

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

**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 reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM106413
2. Name of Operator Tandem Energy Corporation		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 1559, Midland, TX 79702	3b. Phone No. (include area code) 432-686-7136	7. If Unit or CA/Agreement Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330 FNL 660 FWL 4 6-20S-35E Unit D		8. Well Name and No Cactus Federal #3
		9. API Well No. 30-025-03335
		10. Field and Pool, or Exploratory Area SWD-Queen
		11. County or Parish, State Lea, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Change of Operator</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 recompletion 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.)

Effective December 1, 2007 Tandem Energy Corporation is the operator of the above federal lease. Tandem Energy Corporation assumes responsibility of this lease and will operate according to federal guidelines.

Change of Operator from: Lothian Oil Texas I, Inc.  
200 N. Loraine, Ste 400  
Midland, TX 79701

OPER. OGRID NO. 236183  
PROPERTY NO. 305393  
POOL CODE 96117  
EFF. DATE 12/01/07  
API NO. 30-025-03335

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

**RECEIVED**

APR 10 2008

**HOBBS OCD**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Vince Borrello		Title President and C.O.O.
Signature <i>Vince Borrello</i>		Date 1/30/08

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
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	APR -- 7 2008

Title 18 USC Section 1001 and Title 43 USC 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)

**FOR RECORD ONLY**

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE