

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

SEP - 5 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

SEB0827648200

NSEB0827647882

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Tandem Energy Corporation 236183	Contact	Brandi Barthels
Address	P.O. Box 1559, Midland, TX 79702-1559	Telephone No.	1-361-935-9377
Facility Name	Hudson State 001	Facility Type	Oil

Surface Owner State	Mineral Owner State	Lease No.	B-2179
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30 015 24007

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	9	17S	28E	2310	South	660	East	Eddy

Latitude 32.847444 Longitude -104.174369

NATURE OF RELEASE

Type of Release	Saltwater	Volume of Release	18-20 bbl	Volume Recovered	5 bbl
Source of Release	Water Tank	Date and Hour of Occurrence	08/13/08 approx. 2:00 PM	Date and Hour of Discovery	08/13/08 @3:20 p.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required				
By Whom?	If YES, To Whom?				
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.*

Hole in tank bottom of water tank. Water was immediately transferred to another tank. Soil sampling will be conducted and remedial action plan will be developed and executed.

Describe Area Affected and Cleanup Action Taken.*

The affected area was approximate 20' x 30'. Cleanup action taken included a vacuum truck which came on site immediately to recover the saltwater. The remedial action plan will be developed and executed for the site after soil sampling is conducted.

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:

Brandi Barthels

Printed Name: Brandi Barthels

Approved by District Supervisor:

Tenn by SB

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: 10-2-08

Expiration Date: 12-8-08

E-mail Address: bbarthels@platenergy.com

Conditions of Approval:

Within 30 days, on or before 11-8-08, 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

Attached ☒

2RP - 232

Date: 08/26/2008

Phone: 361.935.9377

* Attach Additional Sheets If Necessary

SEB 0827648415



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



CERTIFIED MAIL RETURN RECEIPT REQUESTED
7007 2560 0002 2222 8162

October 9, 2008

Platinum Energy/Tandem Energy Corporation
ATTN: Brandi Barthels
120 S Main Street, Suite 350
Victoria, TX 77901

Dear Operator:

This office is in receipt of your C-141s regarding the oil and produced water releases for the following facilities.

API	SITE NAME	2RP
30 015 21796	Ballard Grayburg San Andres Unit 006G	231
30 015 24007	Hudson State 001	232
30 015 03331	Ballard Grayburg San Andres Unit 003H	233
30 015 21353	Heard A 001	234
30 015 23243	Turkey Track Sec 3 Unit 022	235
30 015 02840	Wright A Federal 001	236
30 015 02960	Square Lake 12 Unit 109	237
30 015 03310	Ballard Grayburg San Andres Unit 001P	238
30 015 22683	Ballard Grayburg San Andres Unit 014	239
30 015 10454	Turkey Track Sec 3 Unit 003	240
30 015 25373	Magnolia Battery	241
30 015 21655	Elliot 001	242
30 015 03342	Ballard Grayburg San Andres Unit 009B	243
30 015 03211	Old Loco Unit 011	244
30 015 20122	James Federal 001	245
30 015 02954	Square Lake 12 Unit 118	246
30 015 21985	James Federal 003	247

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."



October 9, 2008

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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/oecd/documents/7C_spill1.pdf

Within 30 days, **on or before November 8, 2008**, completion of remediation work plan(s) should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to each leak, spill or release for approval.

The remediation work plan(s) must include:

- General site characteristics
- Site ranking score
- Soil remediation action levels
- 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.
- A sketch of the site indicating where and at what depths the samples were taken.
- Laboratory results of sampling
- The work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site(s).

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.

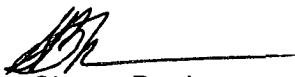
Remediation requirements may be subject to other federal, state, and local laws or regulations.

In the event that a satisfactory response is not received to this letter, further enforcement may occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of civil penalties for your violation of OCD rules.

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, Artesia
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us