

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-03335
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 14844
7. Lease Name or Unit Agreement Name Ballard Grayburg San Andres Unit
8. Well Number #001S
9. OGRID Number 24306286/83
10. Pool name or Wildcat: Loco Hills, Queen, Grayburg, San Andres

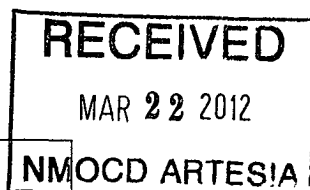
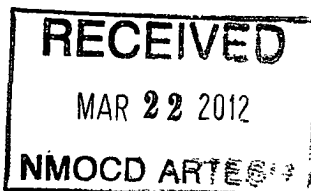
<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p> <p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> <input checked="" type="checkbox"/> Other INJECTION WELL</p> <p>2. Name of Operator TANDEM ENERGY CORPORATION</p> <p>3. Address of Operator 2700 POST OAK BLVD. STE 1000 HOUSTON TX. 77056</p> <p>4. Well Location Unit Letter _____ L : _____ 2310' feet from the _____ FSL _____ line and _____ 900' feet from the _____ FWL _____ line Section 8, Township 18S Range 29E NMPM County Eddy</p> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3532 GR</p>	
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input checked="" type="checkbox"/> Repair tubing leak</p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Rig Up Pulling Unit pull tubing and injection packer
2. Rig up Hydrostatic Tubing Testers run in hole with new injection packer testing 2 3/8" plastic coated tubing laid down 5 bad joints.
3. Rig pump truck and vacuum truck circulated 120 bbls. Packer fluid set AD-1 tension injection packer @ 2997.57 on 90 joints internally plastic coated tubing, tested annulus to 350 PSI. held pressure. Release pressure left well shut in for NMOCD to witness integrity test
4. Rig Down Pulling Unit Moved Out



Spud Date: _____

Rig Release Date: 3/9/2012

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Rumaldo Hinojosa TITLE: Production Superintendent DATE: 3/19/2012

Type or print name: Rumaldo Hinojosa E-mail address: rhinojosa@platenergy.com PHONE: 575-626-9969

For State Use Only:
APPROVED BY: Rumaldo Hinojosa TITLE: COMPANION OFFICER DATE: 3/27/12
Conditions of Approval (if any):