



BTA OIL PRODUCERS

104 SOUTH PECOS

MIDLAND, TEXAS 79701-9988

AC 915-682-3753

PARTNERS

CARLTON BEAL

CARLTON BEAL, JR.

BARRY BEAL

SPENCER BEAL

KELLY BEAL

BARRY BEAL, JR.

*REC'D
12-5-88*

December 2, 1988

RE: Application for Exception to Rule 303-A
BTA - Pardue, 8808 JV-P, #1
Culebra Bluff, South (Atoka)
Loving, North (Morrow)
Section 11, T-23-S, R-28-E
Eddy County, New Mexico

STATE OF NEW MEXICO
Energy & Minerals Department
P. O. Box 2028
Santa Fe, New Mexico 87504-2088

Attention: Mr. David Catanach

Gentlemen:

BTA hereby requests administrative approval to downhole commingle production from the Atoka and Morrow formation in our above referenced well.

The Atoka zone is marginally productive from perforations at 11,604' to 11,718' with production tests of 205 MCFPD. The Morrow is still behind pipe but is also expected to be marginal. Proposed perforations in the Morrow are from 12,360' to 12,688'. We are requesting this approval in order to salvage some commercial reserves and prevent waste.

All offset operators have been notified of this application and waivers have been requested.

Please advise should information in addition to enclosed data be required to grant this request.

Sincerely,

KEITH LOGAN
FOR BTA OIL PRODUCERS

KEL/DH/lgp

Enclosures

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8808 JV-P Pardue No. 1

Pertinent Data

The 8808 JV-P Pardue No. 1 is currently completed only in the Atoka Zone. This zone produces to the west in the Sun Pecos Irrigation No. 1 in Section 10. The Pardue No. 1 was initially perforated from 11,633' to 11,637' on November 3, 1988 (A Schlumberger LDT-CNL log is enclosed showing these and any additional perforations in the Atoka). After acidizing with 1,000 gallons of 7½% MSA (Morrow Sand Acid), the well flowed 210 MCFPD at a FTP of 2,510 psi with a gradual decrease in rate and pressure. This interval was re-perforated with no change in rate or pressure. Subsequently, it was fracture stimulated with 11,989 gallons of 20-40 Interprop sand. The well was left flowing over night at 449 MCFPD with FTP of 75 psi on an open choke decreasing to 317 MCFPD with the same FTP. It was then shut in for 118 hours and after that period, the well had a SITP of 4,850 psi. After opening the well on a 6/64" choke at a rate of 1,015 MCFPD with FTP of 4,850 psi, the rate and pressure decreased gradually. The rate finally stabilized at 166 MCFPD with FTP of 700 psi on a 22/64" choke.

Additional Atoka perforations were opened as follows: 11,610' to 11,612', 11,704' to 11,712', and 11,716' to 11,718'. The well flowed with no change in rate or pressure after perforating and is currently producing 205 MCFPD with a FTP of 700 psi on a 22/64" choke.

The Morrow zone has not been opened yet, so no flow rate data is available. The proposed perforations are 12,360' to 12,363', 12,479' to 12,481', 12,660' to 12,663', and 12,685' to 12,688'. Some of these intervals correlate to those producing in the nearest Morrow well, the Reading and Bates Carrasco Com No. 1, located about 3/4 mile south in Section 14. The Carrasco well is a marginal well with cumulative production of about 300 MMCF and a rate of 50 MCFPD. We do not expect our well to be any better from the Morrow than this well.

Pressure information from the Morrow was determined by Schlumberger's Repeat Formation Tester (RFT) run in conjunction with open hole logs. These bottom hole pressures from RFT's range from 5,000 psi to 7,000 psi. The pressure differential between the Morrow and Atoka zones and drawdown during production should make crossflow negligible.

Water production from either one of these zones in the area is minimal, so fluid incompatibility presents no problem in this commingling operation.

Any additional computations for allocation purposes or otherwise are not possible at this time since one zone only has been completed. These calculations can be made once additional pay has been opened in the Morrow formation.

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8808 JV-P Pardue No. 1

List No. 1

- | | | | |
|----|--|---|------|
| 1. | Pardue Farms | - | 50% |
| | Helen Bowers, et al | - | 50% |
| 2. | Sun Operating Limited Partnership | - | 100% |
| 3. | Pogo Producing Company | - | 95% |
| | O'Brien Goins Simpson Exploration Company | - | 2% |
| | Seeks Petroleum, Inc. | - | 1% |
| | Conrad E. Coffield | - | 1% |
| | Eastwind Investment Company | - | 1% |
| 4. | Surface to 100' below TD of initial well - | | |
| | Amoco Production Company | - | 50% |
| | Reeding & Bates Petroleum Company | - | 50% |
| | Below 100' below TD of initial well - | | |
| | Amoco Production Company | - | 100% |
| 5. | David Sorenson | - | 50% |
| | Williamson Enterprises | - | 50% |

