

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST BTA OIL PRODUCERS LLC, FINDING THE OPERATOR IN VIOLATION OF ORDER NO. R-9147-C, 19.15.26.10.B NMAC, 19.15.34 NMAC, 19.15.17 NMAC AND 19.15.29 NMAC AS TO A SALT WATER DISPOSAL FACILITY; REQUIRING OPERATOR TO SUBMIT A DELINEATION REPORT AND REMEDIATE THE FACILITY SITE; IN THE EVENT OF NON-COMPLIANCE REQUIRING THE OPERATOR TO PLUG AND ABANDON THE DISPOSAL WELL AND REMEDIATE THE ASSOCIATED FACILITY BY A DATE CERTAIN AND AUTHORIZE THE DIVISION TO TAKE THOSE ACTIONS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE; AND HOLD OPERATOR IN VIOLATION OF 19.15.5.9 NMAC UNTIL OPERATOR COMPLETES ALL ORDERED CORRECTIVE ACTION, EDDY COUNTY, NEW MEXICO.

CASE 14413

Order No. R-13218-A

**FIRST AMENDMENT TO THE
STIPULATED ORDER & SETTLEMENT AGREEMENT**

The Oil Conservation Division (“OCD”) and BTA Oil Producers LLC (“BTA”) agree to amend Order No. R-13218, the Stipulated Order and Settlement Agreement approved in Case 14413, to add the following provisions:

1. BTA timely filed a delineation plan, which the OCD has approved with conditions. The approved delineation plan satisfies the requirements of Paragraph 11(a) of Order No. R-13218.
2. BTA and the OCD agree that:
 - a. BTA shall conduct the delineation in accordance with its approved plan. BTA is reminded that its approved plan requires it to obtain OCD approval of proposed soil boring

locations prior to mobilizing a drilling rig, and to obtain OCD approval of the locations of monitoring wells (including background) prior to mobilizing a drilling rig.

b. By August 5, 2010 BTA shall file with the OCD's Environmental Bureau a delineation report as described in its approved delineation plan.

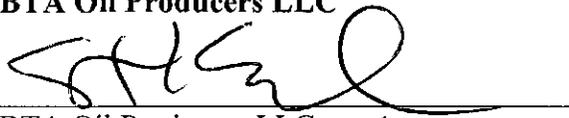
c. By August 5, 2010 BTA shall file with the OCD's Environmental Bureau a proposed remediation approach, based on the findings made in its delineation report. Once the OCD has approved the remediation approach, BTA will have additional time in which to prepare a remediation plan based on the approved approach.

d. BTA shall e-mail Acting Environmental Bureau Chief Glenn von Gonten at least every two weeks to provide an update on BTA's progress.

e. This case shall be continued until the August 19, 2010 docket. At that time the issue to be determined will be the sufficiency of the delineation report and proposed remediation approach, and the next step to be taken in the remediation process. If the parties are able to enter into an amendment to this stipulated order specifying the next step(s), they may request that the case be continued until a future docket.

3. The remaining provisions of Order R-13218 remain in full force and effect.

BTA Oil Producers LLC



BTA Oil Producers LLC *Ben*

3/2/2010

Date

Oil Conservation Division



Daniel Sanchez,

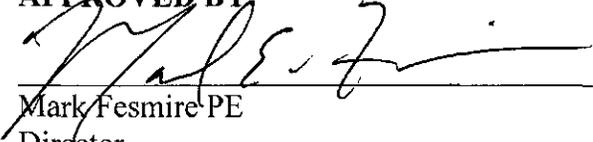
3/10/2010

Date

Case No. 14413
First Amendment to Stipulated Order

Compliance and Enforcement Manager
Oil Conservation Division

APPROVED BY:



Mark Fesmire PE
Director
Oil Conservation Division

3/10/2010

Date

HOLLAND & HART^{LLP}



William F. Carr
wcarr@hollandhart.com

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March 9, 2010

VIA HAND DELIVERY

Gail MacQuesten
Assistant General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Case No. 14413
BTA Oil Producers LLC**

Dear Gail:

Enclosed is a copy of the First Amendment to the Stipulated Order & Settlement Agreement between BTA Oil Producers LLC and the Oil Conservation Division in the above referenced case that has been executed by Ben Grimes on behalf of BTA.

If you have questions concerning the enclosed, please advise.

Very truly yours,

William F. Carr

Enclosure

cc: Ben Grimes
BTA Oil Producers LLC
104 South Pecos
Midland, Texas 79701

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