

08-02-10:00

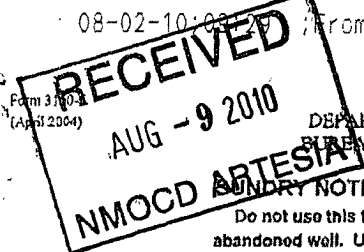
From:

N.M. Oil Cons. DIV-Dist. 2

# 1/ 1

1301 W. Grand Avenue

Artesia, NM 88210

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTBUREAU NOTICES AND REPORTS ON WELLS  
Do not use this form for proposals to drill or re enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

## SUBMIT IN TRIPLICATE - Other Instructions on reverse side

## 1. Type of Well



Oil Well



Gas Well



Other

## 2. Name of Operator

TANDEM ENERGY CORPORATION

## 3a. Address

11490 WESTHEIMER, STE 1000 HOUSTON, TX 77077

## 3b. Phone No. (include area code)

325-573-0705

## 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

990' FSL, 1477' FWL, SEC 22 T15S, R29E

## 5. Lease Serial No.

NA 232568a

## 6. If Indian, Allottee or Tribe Name

## 7. If Unit or CA/Agreement, Name and/or No.

## 8. Well Name and No.

S. Lucky Lake Queen unit # 4

## 9. API Well No.

30-005-60381

## 10. Field and Pool, or Exploratory Area

chaves CO, NM

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

## TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice

## TYPE OF ACTION



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Fracture Treat



New Construction



Plug and Abandon



Plug Back



Production (Start/Resume)



Reclamation



Recomplete



Temporarily Abandon



Water Disposal



Water Shut-Off



Well Integrity



Other

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 recompleate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. MURU - PLUGGING EQUIPMENT AND STEEL PITS

2. ND WELL HEAD - NU BOP

3. RIH SET CIBP @ 1747' SPOT 25 SACKS @ 1747' - CIRCULATE PLUGGING MUD

4. PERF AND SPOT 25 SACKS @ 1747' - (TAG)

5. PERF AND SPOT 25 SACKS @ 343' (TAG)

6. PERF @ 60' CIRCULATE 25 SACKS TO SURFACE

7. CUT OFF WELLHEAD, INSTALL PA MARKER, CUT OFF ANCHORS, COVER CELLAR, CLEAN LOCATION, &amp; MOVE OUT

APPROVED FOR 90 DAY MONTH PERIOD  
ENDING OCT 31 2010

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

Name (Printed/Typed)

MARK HOSKINS

Title

AGENT

Signature

Date

July 14, 2010

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

AUG 02 2010

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

ROSWELL FIELD 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

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

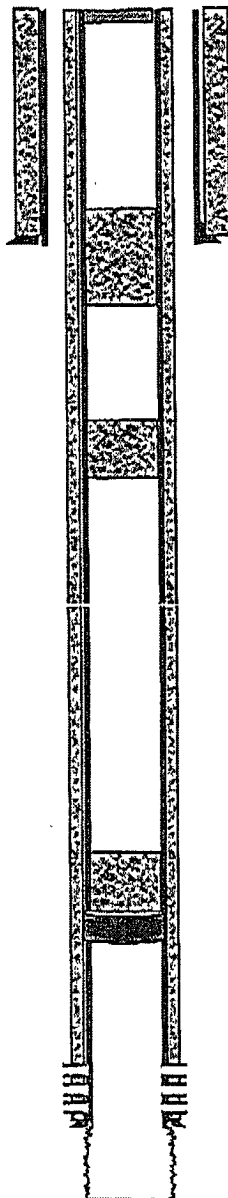
08-02-10;09:29 ;From:

To:14325862453 ;

# 2/ 4

**Well Name**  
**API #30-005-60381**  
**south lucky lake queen unit # 4**

7/15/2010



25 SX @ 60' TO SURFACE'

25 SX @ 343'  
Surface Casing @ 293'

25 SACKS @ 1247'

25 SX TOP OF CIBP @ 1747'

Company Name: TANDEM

## **BUREAU OF LAND MANAGEMENT**

**Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201  
(575) 627-0272**

### **Permanent Abandonment of Federal Wells Conditions of Approval**

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 90<sup>th</sup> day provide the BLM Roswell Field Office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours call (575) 627-0205 or after office hours call (575) 420-2832. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of 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 not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Monument: Upon abandonment of the well, all casing 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. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. 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.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.