

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

ross@redmountainresources.com
FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM01135
2. Name of Operator CROSS BORDER RESOURCES INC E-Mail: alan@redmountainresources.com		6. If Indian, Allottee or Tribe Name
3a. Address 2515 MCKINNEY AVENUE SUITE 900 DALLAS, TX 75201		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 501-412-4097 Fx: 214-871-0406		8. Well Name and No. LUSK 33 FEDERAL 06
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T19S R32E NENE 700FNL 330FEL 32.622181 N Lat, 103.763642 W Lon		9. API Well No. 30-025-39027-00-S1
		10. Field and Pool or Exploratory Area LUSK
		11. County or Parish, State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (\$	INT TO PA <i>PM</i> Off P&A NR P&A R
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disp	

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.

See Attachment

HOBBS OCD

JUL 19 2018

RECEIVEDSEE ATTACHED FOR
CONDITIONS OF APPROVAL*Below ground level dry hole marker required.*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #424878 verified by the BLM Well Information System

For CROSS BORDER RESOURCES INC, sent to the Hobbs

Committed to AFMSS for processing by DEBORAH MCKINNEY on 06/22/2018 (18DLM0399SE)

Name (Printed/Typed) ROSS PEARSON	Title VP OPERATION
Signature (Electronic Submission)	Date 06/21/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James A. Connor</i>	Title <i>Supr. PE7</i>	Date <i>6-26-18</i>
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.		Office <i>Carlsbad</i>

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******FOR RECORD ONLY**

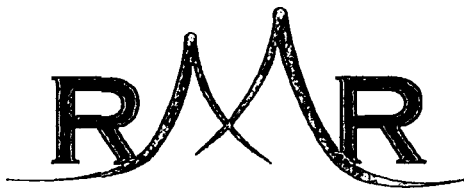
NMOC D 07-19-2018

Lusk Federal 33-6 plugging procedure

RIH and Tag RBP. Spot 25
sx cmt. woc Tag. 4650. Covers
Top Delaware,

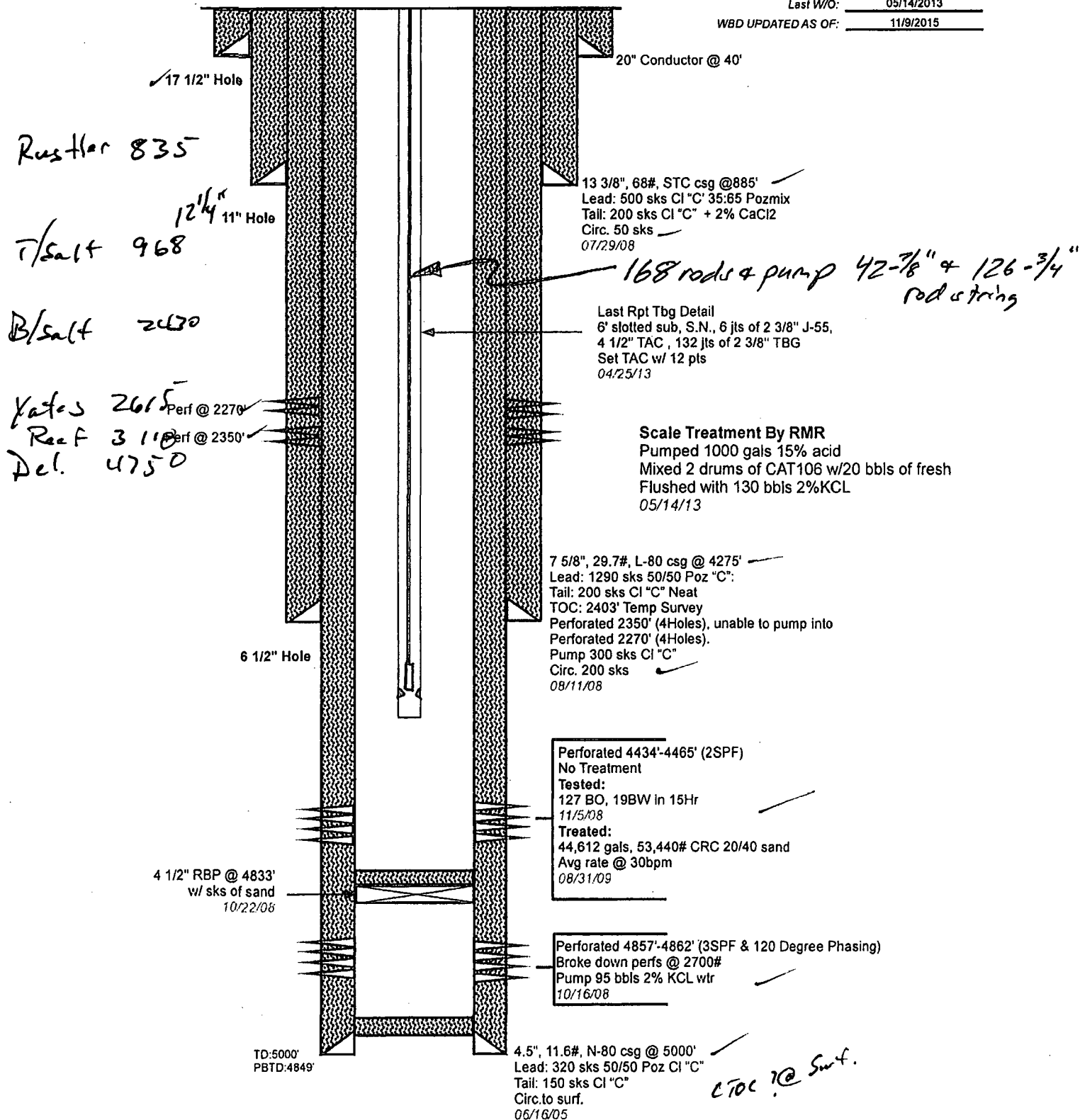
1. POOH with rods and pump
2. POOH with 138 joints 2-3/8" production tubing.
3. RU wireline unit. RIH and set 4-1/2" CIBP at 4384'. Spot ²⁵ 8' sxs of cmt on top. RD wireline unit
4. Pressure up on 4-1/2" production casing to 500 psig and confirm casing integrity.
5. RIH with 2-3/8" production tubing and prep to spot cement plugs.
6. Mix and pump a ~~20~~²⁵ sxs cmt plug from 4325'-4225' (Cover 7-5/8" casing shoe) 4185. woc Tag
7. Mix and pump a ~~20~~²⁵ sxs cmt plug from 2712'-2592' (Cover the top of the Yates) woc Tag
8. Mix and pump a ~~20~~²⁵ sxs cmt plug from 1190'-1080' (Cover the top of the salt) woc Tag
9. Mix and pump a ~~20~~²⁵ sxs cmt plug from 935'-835' (cover the 13-3/8" surface casing shoe) woc Tag
10. Mix and pump a 10 sxs cmt plug from 63' to 3' (surface cement plug)
11. Verify all casing strings have cement to surface.
12. Dig out and cut-off well head 3' below ground level. Install GL dry holt marker
13. Clean off location.

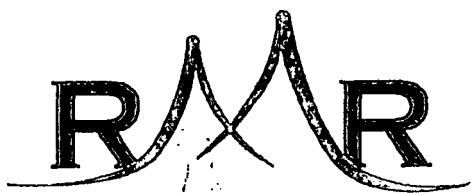
All plugs equal 25 sx min.



