

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

RECEIVED
FEB - 5 2010
NMOCD ARTESIA

Form C-141
Revised March 17, 1999
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

n.MLB0922240002

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	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
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.

After contractors removed all damaged surface equipment, an environmental contractor was mobilized to perform remediation activities at the site. All impacted soil was removed and disposed of at an approved disposal facility. Samples were collected from the excavation and were submitted to a laboratory and analyzed for DRO, GRO, BTEX and Chlorides. All samples were found to be below regulatory limits and the excavation was backfilled with clean soil purchased from a nearby source*. A representative of the Artesia OCD office inspected the site during remediation activities. The remediation was completed on 11/09/09. We have been waiting for the State seed mixture recommendation.

There are no further remediation activities planned for this site. A new battery site was constructed just north of the original battery. A single sheet of 20-mil poly-liner was used to line the new battery floor and berms. The poly-liner was draped over an earthen berm and then covered with caliche.

* The site is not seeded, to date, as we have not received the seed mixture recommended from the State.

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>Mike Brannon</i>
Title:	Regulatory Administrator	Approval Date:	MAY 26 2010
Date:	02/03/2010	Expiration Date:	<i>n/a</i>
Phone:	(432) 682-3753	Conditions of Approval:	<i>n/a</i>
			Attached <input type="checkbox"/>

2RP-326