

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

RECEIVED
MAY 20 2010
HOBBSDO

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 Corp.	Contact Rumaldo Hinojosa
Address PO Box 1559 Midland, Tx 79702-1559	Telephone No. 575-626-9969
Facility Name Texaco Fed # 2	Facility Type PA Well Site
Surface Owner BLM	Mineral Owner BLM
Lease No. API 30-025-20189	

LOCATION OF RELEASE

Unit Letter A	Section 1	Township 20S	Range 34E	Feet from the	North/South Line	Feet from the	East/West Line	County LEA
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Latitude 32°-36'-29"N Longitude 103°-30'-25" W

WTR 50'-60'

NATURE OF RELEASE

Type of Release Oil/Hydrocarbons	Volume of Release Unknown	Volume Recovered 0
Source of Release Spill from tank battery	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" 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.* The well and battery was PA and there was a previous spill found to the east of the old tank battery. A backhoe was utilized to excavate test holes and pull soil samples and tested at a third party lab and tested for TPH, BTEX an CL. (Please see attached work plan)		
Describe Area Affected and Cleanup Action Taken. The previous spill is about 75' x 75' and went down 10'. (Please see attached work plan)*		

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>Jose Cerrillo</i>	OIL CONSERVATION DIVISION	
Printed Name: JOSE CERRILLO	<i>J. Johnson</i> Approved by District SUPERVISOR ENVIRONMENTAL ENGINEER	
Title: PRODUCTION SUPERVISER	Approval Date: 5.20.10	Expiration Date: 7.20.10
E-mail Address:	Conditions of Approval: <input type="checkbox"/> Attached <input type="checkbox"/>	
Date: 5-18-2010 Phone: 575 622 7763	SUBMIT FINAL C-141 w/ DOCS BY IRP# 10.5.2535	

* Attach Additional Sheets If Necessary

N LWS 1014030073



PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

May 17, 2010

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

Attn: Mr. Rumaldo Hinojosa
Production Superintendent

RE: Work Plan and Cost for the Remediation of the Texaco Fed # 2 Located in Lea County of 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 sites.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 575-631-8314.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC



Summary/Overview

The Texaco Fed # 2 site should be remediated in accordance with the standards of the New Mexico Oil Conservation Division (NMOCD) guidelines. 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 hydrocarbons that was lost from a previous spill and was absorbed by the surrounding near-surface soils in the pasture to the east.

The NMOCD regulates the remediation and disposal of non-domestic wastes resulting from the Oil and Gas industry. In addition, the NMOCD administers all Water Quality Act regulations pertaining to surface and ground water except sewage for the oil and gas industry. This authority includes the disposition of non-domestic, non-hazardous wastes at Oil and Gas facilities.

The Texaco Fed # 2 site is located in UL - A Sec. 1, T20S, and R34E in Lea County New Mexico. The site had a GPS reading of 32° 36' 29" N and 103° 30' 25" W. The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this section from the state engineer's office showed the depth to ground water to be in the 56' range BGS.

Pursuant to the standards of the NMOCD guidelines for clean up of facility abandonment, the clean up level for this site will be at <100ppm of TPH and <50ppm for BTEX. The NMOCD has also asked that the chlorides be less than 250ppm for clean up. This is due to the fact that the ground water in the area is 56' BGS.

The following scope of work and cost that has been requested for the listed site was based on Lab data and from our site visit with Trisha Bad Bear with the BLM and Larry Johnson with the NMOCD.



Scope of work

1. First Phoenix will call New Mexico One-Call for line spot clearance before any excavation is started at the site.
2. Phoenix will mobilize to the site located west of Hobbs, NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into regulatory compliance.
3. First the site will be cleared of brush and debris and a staging area set up for site control and safety.
4. Impacted soils at the site will then be excavated, loaded, transported and disposed of at an NMOCD approved and permitted facility that can take waste from the Oil and Gas Industry. (CRI Permit # NM-01-0006)
5. 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.
6. Once all of the remediation criteria have been met for site closure and regulatory 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 with native grasses.
7. 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.

