

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District 1

1625 N. French Drive

Hobbs, NM 88240

FORM APPROVED

Form No 1004-0137

Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

2. Name of Operator

Cross Border Resources, Inc.

3a Address

2515 McKinney Avenue Suite 900
Dallas, Texas 75201

3b Phone No (include area code)

214.871.0400

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 30, T-7S, R-32E

7 If Unit of CA/Agreement, Name and/or No.

8 Well Name and No.

Mountain Federal 4

9 API Well No.

30-041-20489

10. Field and Pool or Exploratory Area

Tomahawk-San Andres

11. County or Parish, State

Roosevelt County, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Change of Operator

13. Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3, we are notifying you of change of operator on the above referenced lease.

We as new operator, accept all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of the lease described. We meet all Federal bonding requirements as follows (43 CFR 3104):

Bond Coverage: Letter of Credit No. B004526

BLM Bond File No.: NMB000546

Bond Amount: \$25,000

Bond Type: Oil & Gas

The effective date of change is July 27, 2012

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Alan W. Barksdale

Title Chairman

Signature

Alan W. Barksdale

Date 08/06/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Office

ROSWELL FIELD OFFICE

Date

AUG 30 2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

SEP 05 2012