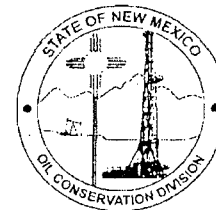


New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Bill Brancard
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



January 4, 2011

Pamela Inskeep
BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701

Re: Case 14559—In the matter of the application of BTA Oil Producers, LLC for approval of a salt water disposal well, Eddy County, New Mexico

Dear Ms. Inskeep:

Thank you for your letter dated November 29, 2010, reporting completion of the requirements of Order No. R-13336 and asking for written confirmation of such completion. Since receiving the letter on December 7, 2010, I have been busy verifying the contents of the letter and BTA Oil Producers, LLC's (BTA's) completion of the requirements of Order No. R-13336 (BTA roustabouts were still working on completing the requirements of Order No. R-13336 when the site was last inspected by the Oil Conservation Division (OCD) on December 13, 2010). Unfortunately, I am unable to provide you with the written confirmation that you request because I am unable to verify that BTA has completed the requirements of Order No. R-13336.

Ordering Paragraph No. 2 of Order No. R-13336 states:

(2) The Owl Draw Unit Well No. 1 (API No. 30-015-10730) reclamation issues shall be resolved with the BLM and remediation documentation filed with the Division prior to commencement of injection.

Your letter states that BTA submitted Form 3160-5 (Sundry Notices and Reports on Wells) to the Bureau of Land Management (BLM) for the reclamation of the Owl Draw Unit Well No. 1, and includes a copy of the form that you say was submitted to the BLM on November 19, 2010. Your letter and form, however, do not establish that the reclamation issues for the Owl Draw Unit Well No. 1 have been resolved with the BLM.

Your letter also does not mention the remediation documentation that BTA is required to file with the OCD for the Owl Draw Unit Well No. 1. Your letter does not include copies of such documentation, and I was unable to locate such documentation in the well's file. It appears that BTA has not filed any such documentation.

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I will provide BTA with the written confirmation it requests as soon as BTA has provided me with written verifiable information of its completion of the requirements of Order No. R-13336. Please call me at (505) 476-3493 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Sanchez", with a long, sweeping horizontal line extending to the right.

Daniel Sanchez
OCD Enforcement and Compliance Manager

Cc: Bill Carr, BTA Oil Producers, LLC Legal Counsel
Sonny Swazo, OCD Legal Counsel
Gail MacQuesten, OCD Legal Counsel