

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. NM077006 |
| 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) 660 FSL & 1650 FEL O 24-19S-32E | | 8. Well Name and No. Big Circle #3 |
| | | 9. API Well No. 30-025-20097 |
| | | 10. Field and Pool, or Exploratory Area Tonto; Yates-7 Rivers, South |
| | | 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 Change of Operator |
| | <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 recomple 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. Lorraine, Ste 400
Midland, TX 79701

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

OPER. OGRID NO. 236183

PROPERTY NO. 305357

POOL CODE 59480

EFF. DATE 12/01/07

API NO. 30-025-20097

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 <u>1/30/08</u> |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |
| Approved by | | Title |
| 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 |
| 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. | | |

(Instructions on page 2)

FOR RECORD ONLY

APPROVED

APR - 7 2008

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE