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|-----------------|----------|------------------|-------------------|----------|------------------------|
| DATE IN 9.14.04 | SUSPENSE | ENGINEER STOENER | LOGGED IN 9.14.04 | TYPE NSL | APP NO. PSEM0425845788 |
|-----------------|----------|------------------|-------------------|----------|------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



PARTNERS
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
915-682-3753
FAX 915-683-0311

GULF COAST DISTRICT
TWO GREENSPPOINT PLAZA
16825 NORTHCHASE DRIVE, STE. 680
HOUSTON, TEXAS 77060
PH. 281-872-5022 FAX 281-872-5054

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, CO 80202
PH. 303-534-4404 FAX 303-534-4661

September 13, 2004

Re: Application for Administrative Approval
Non-Standard Well Location/Simultaneous Dedication
Pardue B, 8808 JV-P, #4
1650' FSL & 1420' FWL
Sec. 11, T23S, R28E
Eddy County, New Mexico

2004 SEP 14 PM 12 11

NEW MEXICO OIL CONSERVATION DIVISION
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

Attn: Mr. David Catanach

Dear Mr. Catanach,

BTA Oil Producers hereby seeks administrative approval to produce at the above referenced location in the Loving East (Brushy Canyon) Pool. This location is unorthodox because it is governed by the Division's statewide rules which provide for wells in this pool to have a 40-acre spacing unit dedication. There are two other wells in this 40 acre spacing unit, BTA's 8808 JV-P Pardue B #1 30-015-26274 and BTA's 8808 JV-P Pardue B #3 30-015-32493, both which produce from the same pool .

Attached hereto is a copy of a certified plat showing the spacing unit, the proposed well location, and existing wells. The proposed unorthodox well location is necessary to enable BTA to locate this well in the thickest portion of the Brushy Canyon channel while maintaining an optimum structural position. It is our understanding that BTA's Pardue B #1, B #3, and B#4 will share one allowable.

As we are the only location that the referenced well would be encroaching on, there are no notifications necessary.

Should further information be required, to approve this application, please advise.

Respectfully,

Pam Inskeep
For BTA Oil Producers

/pdi

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------------|---------------------------------------|--|
| API Number | Pool Code 40350 | Pool Name Loving; Brushy Canyon, East |
| Property Code | Property Name 8808 JV-P PARDUE "B" | Well Number 4 |
| OGRID No. 003002 | Operator Name BTA OIL PRODUCERS | Elevation 2985' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 11 | 23 S | 28 E | | 1650 | SOUTH | 1420 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|---|
| | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Pam Inskeep Printed Name Regulatory Administrator Title 09/07/2004 Date |
| | SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. August 31, 2004 Date Surveyed Signature & Seal of Professional Surveyor LVA Num. 2004-0627 Certificate No. MACON McDONALD 12185 |

NOTE:
1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

Stogner, Michael

From: Catanach, David
Sent: Wednesday, September 15, 2004 12:03 PM
To: Stogner, Michael
Subject: FW: Administrative Application Checklist

-----Original Message-----

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
Sent: Wednesday, September 15, 2004 9:58 AM
To: dcatanach@state.nm.us
Subject: Administrative Application Checklist

Mr. Catanach,

I realized that I did not include an AAC with our request for Application for Administrative Approval for a Non-Standard Well Location/Simultaneous Dedication for our Pardue B, 8808 JV-P, #4, 1650' FSL & 1420' FWL, Sec. 11, T23S, R28E, Eddy County, New Mexico, which was submitted on September 13, 2004.

Please accept and include this form in conjunction with our original submittal.

If you have any questions, please advise.

Thank you for your time and attention to this request ~

<<BTA Pardue B #4 AAC.tif>>

Pam

Pam Inskeep

Regulatory Administrator

BTA Oil Producers

104 S. Pecos

Midland, TX 79701

(432) 682-3753

(432) 683-0325 fax

9/15/2004

| | | | | | |
|---------|----------|----------|-----------|------|---------|
| DATE IN | SUBPENSE | ENGINEER | LOGGED IN | TYPE | APP NO. |
|---------|----------|----------|-----------|------|---------|

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- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



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U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Pam Inskeep
 Print or Type Name

Signature

Pam Inskeep

Regulatory Administrator
 Title

09/15/2004
 Date

pinskeep@btaoil.com
 e-mail Address

Stogner, Michael

From: Stogner, Michael
Sent: Friday, September 17, 2004 4:18 PM
To: 'Pinskeep@btaoil.com'
Subject: RE: Administrative Application Checklist

Ms. Inskeep,

The review of the subject application has been assigned to me. I will therefore be your contact on this application. You stated in your application. "[T]he proposed unorthodox well location is necessary to enable BTA to locate this well in the thickest portion of the Brushy Canyon Channel while maintaining an optimum structural position." Please submit sufficient data to support this claim; i.e. geological structure maps, cross-sections, other geological plats, etc., and a detailed discussion/write-up. Thank you.

-----Original Message-----

From: Catanach, David
Sent: Wednesday, September 15, 2004 12:03 PM
To: Stogner, Michael
Subject: FW: Administrative Application Checklist

-----Original Message-----

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
Sent: Wednesday, September 15, 2004 9:58 AM
To: dcatanach@state.nm.us
Subject: Administrative Application Checklist

Mr. Catanach,

I realized that I did not include an AAC with our request for Application for Administrative Approval for a Non-Standard Well Location/Simultaneous Dedication for our Pardue B, 8808 JV-P, #4, 1650' FSL & 1420' FWL, Sec. 11, T23S, R28E, Eddy County, New Mexico, which was submitted on September 13, 2004.

Please accept and include this form in conjunction with our original submittal.

If you have any questions, please advise.

Thank you for your time and attention to this request ~

<<BTA Pardue B #4 AAC.tif>>

Pam

Pam Inskeep

Regulatory Administrator

Sept. 20
8:36 AM
Voice mail message
from Pam (432-682-3753)
to call her.

3:08 PM
tathup w/ Pam
11/2 500' is
common
interest
and that
addition
geologic info.
was sent
via overnight



PARTNERS
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701

432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
TWO GREENSPPOINT PLAZA
16825 NORTHCHASE DRIVE, STE. 680
HOUSTON, TEXAS 77060
PH. 281-872-5022 FAX 281-872-5054

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, CO 80202
PH. 303-534-4404 FAX 303-534-4661

September 20, 2004

Re: Application for Administrative Approval
Non-Standard Well Location/Simultaneous Dedication
Pardue B, 8808 JV-P, #4
1650' FSL & 1420' FWL
Sec. 11, T23S, R28E
Eddy County, New Mexico

NEW MEXICO OIL CONSERVATION DIVISION
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

Attn: Mr. Michael Stogner

2004 SEP 21 AM 10 43

Dear Mr. Stogner,

As requested by your correspondence dated September 15, 2004, BTA respectfully submits the following information in conjunction with our application for administrative approval to produce at the above referenced location in the Loving East (Brushy Canyon) Pool:

The primary objective is an Upper Brushy Canyon sand identified by BTA Oil Producers as the "Pardue-Price" sand. The Brushy Canyon Formation is a lower member of the Delaware Mountain Group, which is of the Permian system. The "Pardue-Price" sand is a member of a series of submarine channel sands deposited in a Marine setting. The strike of these sands, at this locality, is north by northeast to south by southwest. This unorthodox location takes advantage of the optimum structural position within the net sand fairway. Net pay is counted as sand with measured porosities greater than 14% on the Density curve taken from open-hole measurements of Density-Neutron logs run on a Limestone matrix. The red triangles surrounding certain well spots seen on the enclosed maps indicate active production from the "Pardue-Price" sand interval. At the present time, BTA has only one well producing from this interval on it's Pardue "B" lease. This well would then share it's production within the allowable permitted for the Pardue "B" lease. The total depth for this well is 6300'. This will allow BTA to drill all the Brushy Canyon sands with the possibility of encountering additional pay for future production.

