

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 March 17, 1999

SEP 10 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	BTA Oil Producers <i>260297</i>	Contact <input type="checkbox"/>	Pam Inskeep
Address	104 S. Pecos, Midland, TX 79701	Telephone No. <input type="checkbox"/>	(432) 682-3753
Facility Name	Owl, 20504 JV-P, #5	Facility Type <input type="checkbox"/>	Well

Surface Owner	Forehand Ranch/grazing lessee	Mineral Owner	Federal	Lease No. <input type="checkbox"/>	NMNM 114969
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30 015 35435

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County <input type="checkbox"/>
J	18	26S	27E	2310	South	2130	East	Eddy

NATURE OF RELEASE

Type of Release	<i>Minor Produced Water</i>	Volume of Release	450-500 bbls	Volume Recovered <input type="checkbox"/>	not known at this time
Source of Release	Lightning Strike	Date and Hour of Occurrence	am CDT, late 09/08/2008	Date and Hour of Discovery <input type="checkbox"/>	12 pm CDT, late 09/08/2008
Was Immediate Notice Given?	As soon as notified in the office <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Richard Inge, OCD Office, Artesia	BLM Field Office, Carlsbad	
By Whom? <input type="checkbox"/>	Pam Inskeep	Date and Hour <input type="checkbox"/>	9:00 a.m. CDT 09/09/2008		
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.*

The pumper discovered the lightning strike damage at the location. All tanks were totally destroyed. Damage to other equipment has not been determined. Most of the fluid was contained within the dike. A small undermined volume of water was released outside the dike, due to flowline design. A vacuum truck will remove all possible liquid. The affected area will be cleaned in its entirety. A follow-up report will be submitted.

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:	<i>Pam Inskeep</i>	OIL CONSERVATION DIVISION	
Printed Name:	Pam Inskeep	Approved by <input type="checkbox"/> District Supervisor:	<i>TC</i> <i>SB</i>
Title:	Regulatory Administrator	Approval Date:	<i>9-22-08</i>
Date:	09/09/2008	Expiration Date:	<i>11-24-08</i>
Phone:	(432) 682-3753	Conditions of Approval:	Attached <input checked="" type="checkbox"/> <i>2RP-225</i>

Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.

* Attach Additional Sheets If Necessary

SEP 09 2008 15:13

SEE ATTACHED STIPULATIONS

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



CERTIFIED MAIL—RETURN RECEIPT REQUESTED
7007 2680 0001 6451 1127

September 22, 2008

BTA Oil Producers LLC
104 S Pecos
Midland, TX 79701

RE: Owl 2054 JV-P 005 30 015 35435
J-18-26S-27E Eddy County, New Mexico
2RP-225

Dear Operator:

This office is in receipt of your C-141 regarding the 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."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site at the following link:
http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

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

- Determine the horizontal and vertical delineation of the spill by sampling. Constituents of concern (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 as well as the proposed remediation with the plan.



September 22, 2008

Page 2

Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.

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

Within 30 days, **on or before October 22, 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.

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