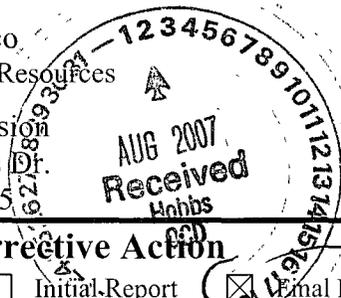


District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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	Contact	<input type="checkbox"/> Pam Inskeep
Address	104 S. Pecos, Midland, TX 79701	Telephone No.	<input type="checkbox"/> (432) 682-3753
Facility Name	Gem, 8705 JV-P Battery	Facility Type	<input type="checkbox"/> Tank Battery

Surface Owner	State	Mineral Owner	State	Lease No.	V-2199
---------------	-------	---------------	-------	-----------	--------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	02	20S	33E	660	North	2310	West	Lea

NATURE OF RELEASE

Type of Release	Minor	Volume of Release	20 bbls	Volume Recovered	<input type="checkbox"/> 20 bbls
Source of Release	Swedge/Tank Leak	Date and Hour of Occurrence	11/19/2006	Date and Hour of Discovery	<input type="checkbox"/> 10:30 am CDT, 11/19/2006
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	Larry Johnson, Hobbs District Office		
By Whom?	<input type="checkbox"/> Pam Inskeep	Date and Hour	<input type="checkbox"/> 2:00 pm CDT, 11/20/2006		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

WTR 60'

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

When making his rounds, the pumper discovered a leak at the battery. The bottom of the 4"x3" swedge on the back of tank #2 corroded and developed a leak and an estimated 20 bbls of stored oil/water mix leaked out onto the soil at the battery on the south side of the tanks. All but approximately 1/2 bbl stayed inside the dike. An estimated 1/2 bbl affected the pasture land just outside the dike at the leak location. All of the release is unrecoverable. The swedge was plugged. The tank was emptied. The swedge will be replaced. Mr. Kenneth Smith, the grazing lessee (GT-2922), was notified and came by the location. He was not greatly concerned with the small amount of product that was released outside the dike. Clean up will begin the morning of 11/21/2006. We plan to either haul off and dispose of the affected soil at an approved site or use the soil on the battery. Area has been cleaned. Soil has been hauled to an approved site and used at the battery.

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>Joseph A. Baca</i>	OIL CONSERVATION	
Printed Name:	Joseph A. Baca	Approved by	<input type="checkbox"/> District Supervisor: <i>[Signature]</i>
Title:	Environmental Coordinator	Approval Date:	8-6-07
Date:	8/01/2007	Expiration Date:	—
Phone:	(432) 682-3753	Conditions of Approval:	—
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

RP #1476