Current Wellbore condition

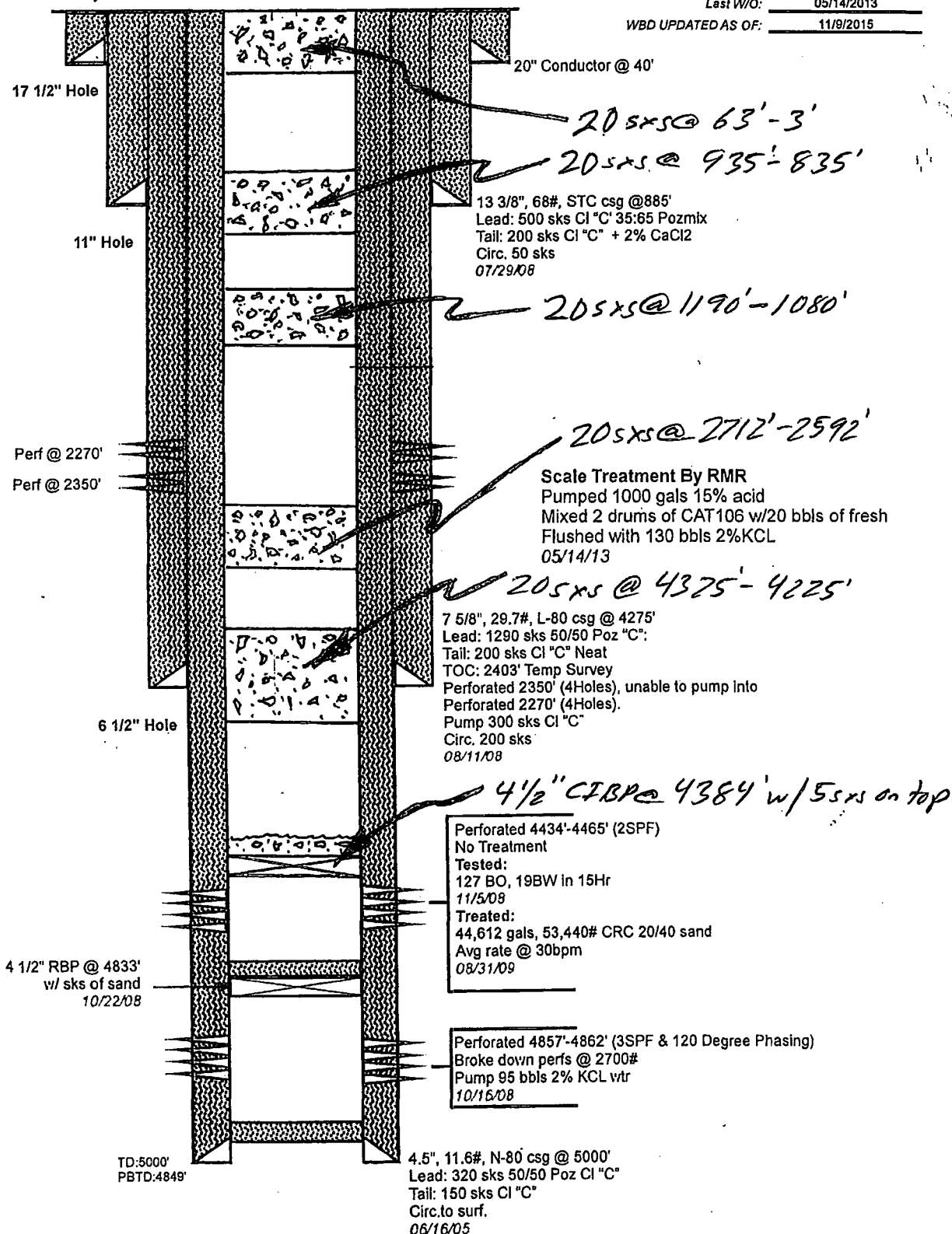
Original Operator: Pure Energy
 Current Operator: Red Mountain Resources
 Well Name: SE Lusk 33 Fed #6
 API: 3002539027
 State, County: NM, Lea Co.
 Survey: 330' FEL & 700' FNL
 Loc: Sec 33, T-19-S, R-21-E 32
 KB: 3571'
 GL: 3559'
 Date Spudded: 07/27/2008
 Date TD Reached: 08/21/2008
 Date Completed: 11/03/2008
 Last W/O: 05/14/2013
 WBD UPDATED AS OF: 11/9/2015





Proposed Plug & Abandonment

Original Operator: Pure Energy
 Current Operator: Red Mountain Resources
 Well Name: SE Lusk 33 Fed #8
 API: 3002539027
 State, County: NM, Lea Co.
 Survey: 330' FEL & 700' FNL
 Loc: Sec 33, T-19-S, R-31-E
 KB: 3571'
 GL: 3559'
 Date Spudded: 07/27/2008
 Date TD Reached: 08/21/2008
 Date Completed: 11/03/2008
 Last W/O: 05/14/2013
 WBD UPDATED AS OF: 11/9/2015



**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted