

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
NOV - 1 2008
OCD-ARTESIA
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 Corporation 236183 | Contact | Brandi Barthels |
| Address | 120 S. Main Street, Suite 350 Victoria TX. 77901 | Telephone No. | 361-935-9377 |
| Facility Name | Ballard | Facility Type | Ballard 003 8-3 |
| BALLARD GRAYBURG SAN ANDRES UNIT 003 | | | |
| Surface Owner | Mineral Owner | Lease No./API# 3001503295 | |

30-015-03295

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| C | 05 | 18S | 29E | 990 | FNL | 2310 | FWL | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|------------------------------|----------------------------|--------------------|
| Type of Release | saltwater; oil | Volume of Release | 10 BBLS Saltwater; 1 BBL oil | Volume Recovered | 0 |
| Source of Release | Leak from flow line | Date and Hour of Occurrence | 10/22/08 4:00 p.m. | Date and Hour of Discovery | 10/22/08 4:00 p.m. |
| 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.*

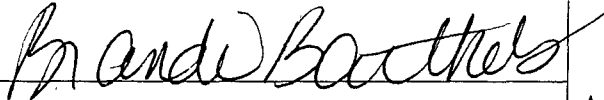
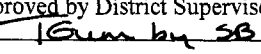
N/A

Describe Cause of Problem and Remedial Action Taken.*

Leak caused by scale forming inside of poly line plugging off flow. The remedial action plan will be developed and executed for the site after soil sampling is conducted.

Describe Area Affected and Cleanup Action Taken.* A 2' x 200' area was affected. 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.

| | | |
|--|--|---|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Brandi Barthels | Approved by District Supervisor:  | Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date |
| Title: Regulatory & Environmental Affairs Manager | Approval Date: 11-19-08 | Expiration Date: 1-19-09 |
| E-mail Address: bbarthels@platenergy.com | Conditions of Approval: | |
| Date: 10/30/08 | Within 30 days, on or before 12-19-08 | |
| Phone: 361.935.9377 | 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. | |

Attached ☒

2RP - 269

* Attach Additional Sheets If Necessary

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

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



November 19, 2008

Tandem Energy Corporation
120 S Main Street, Suite 350
Victoria, TX 77901

RE: Ballard Grayburg San Andres Unit 003 30-015-03295
C-5-18S-29E Eddy County, New Mexico
2RP-269

Dear Operator:

This office is in receipt of your C-141 regarding the oil and produced water release at this facility.

NMOCD Rule 19.15.3.116 states in part, "...The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a **remediation plan** submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

A guide document intended to provide direction for remediation of soils and fresh waters contaminated as a result of leaks, spills, or releases of oilfield wastes and products is found on OCD's web site at the following link:
http://www.emnrd.state.nm.us/oed/documents/7C_spill1.pdf

The following actions are **required** to be addressed in the **remediation plan**:

- Horizontal and vertical delineation of the spill by soil sampling. Delineation is required until contamination reaches background levels or a site specific acceptable level. Any constituent(s) of concern—to include but not limited to TPH, BTEX, and chlorides—are to be addressed in the delineation and remediation plan.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory results of sampling and the work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site.

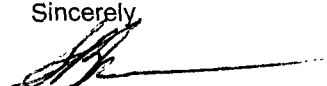
Notify the OCD **48** hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notification is to include date and time of sample event.

Within 30 days, **on or before December 19, 2008**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,


Sherry Bonham
NMOCD District II
575.748.1283 X109

