

District I
1625 French Dr., Hobbs, NM 88240
District II
300 West Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
October 13, 2009

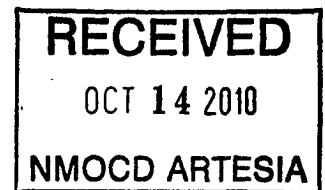
<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-015-35929</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator TANDEM ENERGY CORPORATION</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 11490 WESTHEIMER RD, STE. 1000 HOUSTON, TX 77077</p>		<p>7. Lease Name or Unit Agreement Name BALLARD GBSA</p>
<p>4. Well Location Unit Letter <u>M</u> : 511 feet from the <u>SOUTH</u> line and <u>397</u> feet from the <u>WEST</u> line Section <u>4</u> Township <u>18S</u> Range <u>29E</u> NMPM EDDY County</p>		<p>8. Well Number 26-5</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number 36990</p>
<p>10. Pool name or Wildcat LOCO HILLS</p>		

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"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/></p>		<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/></p>	
<p>OTHER: <input type="checkbox"/></p>		<p>OTHER: <input type="checkbox"/></p>	

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. RIH WITH CIBP SET @ 2411' - RIH CIRCULATE PLUGGING MUD - SPOT 25 SACKS ON TOP
2. PERF @ 821' SPOT 25 SACKS - TAG
3. PERF @ 376' - PUMP 40 SACKS - CIRCULATE TO SURFACE
4. CUT OFF WELL HEAD AN ANCHORS - INSTALL PA MARKER - LEVEL LOCATION



Notify OCD 24 hrs. prior
to any work done.

Spud Date:

Rig Release Date:

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

SIGNATURE Mark Hoskins TITLE AGENT DATE 10/14/10

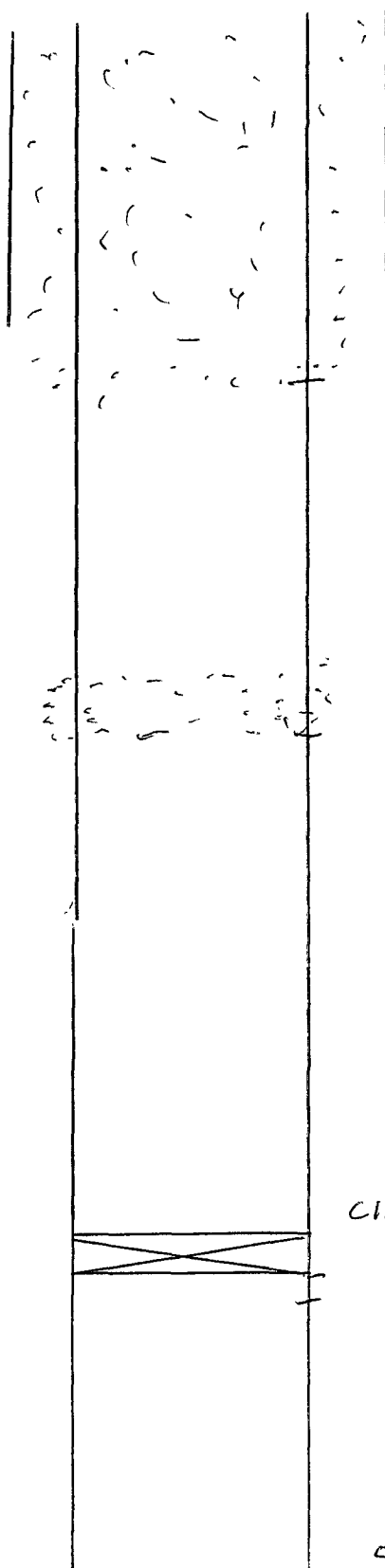
Type or print name MARK HOSKINS E-mail address: MARK@MAYOMARRS.NET PHONE: 575-736-1366
State Use Only

APPROVED BY: Mark Hoskins TITLE AGENT DATE 10/14/2010
Conditions of Approval (if any):

Approval Granted providing work
is complete by 1/14/2011

TANDEM
Baaland

GBSA #26-5



Top of Salt 280'

8 5/8" @ 326'

Perf @ 326'

Spot 40 SX Circ to Surface

771' Base of Salt

Perf @ 821' Spot 25 SX-TAB

CIBP @

Perfs 244' - 3193'

5 1/2" 17" TO 3383'