Sincerely,



Allen Hodge, REM
VP Operations
Phoenix Environmental LLC





ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

May 11, 2010

Allen Hodge
Phoenix Environmental
PO Box 1856
Hobbs, NM 88241

Re: Texaco Fed #2 (30-025-20189)

Enclosed are the results of analyses for sample number H19864, received by the laboratory on 05/10/10 at 5:03 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

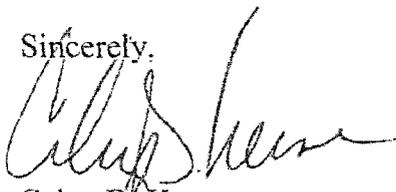
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,



Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ANALYTICAL RESULTS FOR
 PHOENIX ENVIRONMENTAL
 ATTN: ALLEN HODGE
 PO BOX 1856
 HOBBS, NM 88241
 FAX TO: (575) 391-9687

Receiving Date: 05/10/10
 Reporting Date: 05/11/10
 Project Owner: TANDEM ENERGY (API 30-025-20189)
 Project Name: TEXACO FED. #2
 Project Location: NE-SEC1-T20S-R34E

Sampling Date: 05/10/10
 Sample Type: SOIL
 Sample Condition: INTACT @ 25°C
 Sample Received By: JH
 Analyzed By: AB/ZL/HM

LAB NO. SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₃) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	Cl ⁻ (mg/kg)
ANALYSIS DATE:	05/10/10	05/10/10	05/11/10	05/11/10	05/11/10	05/11/10	05/11/10
H19864-1 OLD PIT @ 5'	1,210	5,380	0.116	<0.250	4.78	28.8	< 16
H19864-2 OLD PIT BOTTOM @ 10'	<10.0	10.0	<0.050	<0.050	<0.050	<0.300	32
Quality Control	491	476	0.018	0.019	0.019	0.053	500
True Value QC	500	500	0.020	0.020	0.020	0.060	500
% Recovery	98.2	95.2	91.0	95.0	96.0	88.3	100
Relative Percent Difference	1.7	1.8	2.2	1.1	3.7	2.5	2.0

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; Cl⁻ Std. Methods 4500-Cl-B
 *Analyses performed on 1:4 w/v aqueous extracts.
 Not accredited for Chloride and GRO/DRO.

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
 AND TOTAL XYLENES. Reported on wet weight.


 Lab Director


 Date

H19864-TBCL PHOENIX

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: PHOENIX ENVIRONMENTAL LLC				BILL TO				ANALYSIS REQUEST																						
Project Manager: ALLEN HODGE				P.O. #:				TPA 8015 DRO / GRO BTEX CL																						
Address: PO BOX 1856				Company: TANDEM ENERGY																										
City: Hobbs		State: NM		Zip: 88241		Attn: RONALDO HINOJOSA																								
Phone #: 575-391-9685		Fax #: 575-391-9687		Address: PO BOX 1559																										
Project #: APC 30-025-20189		Project Owner: TANDEM ENR.		City: MIDLAND																										
Project Name: TEXACO FED #2				State: TX																Zip: 79702										
Project Location: NE-SEC1-T205-R34E				Phone #: 575-626-9969																Fax #:										
Sampler Name: ALLEN HODGE				Fax #:																										
FOR LAB USE ONLY																														
Lab I.D.	Sample I.D.	(GRAB OR COMP.)	# CONTAINERS	MATRIX						PRESERV			SAMPLING																	
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME																
H1981041	OLD PIT @ 5'	✓	1			X				X			5-10-10			X	X	X												
	- 2 OLD PIT BOTTOM @ 10'	✓	1			X				X			5-10	10:30		X	X	X												

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By:		Date: 5-10-10		Received By:		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #:	
		Time: 4:50				Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Fax #:	
Relinquished By:		Date: 3/10/10		Received By:		REMARKS: FAX TO ALLEN @ 575-391-9687 OR E-MAIL EAHodge@mywdo.com			
		Time: 3:03							
Delivered By: (Circle One)				Sample Condition		CHECKED BY:			
Sampler - UPS - Bus - Other:				Cool Intact		(Initials)			
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 			

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26