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 Fa. 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.

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

side of form 1220 S. St Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Release Notification and Corrective Action iseb0827630929 **OPERATOR** Initial Report Final Report nseb0827630658 Tandem Energy Corporation 236183 | Contact Name of Company Brandi Barthels P.O. Box 1559, Midland, TX 79702 Address Telephone No. 361-935-9377 Facility Name South Lucky Lake Queen Unit 601 Facility Type oil Surface Owner S Mineral Owner Lease No. 30 005 60360 LOCATION OF RELEASE Range Unit Letter Section Township Feet from the North/South Line Feet from the East/West Line County 29E 330 South 990 P 16 15S East Chaves Latitude33.009307 Longitude104.027846 NATURE OF RELEASE Type of Release Oil and Saltwater Volume of Release Volume Recovered 0 16 bbl Source of Release Nipple on Check Valve Date and Hour of Discovery Date and Hour of Occurrence 08/26/08 @ 11:00 a.m. Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ Not Required By Whom? Date and Hour Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* 1/4 " nipple broke on check valve causing 6 bbls of oil and 10 bbls of saltwater to be spilled. Nothing was recovered. The remedial action plan will be developed and executed for the site after soil sampling is conducted. Describe Area Affected and Cleanup Action Taken.* The affected area was approximate 30' x 30'. The remediation plan will be developed and executed based upon the soil analysis results. 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. OIL CONSERVATION DIVISION Signature: Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Approved by District Supervisor: 76um Printed Name: Brandi Barthels Expiration Date. Title: Regulatory & Environmental Affairs Manager Expiration Date: 12-2-2008 Approval Date: 10-2-2008 E-mail Address: bbarthels@platenergy.com Conditions of Approval: Attached F Phone: 361.935.9377 2RP-230

* Attach Additional Sheets If Necessary
SE6082.7631085

Within 30 days, on or before 11-3-08, completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage.

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD