

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
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

OCT 30 2008

OCD-ARTESIA

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Tandem Energy Corporation 236183	Contact Brandi Barthels
Address 120 S. Main Street, Suite 350, Victoria, TX. 77901	Telephone No. 361-935-9377
Facility Name Lothian	Facility Type Hanson Federal
HANSON FEDERAL 001	
Surface Owner Federal	Mineral Owner Federal
Lease No. 1	

30-015-03887

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	12	16S	30E	660	FNL	660	FWL	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release saltwater; oil	Volume of Release 8 BBLs.	Volume Recovered 1 BBL.
Source of Release corrosion of flow line	Date and Hour of Occurrence 10-17-08	Date and Hour of Discovery 10-17-08 11:40 a.m.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

N/A

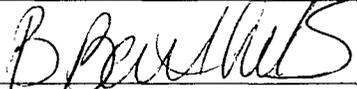
Describe Cause of Problem and Remedial Action Taken.*

Corrosion of flow line caused 8 BBLs of oil to be released and 1 BBL recovered. The remedial action plan will be developed and executed for the site after soil sampling.

Describe Area Affected and Cleanup Action Taken.*

A 4' x 176' area was affected. The remediation plan will be developed and executed based upon the soil analysis results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" 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 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Brandi Barthels	Approved by District Supervisor: <i>T Gum by SB</i>	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Title: Regulatory & Environmental Affairs Manager	Approval Date: 11-6-08	Expiration Date: 01-09-2009
E-mail Address: bbarthels@platenergy.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 10/24/08 Phone: 361.935.9377	Within 30 days, on or before 12-8-08 , completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage	2RP - 265

* Attach Additional Sheets If Necessary

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 6, 2008

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

RE: Hanson Federal 001 30-015-03887
D-12-16S-30E Eddy County, New Mexico
2RP-265

Dear Operator:

This office is in receipt of your C-141 regarding the oil and produced water release at this facility.

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 **remediation plan** submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

A guide 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

The following actions are **required** to be addressed in the **remediation plan**:

- 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.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.



November 6, 2008

Page 2

- Submit laboratory results of sampling and the work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site.

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.

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

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
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us