

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

HOBBS OCD

MAY 23 2014

RECEIVED

Form C-141
Revised October 10, 2003

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 LLC | Contact | Pam Inskeep |
| Address | 104 S Pecos, Midland, TX 79701 | Telephone No. | 432-682-3753 |
| Facility Name | Gem, 8705 JV-P Battery | Facility Type | Battery |

| | | | | | |
|---------------|----------------------------|---------------|-------|-----------|--------|
| Surface Owner | State (Ken Smith, Grazing) | Mineral Owner | State | Lease No. | V-2199 |
|---------------|----------------------------|---------------|-------|-----------|--------|

LOCATION OF RELEASE

Nearest well - 30-025-31209
#10

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| N | 2 | 20S | 33E | 510 | south | 1980 | west | Lea |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-------------------------------------|----------------------------|------------|
| Type of Release | Produced Oil | Volume of Release | 8 bbls | Volume Recovered | 4 bbls |
| Source of Release | Hole in flowline | Date and Hour of Occurrence | 05/15/2014 | Date and Hour of Discovery | 05/15/2014 |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Hobbs District office - Maxey Brown | | |
| By Whom? | Pam Inskeep | Date and Hour | 05/15/2014 | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | N/A | | |

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Unknown cause of hole in flowline coming in from well #5. Entire release was on the battery site, within the firewall. Upon discovery, the well was immediately shut in and the flowline was isolated.

Describe Area Affected and Cleanup Action Taken.*
All recoverable fluid will be vacuumed up and removed to an approved facility (Lea Land). Any affected soil that will need to be removed will be disposed of at Lea Land. Flowline will be repaired. If there is a need to replace affected soil, clean soil will be obtained from a nearby source.

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 District Supervisor: <i>Environmental Specialist</i> | |
| Title: Regulatory Administrator | Approval Date: 5-27-14 | Expiration Date: 7-28-2014 |
| E-mail Address: pinskeep@btaoil.com | Conditions of Approval: Site samples required. Delineate & remediate | Attached <input type="checkbox"/> |
| Date: 05/15/2014 Phone: 432-682-3753 | IRP 05-14-3048 | |

* Attach Additional Sheets If Necessary

Area to NMOCD guides
submit final C-141 by
7-28-2014
MAY 27 2014
orig # 260297
ATO 1414 738096