

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

Form C-141
Revised October 10, 2003

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

236183

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company <i>TANDEM ENERGY CORP.</i>	Contact <i>ROMALDO HINOJOSA</i>
Address <i>PO BOX 1559, MILLARD TX 79702</i>	Telephone No. <i>575-626-9969</i>
Facility Name <i>BARTON "A" FED #1</i>	Facility Type <i>TANK BATTERY</i>

Surface Owner <i>FED</i>	Mineral Owner <i>FED</i>	Lease No. <i>71-070242-A</i>
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LOCATION OF RELEASE

API# *30-015-10160*

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>C</i>	<i>22</i>	<i>19S</i>	<i>31E</i>					<i>Eddy</i>

Latitude *32°-39'-05.4"* Longitude *103°-51'-33.1"*

NATURE OF RELEASE

Type of Release <i>PRODUCED WATER</i>	Volume of Release <i>1066L +/-</i>	Volume Recovered <i>0</i>
Source of Release <i>FIBERGLASS TANK OVER FLOW</i>	Date and Hour of Occurrence	Date and Hour of Discovery <i>2-11-08</i>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	IF YES, To Whom? <i>SPILL FOUND BY BLM</i>	
By Whom? <i>BLM</i>	Date and Hour <i>AM OF 2-11-08</i>	
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.*

*FIBERGLASS TANK OVER FLOWED AND RAN OUT INTO PASTURE
SEE ATTACHED WORK PLAN*

Describe Area Affected and Cleanup Action Taken.*

*SPILL RAN OUT INTO PASTURE 160' X 75'
SEE ATTACHED WORK PLAN*

FEB 14 2008

OCD-ARTESIA

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: <i>Romaldo Hinojosa</i>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: <i>Romaldo Hinojosa</i>	Approved by District Supervisor: <i>T. Gumbly</i>	
Title: <i>Prod. Superintendent</i>	Approval Date: <i>2-6-08</i>	Expiration Date:
E-mail Address:	Conditions of Approval: <i>Work plan</i>	Attached <input checked="" type="checkbox"/>
Date: <i>02-14-08</i> Phone: <i>505-626-9969</i>	<i>approved with stipulations</i>	

* Attach Additional Sheets If Necessary

*i SEB 080 495 4974
n SEB 080 495 5145
p SEB 080 495 6009*

2RP-130

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



March 6, 2008

Tandem Energy Corporation
Attn: Mr. Rumaldo Hinojosa
PO Box 1559
Midland, TX 79702-1559

Reference: Barton A Federal 1 22-19S-31E UL: C Eddy County, New Mexico
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Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a work plan proposal (plan) for remediation of a release of produced fluids occurring at the above referenced facility. The plan proposes excavation and disposal of impacted soils exceeding the OCD Recommended Remedial Action Levels (RRAL) for this site.

The plan is accepted with the following stipulations:

- Notify the OCD 24 hours prior to commencement of activities.
- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD.
- Results of analytical data obtained through sampling shall be forwarded to OCD for approval **prior** to any backfilling activities
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation to be completed on or before May 2, 2008.

Please be advised that NMOCD acceptance of this plan 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 this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,


Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210
575.748.1283 ext. 109
sherry.bonham@state.nm.us

cc: Allen Hodge, Phoenix Environmental



February 12, 2008

Tandem Energy Corp.
P.O. Box 1559
Midland, Texas 79702-1559

Attn: Mr. Rumaldo Hinojosa
Production Superintendent

**RE: Work Plan to Clean Up the Barton A Fed # 1 Tank Overflow Located in
Sec 22, T19S and R31E of Eddy County, New Mexico**

Dear Mr. Hinojosa:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Tandem Energy, Corp. for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 505-631-8314.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC

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Summary/Overview

The Barton A Fed # 1 tank overflow site should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the production of oil and gas.

The potential contaminants of concern are mid to high-level concentrations of produced water that was lost from the fiberglass tank that ran over and was absorbed by the near surface soils.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 200' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <5,000ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up.

Note: The BLM has requested that the site be cleaned up. The spill was only about 10bbl +/- and was not reportable but did get into the pasture due to the fact that there are no berms in place for secondary containment.

Scope of Work for Entombment of Impacted Soils

NOTE: Phoenix, for the purpose of this work plan, will estimate that there is approximately 600cyds of impacted soils at the site that needs to be addressed for site closure. This is based on a 160x75x1.5 area of impact.

1. First Phoenix will call One-Call for line spot clearance before any excavation at the site is started.
2. Phoenix will mobilize to the site located west of Hobbs, NM off of county road 222 equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.

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3. The site will be cleared of brush and debris and a staging area set up for site control and safety.
4. The saturated soils with high levels of chlorides above 500ppm will be taken off site for disposal. The low level impacted soils below 500ppm will be utilized and mixed with clean caliche and used to build berms around the storage tanks for secondary containment to prevent any future spills from getting into the pasture.
5. Once the impacted soils have been excavated bottom samples will be taken to confirm the site is below NMOCD levels for clean up.
6. Impacted soils at the site will then be transported to a NMOCD approved disposal facility for disposal.
7. Phoenix will field screen the site during the excavation, and, once the TPH and CL has dropped below clean-up requirements, final samples will be taken and sent to a third party lab for analysis.
8. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material. The site will be contoured with a slight crown to prevent the ponding of any water and reseeded.
9. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos.

If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC

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