

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

AUG - 4 2009

Form C-141
Revised March 17, 1999

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

30-015-34621

Release Notification and Corrective Action

NMB 0922240002

OPERATOR

Initial Report Final Report

Name of Company	BTA Oil Producers LLC 260297	Contact <input type="checkbox"/>	Pam Inskeep
Address	104 S. Pecos, Midland, TX 79701	Telephone No. <input type="checkbox"/>	(432) 682-3753
Facility Name	Pardue -B-, 8808 JV-P #6	Facility Type <input type="checkbox"/>	Well

Surface Owner	Mississippi Potash	Mineral Owner	Kirby Minerals, Teledyne Indust.	Lease No. <input type="checkbox"/>
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County <input type="checkbox"/>
K	11	23S	28E	1650	South	1850	West	Eddy

NATURE OF RELEASE

Type of Release	Major	Volume of Release	285 bbls	Volume Recovered <input type="checkbox"/>	0 bbls
Source of Release	Lightning Strike	Date and Hour of Occurrence	11 pm CDT, 7/29/2009	Date and Hour of Discovery <input type="checkbox"/>	11 pm CDT, 7/29/2009
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Sherry Bonham, Artesia		
By Whom? <input type="checkbox"/>	Clay Tipton, Field Supervisor	Date and Hour <input type="checkbox"/>	11:30 pm CDT 7/29/2009		
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.*

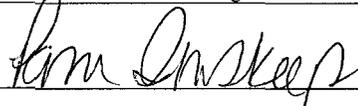
N/A

Describe Cause of Problem and Remedial Action Taken.* Gary Tucker, pumper, and the Loving Fire Department were both called by the landowner. Upon arriving at the location, the pumper found the location engulfed in flames. The field supervisor was immediately notified. One oil tank had been struck and blown into the air and had landed on production equipment on the site. All oil in the affected tank and one other tank was burned up. A portion of the oil stored in a third tank was transferred to our Pardue D battery (very close in proximity E-11-23S-28E and producing from the same reservoir). The remainder of the stock in the third tank was lost and destroyed by the flames. A vacuum truck was brought in. Approximately 200 bbls of produced water was recovered and taken to an approved disposal. The remainder of the water burned and/or evaporated. All of the affected area is within the firewall. A backhoe and dump truck will be brought in, as soon as weather permits, to continue cleanup. All affected topsoil/caliche will be removed and hauled to an approved disposal site. All production equipment will be replaced. No further remediation action should be necessary.

Describe Area Affected and Cleanup Action Taken.*

See above explanation

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: Pam Inskeep	Approved by <input type="checkbox"/> District Supervisor: 	
Title: Regulatory Administrator	Approval Date: AUG 10 2009	Expiration Date:
Date: 7/30/2009	Phone: (432) 682-3753	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

Condition of approval:

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY: 9/10/09

2 RP-326

Submit 3 Copies To Appropriate District Office
 District I
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State of New Mexico
 Energy, Minerals and Natural Resources

AUG - 4 2009

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-34621
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Pardue -B-, 8808 JV-P
8. Well No. Battery
9. Pool name or Wildcat Loving, East (Brushy Canyon)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:
 Oil Well Gas Well Other SWD

2. Name of Operator
 BTA Oil Producers LLC

3. Address of Operator
 104 S. Pecos, Midland, TX 79701

4 Well Location
 Unit Letter K : 1650 feet from the south line and 1850 feet from the west line
 Section 11 Township 23S Range 28E NMPM Eddy County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: Emergency off-lease movement <input checked="" type="checkbox"/>

12 Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

BTA had to make an emergency off-lease movement on 7/29-30/2009 as follows:

Lightning struck the tank battery at approximately 11:00 p.m. on 7/29, completely destroying two oil storage tanks, water storage, production equipment. A third oil tank was damaged, but a portion of the stock was transferred to our Pardue D battery (very close in proximity E-11-23S-28E and producing from the same reservoir). The remainder of the stock in the third tank was lost and destroyed by the flames.

Copy of Form C141 is attached.

The emergency movement was discussed with Sherry Bonham, after the emergency was handled.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 7/31/2009

Type or print name Pam Inskeep Telephone No. (432) 682-3753

(This space for State use)

APPROVED BY [Signature] TITLE [Signature] DATE 8-10-09

Conditions of approval, if any:



August 3, 2009

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Toll Free: 866.742.0742
www.talonlpe.com

Mr. Mike Bratcher
NMOCD District 2 Office
1301 W. Grand
Artesia, New Mexico 88210

**RE: Workplan for Remediation of the BTA Oil Producers' Pardue B Battery
(Lightning Strike)**

Dear Mr. Baca:

On behalf of BTA Oil Producers (BTA), Talon/LPE (Talon) proposes to begin remediation activities at the Pardue B Battery location which was struck by lightning at the end of July 2009. By the time excavation is initiated, emergency response activities will have ceased and the tank battery and associated appurtenances will have been dismantled and relocated from the bermed area by a BTA-contracted vendor.

Talon will excavate and dispose of impacted soil from the former battery location utilizing a tracked excavator loading into belly-dump trucks for transportation to Lea Landfill. The bottom of the excavation will be evaluated during the excavation process to determine the actual depth of impact. If the limits of impact are defined by the excavation, final confirmation samples will be submitted to the laboratory for analysis of total petroleum hydrocarbons (TPH) and benzene, toluene, ethylbenzene, and xylenes (BTEX). If the excavation does not provide adequate delineation results, additional excavation and/or soil borings and monitoring wells will be advanced to provide delineation information with regard to potential impact from the lightning-induced release.

Backfill activities, once approved, will utilize borrow material from a local source to ensure relatively "like" material is employed. The surface will be contoured back into the surrounding landscape upon completion of these activities.

If you have any questions or require additional information, please do not hesitate to contact me.

Respectfully Submitted;

Kyle Summers
Senior Project Manager
Talon/LPE -- Midland/Artesia
432.230.7673
ksummers@talonlpe.com

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Wednesday, August 05, 2009 11:07 AM
To: 'Kyle Summers'
Subject: RE: BTA Pardue B Battery - lightning strike location

Kyle,

Excavation and removal to disposal of impacted materials at this site is approved. I will let you know when the C-141 has been processed and an RP number assigned. Confirmation samples will be required to be obtained from the release site and analyzed for, at a minimum, BTEX, TPH and Chlorides prior to commencement of any backfilling operations. Please be advised that 48 hours notification is required prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Mike Bratcher
NMOCD District 2
575-748-1283 Ext.108

From: Kyle Summers [mailto:ksummers@talonlpe.com]
Sent: Wednesday, August 05, 2009 10:38 AM
To: Bratcher, Mike, EMNRD
Subject: BTA Pardue B Battery - lightning strike location

Mr. Bratcher,

As we discussed on the phone, this email is just to confirm that we have the "go-ahead" to begin dig and haul activities this week at the Pardue B lightning strike location southeast of Carlsbad, NM, north of Highway 31, near the Pecos River bridge.

Kyle G Summers

Senior Project Manager

Talon/LPE

Office: 432.522.2133

Cell: 432.230.7673

FAX: 432.522.2130

Emergency: 866-742-0742

Web: www.talonlpe.com

"Talon/LPE #5 on 2006 Inc. 100 List"

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