District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III
1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 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-141 Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

are to be presented to OCD

Release Notification and Corrective Action

15E00828	333208					OPERA'				ial Report	F	inal Report
Name of Company Tandem Energy Corporation						Contact Brandi Barthels						
Address	P.O. Box	79702		Telephone No. 361-935-9377								
Facility Name Square Lake 12 Unit 118						Facility Type oil						
Surface Ow		Mineral (Owner	Lease				No. 118				
30·015·02954 LOCATION OF RELEASE												
Unit Letter	Section	Township	Range	Feet from the		South Line	Feet from the	East/\	West Line	County		
0	12	17S	29E	660	South		1980	East		Eddy		
Latitude 32.844477 Longitude 104.022491 NATURE OF RELEASE												
Type of Release Saltwater and Oil										Recovered 0		
Source of Re					our of Occurrence	Date and Hour of Discovery						
Was Immedia	ate Notice C	N- M N-4 D		If YES, To Whom?								
Yes No Not Required												
By Whom? Was a Watero	Daurca Dana		···	Date and Hour								
yras a vraiciv	lourse Reac	No		If YES, Volume Impacting the Watercourse.								
If a Watercou	rse was Imp	acted, Descri	be Fully.*			1	·					1
N/A												
Describe Cause of Problem and Remedial Action Taken.*												
Flowline leaked causing 15 bbls of saltwater and 7 bbls of oil to be released. None recovered. The remedial action plan will be developed and executed for the site after soil sampling is conducted.												
Describe Area	Describe Area Affected and Cleanup Action Taken.*											
The affected is area is approximately 4' x150'. Flowline leaked approximately 600' NW of the well. The remediation plan will be developed and executed based on the soil analysis results.												
regulations all public health of should their op	operators a or the environerations ha ment. In ad-	re required to onment. The a ve failed to a d dition, NMOC	report and acceptance lequately in acceptance.	d/or file certain re e of a C-141 repo investigate and re	elease no ort by the emediate	tifications an NMOCD ma contamination	knowledge and und perform correct rked as "Final Re n that pose a thre the operator of re	ive action port de	ons for rele oes not reli- ound water oility for co	eases which ma eve the operate , surface water ompliance with	ay endar or of lia , humar n any otl	nger bility n health
·						OIL CONSERVATION DIVISION						
Signature:										Remediation Act		
Printed Name:	Brandi B	arthels		A	Approved by District Supervisor:			Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date				
Title: Regula	tory and En	vironmental A	Affairs Ma	nager	A	pproval Date	10-9-08	E	xpiration [Date: 12-	8-0	8
E-mail Address: bbarthels@platenergy.com					c	Conditions of Approval:				Attached [
Date: 09/	10/2008	Phone: 36	1.935.937	7			before 11-8-08		1	_	,	i
Attach Additi	onal Sheets		final	emediation work plan based on defineation should be alized and submitted for approval to the Division -2RP - 246								
SEB 0828333513 summarizing environmen							ns taken and/or to be t e	itigate	Notify OCD 48 hours prior to obtaining samples where analyses			



Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL RETURN RECEIPT REQUESTED 7007 2560 0002 2222 8162

October 9, 2008

Platinum Energy/Tandem Energy Corporation ATTN: Brandi Barthels 120 S Main Street, Suite 350 Victoria. TX 77901

Dear Operator:

This office is in receipt of your C-141s regarding the oil and produced water releases for the following facilities.

API	SITE NAME	2RP
30 015 21796	Ballard Grayburg San Andres Unit 006G	231
30 015 24007	Hudson State 001	232
30 015 03331	Ballard Grayburg San Andres Unit 003H	233
30 015 21353	Heard A 001	234
30 015 23243	Turkey Track Sec 3 Unit 022	235
30 015 02840	Wright A Federal 001	236
30 015 02960	Square Lake 12 Unit 109	237
30 015 03310	Ballard Grayburg San Andres Unit 001P	238
30 015 22683	Ballard Grayburg San Andres Unit 014	239
30 015 10454	Turkey Track Sec 3 Unit 003	240
30 015 25373	Magnolia Battery	241
30 015 21655	Elliot 001	242
30 015 03342	Ballard Grayburg San Andres Unit 009B	243
30 015 03211	Old Loco Unit 011	244
30 015 20122	James Federal 001	245
30 015 02954	Square Lake 12 Unit 118	246
30 015 21985	James Federal 003	247

NMOCD Rule 19.15.3.116 states in part, "...The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a <u>remediation plan</u> submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."



A <u>guide</u> document intended to provide direction for remediation of soils and fresh waters contaminated as a result of leaks, spills, or releases of oilfield wastes and products is found on OCD's web site at the following link:

http://www.emnrd.state.nm.us/ocd/documents/7C spill1.pdf

Within 30 days, **on or before November 8, 2008**, completion of remediation work plan(s) should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to each leak, spill or release for approval.

The remediation work plan(s) must include:

- · General site characteristics
- Site ranking score
- Soil remediation action levels
- Horizontal and vertical delineation of the spill by soil sampling. Delineation is
 required until contamination reaches background levels or a site specific acceptable
 level. Any constituent(s) of concern—to include but not limited to TPH, BTEX, and
 chlorides—are to be addressed in the delineation and remediation plan.
- A sketch of the site indicating where and at what depths the samples were taken.
- Laboratory results of sampling
- The work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site(s).

Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notification is to include date and time of sample event.

Remediation requirements may be subject to other federal, state, and local laws or regulations.

In the event that a satisfactory response is not received to this letter, further enforcement may occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of civil penalties for your violation of OCD rules.

Please be advised that NMOCD acceptance and/or approval of documents or work plans does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,

Sherry Bonham

NMOCD District II, Artesia

(505) 748-1283 ext 109

E-mail: sherry.bonham@state.nm.us