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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

May 5, 2008

Tandem Energy Corporation
P.O. Box 1559
Midland, Texas 79702-1559

Attn: Mr. Toben Scott

Re: Resignation/Designation of Successor Unit Operator
South Lucky Lake Queen Unit
Chaves County, New Mexico

Dear Mr. Scott:

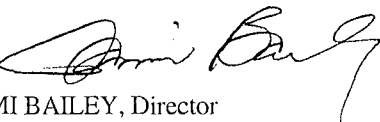
We are in receipt of your resignation/designation of successor unit operator, wherein Lothian Oil, has resigned as unit operator of the South Lucky Lake Queen Unit and designated Tandem Energy Corporation as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Lothian Oil, and the designation of Tandem Energy Corporation as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

This change in operators is effective December 1, 2007. In accordance with this approval, Tandem Energy Corporation is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil/Gas and Minerals Division
PL/JB/jm
xc: Reader File
OCD-Santa Fe, Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson
BLM Roswell-Attn: Mr. John Simitz

-State Land Office Beneficiaries -

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March 4, 2008

Tandem Energy Corporation
P.O. Box 1559
Midland, TX 79702

Attn: Ms. Angel Mayes

Re: Designation of Successor Unit Operator
South Lucky Lake Queen Unit
Chaves County, New Mexico

Dear Ms. Mayes:

The Bureau of Land Management has notified this office that Tandem Energy Corporation has been designated as the successor unit operator of the South Lucky Lake Queen Unit, Chaves County, New Mexico. Our records reflect that B & W Oil Company is still the operator of record for this unit. Since a change of operator has not been approved by this office, Tandem Energy Corporation is operating the South Lucky Lake Queen Unit without authority.

In view of the above, please submit within (30) days, a resignation from B & W Oil Company and the designation of Tandem Energy Corporation as successor unit operator to this office for approval. Tandem Energy Corporation must also accept the duties and responsibilities as the successor unit operator in writing.

Please submit a 20,000 Multi-Lease (blanket) Damage Bond to this office as soon as possible, enclosed you will find an application for Multi-lease bonds.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

By:

JAMI BAILEY, Director
Oil, Gas and Minerals Division

PL/JB/jm

xc: Reader File

OCD

BLM

B & W Oil Company

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