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8808 JV-P Pardue No. 1

List No. 2

Offset Operators

1. Amoco Production Company
P. O. Box 3092
Houston, Texas 77253
Attention: Mr. Ronnie Powelson
2. Helen Bowers, et al
2513 Giddings Street
Clovis, New Mexico 88101
3. Enron Oil and Gas Company
P. O. Box 2267
Midland, Texas 79702-2267
Attention: Mr. Frank C. Estep, Division Landman
4. Kerr-McGee Corporation
No. One Marienfeld Place, Suite 330
Midland, Texas 79701
Attention: Mr. Dick Sevier, Division Manager
5. Oxy U.S.A., Inc.
P. O. Box 1919
Midland, Texas 79702-1919
6. Pardue Farms
P. O. Box 2018
Carlsbad, New Mexico 88220
7. Petrus Oil Company L.P., Inc.
400 West Illinois, Suite 940
Independence Plaza
Midland, Texas 79701
Attention: Mr. Larry J. Seright, Division Manager
8. Read & Stevens, Inc.
P. O. Box 1518
Roswell, New Mexico 88201
9. Reading and Bates Petroleum Company
3100 Mid-Continent Tower
Tulsa, Oklahoma 74103
Attention: Mr. D. N. Smiley, Land Manager
10. Sun Operating Limited Partnership
P. O. Box 2880
Dallas, Texas 75221

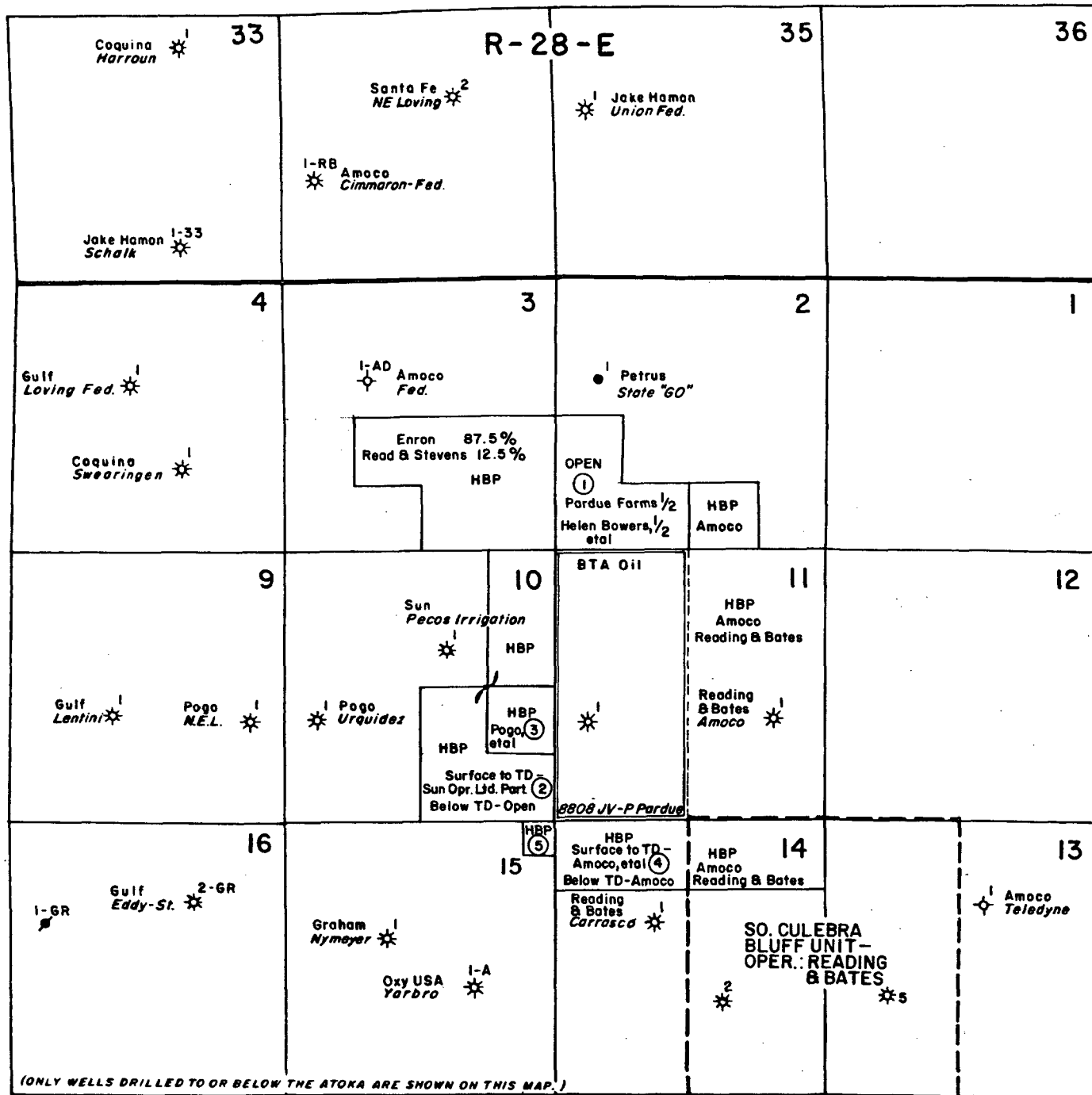


Figure 1

BTA Oil Producers 8808 JV-P PARDUE no.1 Eddy County, New Mexico

① Offsetting Leases (Refer to Attached List no. 1 for Ownership Interests.)

LEGEND

- Oil Well
- Former Oil Prod.
- ✱ Gas Well
- ✧ Dry Hole

Scale: 1"=3000'

12-2-88/KEL