESSED WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIAL.

5: **Fina/Manix Assignment - Third Party Claims**. As between Assignor and Assignees, this Assignment is made expressly subject to all of the provisions of the Fina/Manix Assignment. Further, in respect of any interest assigned hereunder by Assignor, Assignees agree protect and indemnify Assignor from and against any party claiming or to claim the same by, through or under Manix Energy, LLC.

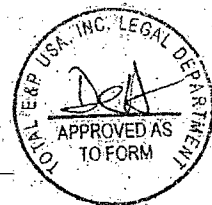
ASSIGNOR:

Total Petrochemicals & Refining USA, Inc.

By: 

Name: GRANT B. WEST

Title: PRESIDENT & CEO



ASSIGNEES:

Manix Royalty, Ltd.

By: 

Name: John M. Hillman

Title: Partner

Apache Corporation

By: 

Name: TIMOTHY R. CUSTER 

Title: ATTORNEY IN FACT

Cross Border Resources, Inc.

By: 

Name: Lawrence G. Risley

Title: President

Chisos, Ltd.

By: 

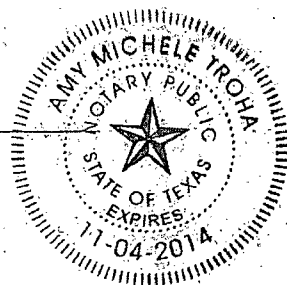
Sue Ann Craddock, President

STATE OF TEXAS §  
 COUNTY OF HARRIS §

On this 9<sup>th</sup> day of May, 2012, before me, the undersigned Notary Public, personally appeared Graeme Burnett, known to me to be the President & CEO of Total Petrochemicals & Refining USA, Inc. that executed the within instrument and acknowledged to me that he executed the same as the free and voluntary act and deed of such corporation for the purpose and consideration therein expressed.

My commission expires:

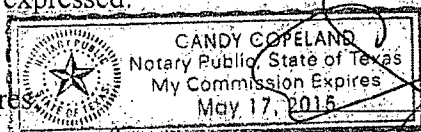
[Signature]  
 Notary Public



~~TEXAS~~  
 STATE OF ~~NEW MEXICO~~ §  
 COUNTY OF Midland §

On this 14<sup>th</sup> day of May, 2012, before me, the undersigned Notary Public, personally appeared John M. Hillman, known to me to be the Partner of Manix Royalty, Ltd. that executed the within instrument and acknowledged to me that he executed the same as the free and voluntary act and deed of such limited liability company for the purpose and consideration therein expressed.

My commission expires:  
 STATE OF TEXAS §

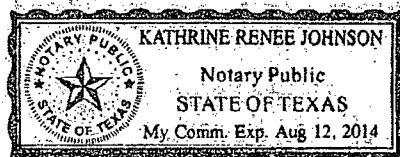


COUNTY OF Midland §

On this 10<sup>th</sup> day of May, 2012, before me, the undersigned Notary Public, personally appeared Timothy R. Custick, known to me to be the Attorney in Fact of Apache Corporation that executed the within instrument and acknowledged to me that he executed the same as the free and voluntary act and deed of such corporation for the purpose and consideration therein expressed.

My commission expires:

Aug 12, 2014 Kathrine Renee Johnson  
 Notary Public

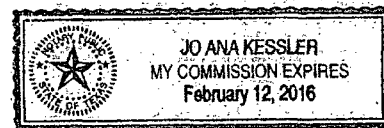


STATE OF TEXAS §  
 COUNTY OF BEXAR §

On this 16<sup>th</sup> day of May, 2012, before me, the undersigned Notary Public, personally appeared LAWRENCE J. RILEY, known to me to be the PRESIDENT of Cross Border Resources, Inc. that executed the within instrument and acknowledged to me that he executed the same as the free and voluntary act and deed of such corporation for the purpose and consideration therein expressed.

My commission expires: 02-12-2016

Jo Ana Kessler  
 Notary Public

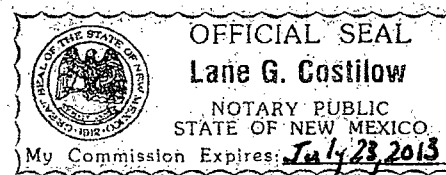


STATE OF NEW MEXICO §  
 COUNTY OF LUNA §

On this 17<sup>th</sup> day of May, 2012, before me, the undersigned Notary Public, personally appeared Sue Ann Craddock, known to me to be the President of Chisos, Ltd. that executed the within instrument and acknowledged to me that she executed the same as the free and voluntary act and deed of such limited partnership for the purpose and consideration therein expressed.

