District I 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy Minerals and Natural Resources

Form C-141 Revised October 10, 2003

District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410

Of Conservation Division 220 South St. Francis Dr. Santa Fe, NM 87505

Submit 2 Copies to appropriate AUG 29 2008 District Office in accordance with Rule 116 on back side of form OCU-ARTESIA

1220 S. St. Francis Dr., Santa Fe, Nath of UG 26 **Release Notification and Corrective Action** i3EB0827640747 n3EB0827639030 **OPERATOR** ☐ Initial Report Final Report Name of Company Platinum Energy/Tandem Energy Corp. Brandi Barthels Contact Telephone No. 1-361-935-9377 Address 120 S. Main St., Suite 350 Victoria, Texas 77901 Facility Name BGSAU 20-6 Facility Type Water injection Surface Owner BLM Min Mineral Owner BLM Lease No. NM14843 30 015 21796 LOCATION OF RELEASE Unit Letter Feet from the North/South Line Feet from the East/West Line Section Township Range County D 18S 29E 760 North 560 West Eddy Latitude Longitude NATURE OF RELEASE Type of Release Produced water Volume of Release Volume Recovered Source of Release Date and Hour of Occurrence Date and Hour of Discovery Was Immediate Notice Given? If YES, To Whom? By Whom? Date and Hour Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* Produced water line broke. The leak was stopped immediately. Soil sampling will be conducted and a remedial action plan will be developed and executed. Describe Area Affected and Cleanup Action Taken.* The area affected is approximately 60'X300'. Cleanup action taken included a vacuum truck which came on site immediately to recover the produced water. 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 Remediation Actions to be completed and Signature: Final C-141 submitted with confirmation Approved by District Supervisor: analyses/documentation on or before the Printed Name: Brandi Barthels Expiration Date. Title: Regulatory & Environmental Affairs Manager Approval Date: 10-2-08 Expiration Date: 2-8-08 E-mail Address: bbarthels@platenergy.com Conditions of Approval: Attached

Attach Additional Sheets If Necessary

Phone:361.935.9377

8-22-08

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Within 30 days, on or before No.18,2001. 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

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