

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

DEC 09 2008  
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 – Wright A Federal Battery           | Facility Type – Battery      |

|                     |                     |           |
|---------------------|---------------------|-----------|
| Surface Owner - BLM | Mineral Owner – BLM | Lease No. |
|---------------------|---------------------|-----------|

300K502840

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| A           | 1       | 17S      | 29E   |               |                  |               |                | Eddy   |

Latitude 32 52.034' N Longitude 104 01.189' W

**NATURE OF RELEASE**

|  |  |                                       |
|--|--|---------------------------------------|
| Type of Release – Produced Water/Oil   | Volume of Release – 150/14 bbls                          | Volume Recovered – 10 bbls            |
| Source of Release – Broken Leg on Gun Barrel   | Date and Hour of Occurrence – 10/27/08                   | Date and Hour of Discovery – 10/27/08 |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher – OCD<br>Randy Rust - BLM |                                       |
| By Whom? Brandi Barthels   | Date and Hour 10/27/08 @ 4:30pm                          |                                       |
| Was a Watercourse Reached?<br><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 leg of Gun Barrel. Area affected is 10' x 189'. 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 using the ChevronTexaco Map shows >100' and 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 delineation 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: <i>Brandi Barthels</i>                 | <b>OIL CONSERVATION DIVISION</b> |                                   |
| Printed Name: Brandi Barthels                     | Approved by District Supervisor: | <b>DENIED</b>                     |
| Title: Regulatory & Environmental Affairs Manager | Approval Date:                   | Expiration Date:                  |
| E-mail Address: bbarthels@platenergy.com          | Conditions of Approval:          | Attached <input type="checkbox"/> |
| Date: <u>12-8-08</u> Phone: 361-576-0180          |                                  |                                   |

\* Attach Additional Sheets If Necessary

2RP-270

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

|   |   |
|---|---|
| <a href="#">POD / Surface Data Report</a> | <a href="#">Avg Depth to Water Report</a> |
| <a href="#">Water Column Report</a>       |   |
| <a href="#">Clear Form</a>                | <a href="#">iWATERS Menu</a>              |
| <a href="#">Help</a>                      |   |

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

New Mexico Office of the State Engineer  
POD Reports and Downloads

Township: [16S] Range: [29E] Sections: [ ]

NAD27 X: [ ] Y: [ ] Zone: [ ] Search Radius: [ ]

County: [ ] Basin: [ ] Number: [ ] Suffix: [ ]

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

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