

New Mexico Oil Conservation Division, Santa Fe
UNITED STATES 1625 N. French Drive
DEPARTMENT OF THE INTERIOR Robb, NM 88240
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other **SWD**

2. Name of Operator
BTA Oil Producers

3a. Address
104 S. Pecos, Midland, TX 79701

3b. Phone No. (include area code)
(432) 682-3753

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)
UL -H-, Sec. 24, T18S, R32E
1980' FNL & 510' FEL

5. Lease Serial No.
NMNM078148

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
French, 9004 JV-P #3

9. API Well No.
30-025-31206-00-S1

10. Field and Pool, or Exploratory Area
Corbin, Wolfcamp South

11. County or Parish, State
Lea Co., NM

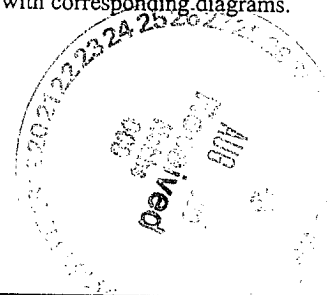
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Additional info re spill of 7/12/2005
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The valve for the load line of the tank was opened by livestock. Approximately 200-300 bbls of salt water with oil on top spilled out into an adjacent pasture. The boundary of the spill is approximately 200' x 140'. An estimated 140 bbls of liquid was removed by a vacuum truck. The site will be delineated for impact and remediated per recommended guidelines. The chloride concentration of the spilled water is reported as 102,977 mg/L. A copy of the laboratory analytical data is attached.

Also attached is a Spill Investigatoin Workplan for the facility, prepared by Larson and Associates, along with corresponding diagrams.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Pam Inskeep

Title Regulatory Administrator

Signature

Pam Inskeep

Date 11/20/2005

ACCEPTED FOR THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature) **DAVID E. GLASS**

Name
(Printed/Typed)

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

GWW

July 19, 2005

Larry Johnson
New Mexico Oil Conservation Division – District I
Energy, Minerals and Natural Resources Department
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Spill Investigation Workplan, BTA Oil Producers, Unit Letter H (SE/4, NE/4), Section 24, Township 18 South, Range 32 East, Lea County, New Mexico (Latitude: 32.73537 / Longitude: 103.71243)

Dear Mr. Johnson:

BTA Oil Producers (BTA) has retained Larson and Associates, Inc. (LA) to investigate potential impacts to soil from a salt water spill that occurred on July 12, 2005, from a salt water tank located in the southeast quarter (SE/4) of the northeast quarter (NE/4), Section 24, Township 18 South, Range 32 East, Lea County, New Mexico (Site). The spill occurred when the valve for the load line off the tank was opened by livestock. Approximately 200 to 300 barrels (bbl) of produced water was released, and approximately 140 bbl of free liquid was picked up with a vacuum truck. The spill area covered approximately 140 x 200 feet, and BTA submitted a Release Notification and Corrective Action form (Form C-141) to the New Mexico Oil Conservation Division (NMOCD) on July 12, 2005. Figure 1 shows the location of the Site.

On July 15, 2005, BTA received a letter from the NMOCD, denying their submittal of the C-141. Larson and Associates, Inc. (LA) is pleased to re-submit the C-141 form, along with a proposal to conduct an investigation of the impacted soil at the Site.

Proposed Investigation

LA proposes to collect soil samples using direct-push technology (Terraprobe®) to assess the vertical limits of the spill for defining the area of remediation. Six (6) soil borings will be drilled at the Site, to a depth of approximately 20 feet below ground surface (bgs) or until refusal is encountered. Samples will be collected from the surface and every five (5) feet thereafter (i.e., 0-1', 5-6', 10-11', etc.), placed in clean glass sample jars, labeled, chilled in an ice chest and delivered under chain-of-custody control to Environmental Lab of Texas, located in Odessa, Texas, for laboratory analysis.

A portion of each sample will be collected in a separate glass sample jar for soil headspace gas analysis using the ambient temperature headspace (ATH) method. The ATH method involves placing a soil sample in a clean glass sample jar to approximately

¾ full, sealing the top of the jar with aluminum foil before replacing the cap. After approximately 15 minutes at ambient temperature the concentration of organic vapors in the headspace of the sample jar is measured with a photoionization detector (PID). The probe of the PID is passed through the aluminum foil and measures the concentration of ionizable hydrocarbons in the headspace vapors. The NMOCD allows a PID measurement of 100 parts per million (ppm) or less to be substituted for a laboratory analysis of benzene, toluene, ethylbenzene, and xylene (commonly referred to as BTEX). The NMOCD usually requires laboratory confirmation for BTEX when a PID measurement exceeds 100 ppm. However, headspace analysis cannot replace a laboratory analysis for total petroleum hydrocarbons (TPH).

