

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

SEP 18 2009

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-34622

Release Notification and Corrective Action

1MLB0931031581

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---------------------------------|---------------|----------------|
| Name of Company | BTA Oil Producers LLC 260297 | Contact | Pam Inskeep |
| Address | 104 S. Pecos, Midland, TX 79701 | Telephone No. | (432) 682-3753 |
| Facility Name | Pardue -B-, 8808 JV-P 005 | Facility Type | Well |

| | | | | | |
|---------------|--------------------------------|---------------|--------------------------------|-----------|--|
| Surface Owner | Greg Martinez/Melinda Thompson | Mineral Owner | Greg Martinez/Melinda Thompson | Lease No. | |
|---------------|--------------------------------|---------------|--------------------------------|-----------|--|

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 | 2220 | South | 2310 | West | Eddy |

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|---|----------------------------|--------------------|
| Type of Release | Minor, produced oil | Volume of Release | 40 bbls | Volume Recovered | 30 bbls |
| Source of Release | pinhole in flowline | Date and Hour of Occurrence | 8:00 am, 9/15/2009 | Date and Hour of Discovery | 8:30 am, 9/15/2009 |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Left msg for Mike Bratcher, NMOCD Artesia District office | | |
| By Whom? | Pam Inskeep | Date and Hour | 2:45 pm, 9/15/2009 | | |
| 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

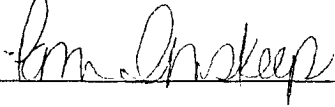
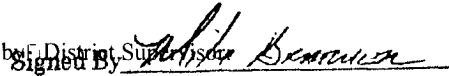
Describe Cause of Problem and Remedial Action Taken.*

Upon arriving at the location, the pumper visually detected a small spray of oil. It was discovered that a pinhole had occurred, due to internal corrosion, in the top of the flowline. (We recently hooked into this flowline, after repairs to the battery as the result of a fire on 7/29/09.) The flow was stopped; the contaminated soil will be dug out and hauled to an approved disposal site (Leeland). The flowline will be repaired. No further remediation action should be necessary.

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:  | OIL CONSERVATION DIVISION | | |
| Printed Name: Pam Inskeep | Approved by District Supervisor  | | |
| Title: Regulatory Administrator | Approval Date: NOV 06 2009 | Expiration Date: | |
| Date: 9/15/2009 Phone: (432) 682-3753 | Conditions of Approval: Remediation per | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary

1MLB0931033083

OCB Rubs & Crankcase -
REMEDIATION IN PROGRESS

2RP-363