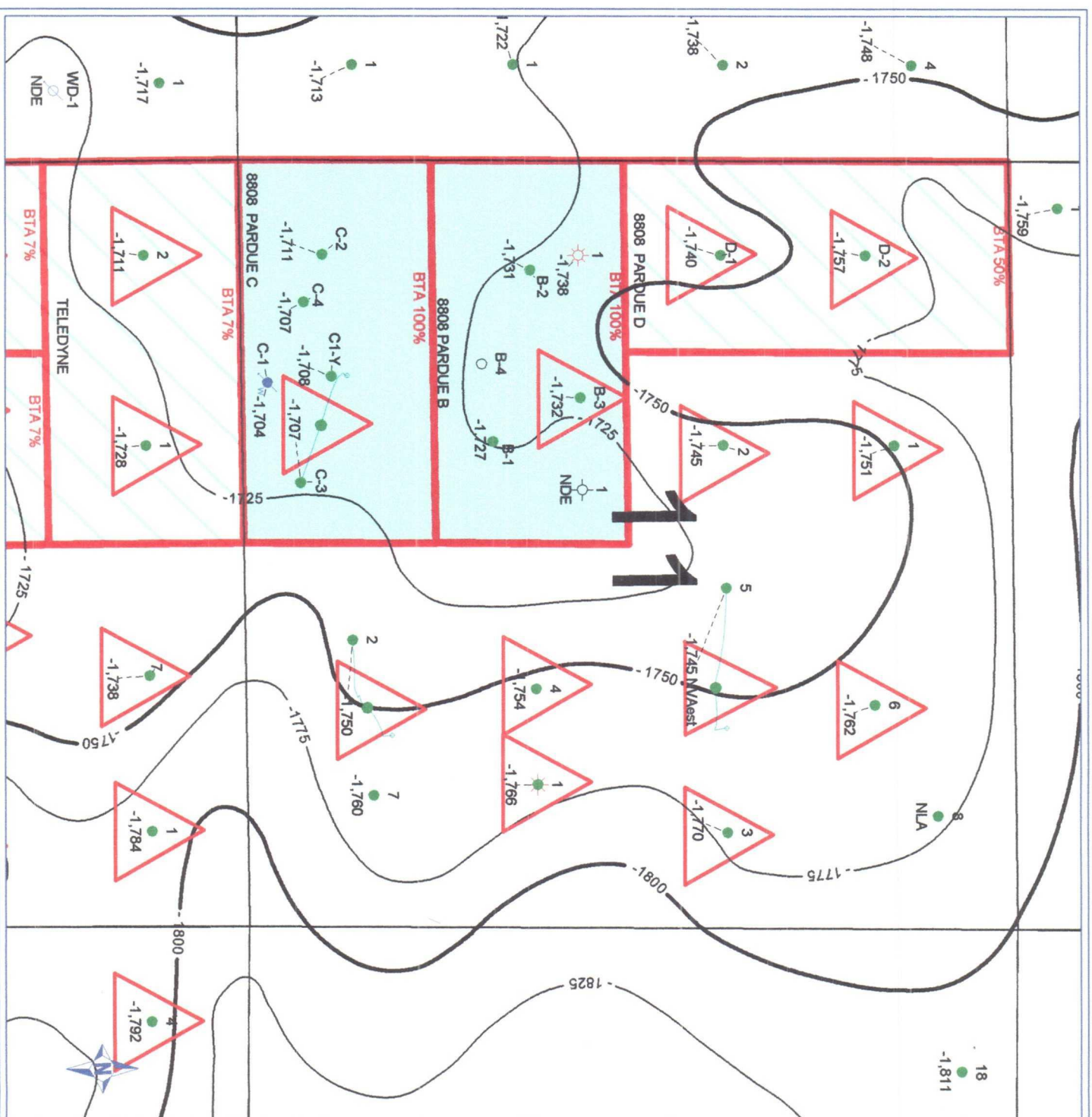
Attached hereto is a geological structure map of our 8808 JV-P Pardue Venture Area showing the proposed well location and existing wells.

Should further information be required to approve this application, please advise.

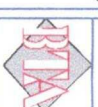
Respectfully,


Pam Inskeep
For BTA Oil Producers

2004 SEP 21 AM 10 44



PETRA 8/20/2004 10:57:42 AM



BTA OIL PRODUCERS

EDDY, COUNTIES

PARDUE AREA

STRUCTURE

TOP OF BRUSHY CANYON "PARDUE-PRICE" SAND

POSTED WELL DATA

Well Label

FMTOPS - TOP_PARDUE-PRICE_SAND(U) (SS)

WELL SYMBOLS

- Location Only
- Oil Well
- Gas Well
- Dry Hole
- Injection Well
- Converted Water-Input Well

REMARKS

8808 JV-P PARDUE VENTURE AREA

CONTOUR INTERVAL = 25 FEET

RED TRIANGLES = ACTIVE "PARDUE-PRICE" SAND PRODUCTION-(U. BRU. CANY.).

By: JIM BROTEN



September 20, 2004