

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

DEC 09 2008
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
OCD-ARTESIA

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company – Tandem Energy	Contact – Brandi Barthels
Address – 120 S. Main Suite 350 Victoria, TX 77901	Telephone No. – 361-576-0180
Facility Name – South Lucky Lake Queen #1	Facility Type – Leak at Wellhead

Surface Owner - BLM	Mineral Owner - BLM	Lease No.
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LOCATION OF RELEASE

Unit Letter P	Section 16	Township 15S	Range 29E	Feet from the	North/South Line	Feet from the	East/West Line	County Chaves
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Latitude 33 00' 34.7" N Longitude 104 01' 21.1" W

NATURE OF RELEASE

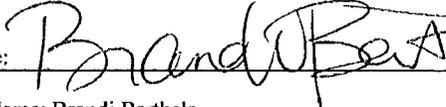
Type of Release – Produced Water/Oil	Volume of Release – 10/6 bbls	Volume Recovered – None
Source of Release – Leak from broken nipple on wellhead	Date and Hour of Occurrence – 10/17/08	Date and Hour of Discovery – 10/17/08
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> 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.*

Describe Cause of Problem and Remedial Action Taken.* Produced water and oil leaked from broken nipple on wellhead. Area affected is 30' x 30'. Using the NMOCD Guidelines for Remediation of Leaks and Spills, the ranking criteria for the site is as follows. Wellhead protection – 0 points. Surface body of Water – 0 points. Groundwater – 0 points. The nearest groundwater data shows 110' using SEO Data. Total ranking criteria for the site is 0 points.

Describe Area Affected and Cleanup Action Taken.* Using a ranking criteria of 0 points, Tandem proposes to use the following Recommended Action Levels for the delineation of the spill. TPH 8015M – 5,000ppm, Benzene and BTEX 100ppm (using a field soil vapor headspace measurement). Chloride - 1,000 ppm. After vertical and horizontal delincation has been completed a remediation plan will be formulated and submitted to the NMOCD for approval.

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:	DENIED
Title: Regulatory & Environmental Affairs Manager	Approval Date:	Expiration Date:
E-mail Address: bbarthels@platenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>12-6-08</u> Phone: 361-576-0180		

* Attach Additional Sheets If Necessary.

2RP-230

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

POD / Surface Data Report Avg Depth to Water Report

Water Column Report

AVERAGE DEPTH OF WATER REPORT 12/04/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

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POD / Surface Data Report Avg Depth to Water Report
 Water Column Report

AVERAGE DEPTH OF WATER REPORT 12/04/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RA	16S	29E	19				1	110	110	110

Record Count: 1