Based on published literature (1961) and well records of the New Mexico State Engineer, groundwater occurs at approximately 117.28 feet bgs in the well located nearest the Site. No domestic water wells are located within 1,000 feet of the site. The NMOCD has established soil remediation action levels (RRAL) for benzene, total BTEX and TPH resulting from spills of natural gas liquids ("Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993"). Remediation levels for benzene, total BTEX and TPH were calculated using the following NMOCD criteria:

Criteria	Result	Ranking Score
Depth-to-Groundwater	>100 Feet	0
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 Horizontal Feet	0
		Total: 0

The following RRALs have been assigned based on NMOCD criteria:

Benzene **10 mg/kg**
Total BTEX **50 mg/kg**
TPH **5,000 mg/kg**

The NMOCD does not have an RRAL for chloride, but typically recommends an RRAL of 250 mg/kg.

All samples collected from each boring will be analyzed for chloride, and the sample from each boring that exhibits the highest PID reading will be analyzed for TPH. The samples will also be analyzed for BTEX if PID readings exceed 100 ppm. The analysis will be compared to the RRALs established by the NMOCD to determine the need for remediation. If the analytical results from the deepest collected samples report a chloride concentration exceeding the NMOCD recommended RRAL, a synthetic precipitation leaching potential (SPLP) analysis will be conducted in order to determine the potential

Mr. Larry Johnson
July 19, 2005
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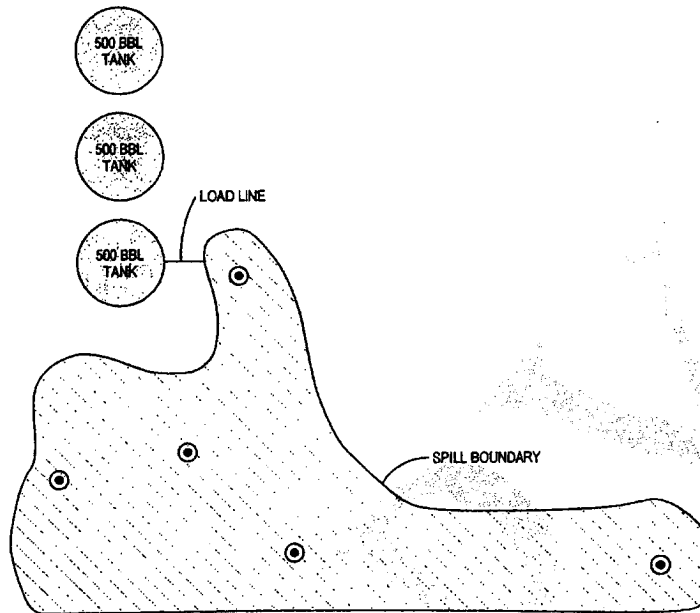
of a groundwater impact. A geologic log will be prepared for each boring, and an Investigation Report will be submitted to the NMOCD.

Sampling equipment will be thoroughly cleaned between uses to minimize cross-contamination. Hand tools will be cleaned using a solution of laboratory-grade detergent and potable water, and rinsed with distilled water. The borings will be filled with bentonite.

Please feel free to call Mr. Royce Boyce at (432) 682-3753 or me at (432) 687-0901 if you have any questions or need additional information. We may also be reached by email at rboyce@btaoil.com or cindy@laenvironmental.com.

Sincerely,
Larson and Associates, Inc.

