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**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
IID
Lease
CA NMNM138686
Unit
PA

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator BTA OIL PRODUCERS			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 104 SOUTH PECOS STREET MIDLAND TX 79701			
Telephone 575.234.5972				Attention			
Inspector SALCIDO				Attn Addr			
Site Name HARROUN RANCH FED	Well/Facility/FMP 4H	1/4 1/4 Section	Township 23S	Range 29E	Meridian NMP	County EDDY	State NM
Site Name (FACILITY)	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
02/27/2020	14:00	43CFR3173.3(7)	MAJOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
03/25/2020		\$1000.00	43 CFR 3163.1(a)(1)

Remarks

Back pressure valve needs to be sealed to indicate any tampering. Picture attached.
Corrective Action: Effectively seal valve.

When violation is corrected, sign this notice and return to above address.

Company Representative Title Field Ops Mgr Signature [Signature] Date 3/27/2020
Company Comments Sealed

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>	Date <u>3/4/20</u>	Time <u>1500</u>
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FOR OFFICE USE ONLY

Number 14	Date	Assessment \$1000.00	Penalty	Termination
Type of Inspection PI	Accepted - KMS NMOC			

