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FORM APPROVED AUG 31 2012 UNITED STATES DEPARTMENT OF THE INTERIOR DEPARTMENT OF THE INTERIOR DEPARTMENT OF THE INTERIOR Form 3160-5 OMB No 1004-0137 (March 2012) Expires. October 31, 2014 BUREAU OF LAND MANAGEMENT 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 8 2. Name of Operator Cross Border Resources, Inc. 9 API Well No 30-005-20871 3a. Address 3b Phone No (include area code) 10 Field and Pool or Exploratory Area 2515 McKinney Avenue Suite 900 Dallas, Texas 75201 Tomahawk-San Andres 214.871.0400 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 SUBMISSION TYPE OF ACTION Deepen Water Shut-Off Production (Start/Resume) Acidize ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Change of Operator New Construction Casing Repair 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. If 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 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by /S/ DAVID R. GLASS AUG 29 2012 Title PETROLEUM ENGINEER Conditions of approval, if any, are attached Approval of this notice does not warrant or certify ROSWELL FIELD OPEIGE that the applicant holds legal or equitable title to those rights in the subject lease which would Office

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