District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, 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

Revised April 3, 2017 Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Form C-141

Release Notification and Corrective Action

	OPERA	TOR	X Initi	al Report Final Report	
Name of Company Tandem Energy Corp	Contact Tony Tucker				
Address 1494 Blue Stem Loco Hills NM	Telephone	Telephone No. 575-703-8283			
Facility Name Pure State Gathering Facility	Facility Ty	e Gathering Facili	ity		
Surface Owner State of New Mexico Mineral Owner	r State of New N	1exico	API No. 30-025-20096		
LOCATIO	ON OF RE	LEASE			
Unit Letter Section Township Range Feet from the Nor	orth/South Line Feet from		East/West Line	County	
M 31 19S 35E 660 So	outh	330	East	Lea	
Latitude 32.611111	Longitude -1	03.503053	NAD83		
NATUR	E OF REL	EASE			
Type of Release Oil & Water Volume of Release 318 BO 56 BW Volume Recovered 0					
Source of Release Storage Tanks		Date and Hour of Occurrence 10:30 PMDate and Hour of Discovery 12:00AM 10-20-17			
Was Immediate Notice Given?		If YES, To Whom?			
Yes No Not Required		Olivia Yu ES NMOCD			
By Whom? Maljamar Vol Fire Dept. Tandem Rep Tony Tucker	Date and I-	Date and Hour 10am 10-20-2017			
Was a Watercourse Reached? ☐ Yes 🔀 No	If YES, Vo	lume Impacting t	he Watercourse.		
If a Watercourse was Impacted, Describe Fully,*		RECEIVED			
By Olivia Yu at 12:46 pm, Nov 01, 2017					
Describe Cause of Problem and Remedial Action Taken.* It appears	ac though	oithar the Cur	Down Mate	T-1 01 T 1	
hit by a lightening strike the explosion that followed ignit	ed the rema	inder of tanks	and seperator	rs at the facility. The fire	
Describe Cause of Problem and Remedial Action Taken.* It appears as though either the Gun Barrel, Water Tank or Oil Tank was hit by a lightening strike the explosion that followed ignited the remainder of tanks and seperators at the facility. The fire that ensued appears to have consumed all of the hydrocarbons released from the tanks. Therefore Tandem was unable to					
recover any fluids.				ioro random was unable to	
Describe Area Affected and Cleanup Action Taken.*					
Impacted area: Pasture Facility Location & Road. No	action taker	as of comple	tion of this writ	tton notification	
Detailed map and delineation plan to follow.	action taker	as of contiple	tion of this will	uen nouncation.	
I hereby certify that the information given above is true and complete to	the best of my	knowledge and ur	derstand that nurs	uant to NMOCD rules and	
regulations an operators are required to report and/or tile certain release	notifications or	d partarm correct	ino options for sale	remark a section of	
public health of the environment. The acceptance of a C-141 febort by the NMO(1) marked as "Final Report" does not relieve the environment.					
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 of a C-141 report does not relieve the operator of responsibility for compliance with any other					
federal, state, or local laws and/or regulations.	does not relieve	the operator of re	esponsibility for co	ompliance with any other	
state, of 1994 tags und regulations.		OIL COME	EDVATION	Dividion	
11	OIL CONSERVATION DIVISION Approved by Environmental Specialist:				
Signature:					
Printed Name: Jony Tucker					
Title: Superintendent	Approval Date	11/1/2017	7 Expiration I	Date:	
	7.0		Dapharon		
E-mail Address: fon y tal t 5 energy, com Date: 10-31-17 Phone: 575-705-8283	see attached directive				
Attach Additional Sheets If Necessary					
	1RP-4859		730547039		

fOY1730546586

pOY1730547027

Operator/Responsible Party,

The OCD has received the form C-141 you provided on _11/1/2017_ regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number _1RP-4859__ has been assigned. Please refer to this case number in all future correspondence.

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete <u>division-approved corrective action</u> for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District _1_ office in __Hobbs____ on or before _12/1/2017_. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- •Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.
- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.
- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief 1220 South St. Francis Drive Santa Fe, New Mexico 87505 505-476-3465 jim.griswold@state.nm.us