Cindy K. Crain, P.G.
Project Manager



LEGEND

⊙ - PROPOSED SOIL BORINGS

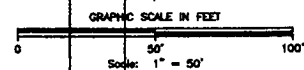


FIGURE #2

LEA COUNTY, NEW MEXICO

BTA Oil Producers

FRENCH SITE
SEC. 24, T-18-S, R-32-E

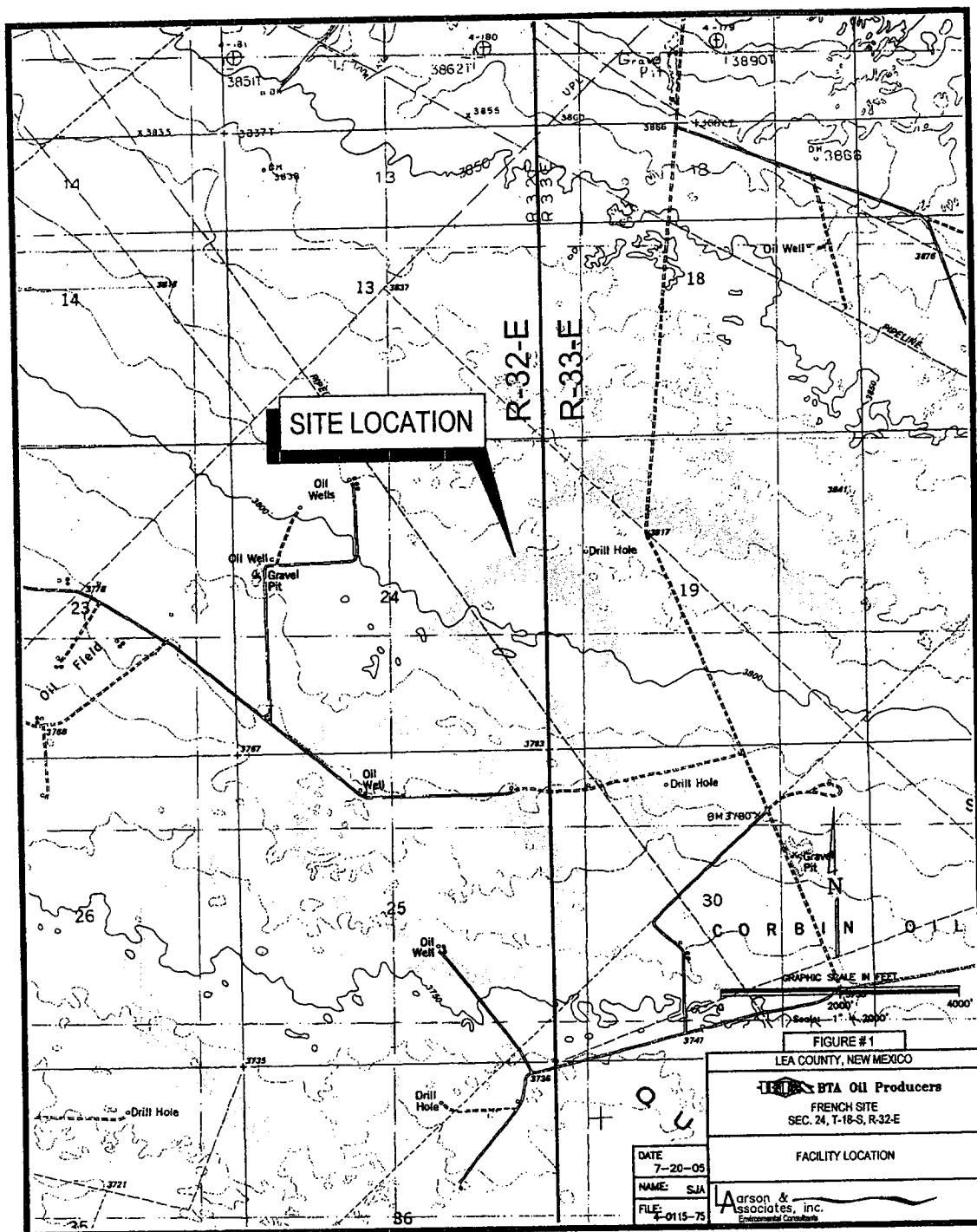
FACILITY SITE

DATE
7-20-05

NAME: SJA

FILE:
4-0115-75

Larson & Associates, Inc.
Environmental Consultants



BAKER
Performance Chemicals
WATER ANALYSIS REPORT

Lab ID No. : 021891-14

Analysis Date: February 18, 1991

Company : BTA Oil Producers
Field :
Lease/Unit : French
Well ID. : No. 1
Sample Loc.:

Sampled By : Pro-Kem, Inc.
Sample Date: 11-February-1991
Salesperson: Gerald Phillips
Formation :
Location : Lovington, N. M.

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	8,582	429	Hydroxyl as OH-	0	0
Magnesium as Mg++	1,596	131	Carbonate as CO3=	0	0
Sodium as Na+ (Calc)	54,143	2,354	Bicarbonate as HCO3-	187	3
Barium as Ba++	Below 10		Sulfate as SO4=	300	6
Oil Content	0		Chloride as Cl-	102,977	2,905

Total Dissolved Solids, Calculated: 167,784 mg/L.

Calculated Resistivity: 0.018 ohm-meters
mg/L. Hydrogen Sulfide: 0
mg/L. Carbon Dioxide: 160
mg/L. Dissolved Oxygen: Not Determined

pH: 7.000
Specific Gravity 60/60 F.: 1.115
Saturation Index @ 80 F.: +0.868
@ 140 F.: +1.828

Total Hardness: 27,968 mg/L. as CaCO3
Total Iron: 42.00 mg/L. as Fe++

Calcium Sulfate Scaling Potential
Not Present

Estimated Temperature of Calcium
Carbonate Instability is
56 F.

PROBABLE MINERAL COMPOSITION COMPOUND	MG/L	MEQ/L
Ca(HCO3)2	249	3.1
CaSO4	425	6.3
CaCl2	23,298	419.8
Mg(HCO3)2	0	0.0
MgSO4	0	0.0
MgCl2	6,228	130.8
NaHCO3	0	0.0
Na2SO4	0	0.0
NaCl	137,616	2,354.0

Analyst

02:33 PM