HOBBS OCD

AUG 31 2012

New Mexico Oil Conservation Division, District 1 1625 N. French Drive

Hobbs, NM 88240

Form 3160-5

(March 2012) **RECEIVED**

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No 1004-0137 Expires October 31, 2014 Lease Serial No.

NMNM0558018 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8 Well Name and No. Oil Well Gas Well Other Union SI Federal 4 2. Name of Operator Cross Border Resources, Inc. 9. API Well No 30-005-20867 10. Field and Pool or Exploratory Area 3a Address 3b.. Phone No (include area code) 2515 McKinney Avenue Suite 900 Tomahawk-San Andres 214.871.0400 Dallas, Texas 75201 4. Location of Well (Footage, Sec., T,R.,M., or Survey Description) Section 1, T-8S, R-31E 11 County or Parish, State Chaves County, NM 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Acidize Deepen Production (Start/Resume) Notice of Intent Well Integrity Alter Casing Fracture Treat Reclamation Other Change of Operator ___ Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. the proposal is to deepen directionally or recomplete 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 recompletion 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 Date 08/06/2012 THIS SPACE FOR FEDERAL OR STATE OFFICE USE AUG 29 2012 Approved by DAVID R. GLASS Title PETROLEUM ENGINEER Conditions of approval, if any, are attached Approval of this notice does not warrant or certify

(Instructions on page 2)

that the applicant holds legal or equitable and to those rights in

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

entitle the applicant to conduct operations thereon

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