My commission expires:

Lane G. Costilow  
 Notary Public



**Exhibit "A"**

To Correction Assignment from Total Petrochemicals & Refining USA Inc., to  
Apache Corporation, Cross Border Resources, Inc. and Chisos, Ltd.

Page 1 of 2

All references below to instrument recording information concern instruments filed of record in the Clerk's Office of Eddy County, New Mexico:

Assignment of Oil, Gas and Mineral Leases dated April 29, 1999, from Fina Oil & Chemical Company to Manix Energy, LLC, recorded in Book 351, Page 250;

Conveyance dated August 1, 1999, from Manix Energy, LLC, to Fenix Royalty, LLC, recorded in Book 364, Page 37;

Assignment of Oil, Gas and Mineral Leases dated November 12, 1999, effective September 1, 1999, from Manix Energy, LLC, to Bellweather Exploration Company recorded in Book 366, Page 744;

Assignment of Oil, Gas and Mineral Leases dated November 12, 1999, effective September 1, 1999, from Manix Energy, LLC, to Pure Energy Group, Inc., recorded in Book 366, Page 765;

Correction Conveyance dated November 12, 1999, effective September 1, 1999, from Manix Energy, LLC, to Fenix Royalty, LLC, correcting Assignment recorded in Book 364, Page 37, Correction Conveyance recorded in Book 367, Page 933;

Assignment of Overriding Royalty dated March 31, 2000 from Pure Energy Group, Inc., to Hammer Energy Assets, Inc., recorded in Book 392, Page 1058;

Assignment, Conveyance and Bill of Sale dated June 15, 2002, effective January 1, 2002, from Mission Resources Corporation to Chisos, Ltd., recorded in Book 466, Page 1204;

Assignment of Overriding Royalty dated March 6, 2003, from Hammer Energy Assets, Inc., to Manix Royalty, Ltd., recorded in Book 504, Page 602;

Corrected Assignment, Conveyance and Bill of Sale dated October 1, 2003, effective January 1, 2002, from Mission Resources Corporation to Chisos, Ltd., recorded in Book 528, Page 183;

Corrected Assignment, Conveyance and Bill of Sale dated November 10, 2003, effective January 1, 2002, from Mission Resources Corporation to Chisos, Ltd., recorded in Book 532, Page 997;

Assignment of Overriding Royalty dated December \_\_, 2003, effective December 1, 2003, from Manix Royalty, Ltd. to Pure Energy Group, Inc. recorded in Book 542, Page 991;

Amendment to Correction Conveyance recorded in Book 367, Page 933, between Pure Energy Group, Inc., Chisos, Ltd., Manix Energy, Ltd., and Manix Royalty, Ltd., recorded in Book 542, Page 1004;



**Exhibit "A"**

To Correction Assignment from Total Petrochemicals & Refining USA Inc., to  
Apache Corporation, Cross Border Resources, Inc. and Chisos, Ltd.

Page 2 of 2

Notice of Exploration Agreement effective August 26, 2003, between Edge Petroleum Exploration Company, Pure Energy Group, Inc., and Chisos, Ltd., recorded in Book 563, Page 218;

Partial Assignment of Oil, Gas and Mineral Leases dated April 5, 2005, effective August 26, 2003, from Chisos, Ltd. to Edge Petroleum Exploration Company, recorded in Book 595, Page 106;

Partial Assignment of Oil, Gas and Mineral Leases dated April 5, 2005, effective August 26, 2003, from Pure Energy Group, Inc., to Edge Petroleum Exploration Company, recorded in Book 595, Page 129;

Termination Agreement of Exploration Agreement dated August 26, 2003, evidenced by Notice of Exploration Agreement recorded in Book 563, Page 218, Termination Agreement dated January 7, 2008, between Edge Petroleum Exploration Company, Pure Energy Group, Inc., and Chisos, Ltd., recorded in Book 728, Page 529;

Assignment and Bill of Sale effective November 30, 2010, from Edge Petroleum Exploration Company, Edge Petroleum Production Company, Edge Petroleum Operating Company, Inc., Miller Exploration Company, and Miller Oil Corporation to Apache Corporation, recorded in Book 838, Page 242.

RECEPTION NO: 1204696 STATE OF  
NEW MEXICO, COUNTY OF EDDY  
RECORDED 05/21/2012 12:27 PM  
BOOK 0892 PAGE 0566 *[Signature]*  
DARLENE ROSFRIM, COUNTY CLERK