NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 29 2017
RECEIVED

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

Form C-141
Revised April 3, 2017

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB1726435822

OPERATOR

X☐ Initial Report ☐ Final Report

Name of Company: TANDEM ENERGY CORP. 236183	Contact: TONY TUCKER
Address: 1494 BLUE STEM RD. LOCO HILLS NM	Telephone No. (575) 703-8283
Facility Name: BALLARD GREYBURG SAN ANDRES UNIT 71 # 0017 Grayburg	Facility Type: N/A

Surface Owner: CONCHO RESOURCES	Mineral Owner: FEDERAL	API No. 30-015-03427

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	17	18S	29E	330'		1650'		EDDY

Latitude 32.7598 **Longitude** -104.0978 NAD83 **SPILL LOCATION**

NATURE OF RELEASE

Type of Release: OIL & WATER	Volume of Release: LESS THAN 20BBLS	Volume Recovered: 2BBLS
Source of Release: FLOW LINE	Date and Hour of Occurrence: UNKNOWN	Date and Hour of Discovery: 8-25-2017 ON OR ABOUT 10:00 AM
Was Immediate Notice Given? X☐ Yes ☐ No ☐ Not Required	If YES, To Whom? NMOCD INSPECTOR TONY MORALES DISCOVERED RELEASE & NOTIFIED TANDEM SUPERINTENDENT TONY TUCKER. MR. TUCKER NOTIFIED BLM EPS SHELLY TUCKER VIA PHONE.	
By Whom? TONY TUCKER	Date and Hour: 8-25-17 ON OR ABOUT 11:30 AM	
Was a Watercourse Reached? ☐ Yes X☐ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
POLY FLOW LINE DEVELOPED A SMALL HOLE IN THE IN WELD. VAC TRUCK RECOVERED ALL STANDING FLUID. REPAIRED FLOW LINE.

Describe Area Affected and Cleanup Action Taken.*
A REMEDIAL PLAN WILL BE SUBMITTED PER NMOCD COA.

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: Tony Tucker	OIL CONSERVATION DIVISION
Printed Name: Tony Tucker	Approved by Environmental Specialist: Crystal Weaver
Title: District Superintendent	Approval Date: 9/11/17 Expiration Date: N/A
E-mail Address: tonyt@t5energy.com	Conditions of Approval: See attached Attached ☒ RP 4374

9/18/17 AB

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **8/29/17** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 3RP-437A 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 division-approved corrective action 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 II office in Artesia on or before 9/29/17. 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; C_6 thru C_{36}), 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; C_6 thru C_{36}), 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

Weaver, Crystal, EMNRD

From: Tony Tucker <tonyt@t5energy.com>
Sent: Thursday, August 31, 2017 12:28 PM
To: Weaver, Crystal, EMNRD
Cc: Bratcher, Mike, EMNRD; Tucker, Shelly
Subject: Re: NEAREST LOCATION GRAYBURG SA 04S

Same well.

Sent from my iPhone

On Aug 31, 2017, at 10:37 AM, Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us> wrote:

> Tony,
>
> Is the API number provided on the C-141 correct? Cause that API goes with well Ballard Greyburg SA #1Z according to our records, and you wrote Ballard Greyburg SA Unit #7-1 on the form as the facility name that this release is related to.
>
> Just wanted to make sure I got clarification before I processed it.
>
> Thank you,

Crystal Weaver
Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101
Cell: 575-840-5963
Fax: 575-748-9720

From: Tony Tucker [mailto:TonyT@T5Energy.com]
Sent: Tuesday, August 29, 2017 9:24 AM
To: Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us>
Cc: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Morales, Tony, EMNRD <Tony.Morales@state.nm.us>; stucker@blm.gov; Colchado, Ruben <rubenc@t5energy.com>; Trant, David <davidt@t5energy.com>; Ramirez, Marc <marcr@t5energy.com>
Subject: RE: NEAREST LOCATION GRAYBURG SA 04S

From: Weaver, Crystal, EMNRD [mailto:Crystal.Weaver@state.nm.us]
Sent: Monday, August 28, 2017 10:32 AM
To: Tony Tucker

Cc: Bratcher, Mike, EMNRD; Morales, Tony, EMNRD; stucker@blm.gov
Subject: FW: NEAREST LOCATION GRAYBURG SA 04S

Tandem Energy * Flowline release (closest nearby location is Grayburg SA 4S - most wells in the area are Tandem Energy wells) * 32.7598, -104.0978

Tony,

An OCD Inspector discovered this release and has notified Tandem Energy of its existence. Since the length of time that this leak has been occurring for is unknown OCD requests that Tandem Energy provide a C-141 form for this release if volume of release is determined to be 5bbls or greater. Since the release is a flowline leak and the length of time of release is unknown, regardless of the volume that Tandem Energy calculates, OCD will still require submission of lab confirmation sampling data of the contamination area and require a delineation be conducted showing 1' intervals of lab tested sampling within the area of the contamination around the point of release/area where it has the most significant pooling. I show the GPS location of the flow line leak, that our inspector provided, to be on private land with Federally owned minerals. So I have included Shelly Tucker from the BLM Office out of Carlsbad on this email.

If you have any questions or concerns please contact myself or Mike Bratcher here at the OCD District II Office.

Crystal Weaver
Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101
Cell: 575-840-5963
Fax: 575-748-9720

-----Original Message-----
From: Morales, Tony, EMNRD
Sent: Monday, August 28, 2017 7:21 AM
To: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
Cc: Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us>; Morales, Tony, EMNRD <Tony.Morales@state.nm.us>
Subject: NEAREST LOCATION GRAYBURG SA 04S

FYI

MR. MIKE BRATCHER

NEAREST LOCATION GRAYBURG SA 04S LOCATION OF ACTIVE LEAK 32.7598 / 104.0978 NORTH - EAST FROM LOCATION ACTIVE LEAK STAINED AREA APPROX 20' X 40' AT RUPTURE SITE OTHER STAINED AREA APPROX 5' X 120' DOWN ACCESS ROAD AND ARROYO. NOTIFIED TONY TUCKER TANDEM ENERGY CORP. WILL CLOSE IN FLOWLINE CONTACT BLM / OCD TO SUBMIT CLEAN-UP PLAN.

TONY MORALES, COMPLIANCE OFFICER
811 S. FIRST STREET
ARTESIA NM 88210
OFFICE: (575) 748-1283 EXT. 106
CELLULAR: (575) 703-0233
FAX: (575) 748-9720
E-MAIL: Tony.Morales@state.nm.us

Your message is ready to be sent with the following file or link attachments:

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