

|                                       |                  |          |              |          |                   |
|---------------------------------------|------------------|----------|--------------|----------|-------------------|
| DATE 11/27/02                         | SCIENCE 12/17/02 | ENGINEER | LOGGED IN MW | TYPE CTB | APP NO. 233632029 |
| ABOVE THIS LINE FOR DIVISION USE ONLY |                  |          |              | # 327    |                   |

**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~~ 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.**

Pam Inskeep  
 Print or Type Name

*Pam Inskeep*  
 Signature

Regulatory Administrator 11/25/2002  
 Title Date

pinskeep@btaoil.com  
 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 GREENSPOINT 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

November 25, 2002

Re: Application for Administrative Approval  
Surface Commingling

**EK -A-, 8701 JV-P #1**

H, Section 25, T18S, R33E  
2103' FNL & 575' FEL

Lea County, New Mexico

**EK -B-, 8701 JV-P #1**

E, Section 30, T18S, R34E  
2130' FNL & 625' FWL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
1625 N. French Drive  
Hobbs, New Mexico 88240

Attention: Ms. Lori Wrotenbery, Director

Dear Ms. Wrotenbery,

BTA Oil Producers hereby seeks administrative approval for surface commingling of oil production for the above referenced wells located in Lea County and producing from the EK, Delaware. The leases are located on federal lands and BLM approval has been received (approved copies of Form 3160-5 attached).

BTA proposes to combine and store oil production from BTA's EK -B- #1 with the EK -A- #1. A Halliburton flow meter will be installed in the EK -B- #1 flowline to measure daily oil production and the EK -A- #1 production will be allocated by subtracting metered volumes from tank gauge volumes.

Working Interest and Royalty are the same in both wells. It is our understanding that no notification of intention is required.

A schematic of the tank batter site and flowline routes is attached.

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

Respectfully,

PAMELIA D. INSKEEP  
For BTA Oil Producers

/pdi

Attachments

# OPERATOR'S COPY

Form 3160-5  
(August 1999)

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

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

### 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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NM51842                          |
| 2. Name of Operator<br>BTA Oil Producers   |   | 6. If Indian, Allottee or Tribe Name                    |
| 3a. Address<br>104 S. Pecos, Midland, TX 79701   | 3b. Phone No. (include area code)<br>(915) 682-3753 | 7. If Unit or CA/Agreement, Name and/or No.             |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>2103' FNL & 575' FEE<br>Sec. 25, T18S, R33E            |   | 8. Well Name and No.<br>EK 'A', 8701 JV-P, #1           |
|  |   | 9. API Well No.<br>30-025-29661                         |
|  |   | 10. Field and Pool, or Exploratory Area<br>EK, Delaware |
|  |   | 11. County or Parish, State<br>Lea County, NM           |

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

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |  |
|--|---|---|--|--|
| <input checked="" 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 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 Commingle (Su) |
|  | <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            |  |

13. 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.)

BTA proposes to surface commingle (combine and store) oil production from BTA's EK 'B' #1 (Sec. 30, T18S, R34E, Lea Co., NM) with the EK 'A' #1.

The EK 'A' #1 produces 11 BOPD, 1 BWPD, and 5 MCFD.

The EK 'B' #1 produces 8 BOPD, no water and no gas.

A Halliburton flow meter will be installed in the EK 'B' #1 flowline to measure daily oil production and EK 'A' #1 production will be allocated by subtracting metered volumes from tank gauge volumes.

Working Interest and Royalty are the same in both wells.

A schematic of the tank battery site and flowline routes is attached.

**SUBJECT TO  
LIKE APPROVAL  
BY STATE**

**APPROVED**

NOV 22 2002

GARY GOURLEY  
PETROLEUM ENGINEER

|  |  |                                   |
|--|--|-----------------------------------|
| 14. I hereby certify that the foregoing is true and correct<br>Name (Printed/Typed)<br>Pam Inskeep |  | Title<br>Regulatory Administrator |
| Signature<br><i>Pam Inskeep</i>  |  | Date<br>11/21/2002                |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|  |        |      |
|--|--------|------|
| Approved by  | Title  | Date |
| 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 will be affected by the proposed operation. | Office |      |

Title 18  
States as

**SURFACE COMMINGLING REQUIRES  
JUSTIFICATION TO BLM. THE NMOCD  
MAY REQUIRE PRODUCT METERED  
PRIOR TO LEAVING THE LEASE.**

person knowingly and willfully to make to any department or agency of the United States within its jurisdiction.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

# OPERATOR'S COPY

Form 3160-5  
(August 1999)

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

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OMB No. 1004-0135  
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| 2. Name of Operator<br>BTA Oil Producers  |   | 6. If Indian, Allottee or Tribe Name                    |
| 3a. Address<br>104 S. Pecos, Midland, TX 79701  | 3b. Phone No. (include area code)<br>(915) 682-3753 | 7. If Unit or CA/Agreement, Name and/or No.             |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>2130' FNL & 625' FWL<br>Sec. 30, T18S, R34 E      SW/NW |   | 8. Well Name and No.<br>EK 'B', 8701 JV-P, #1           |
|   |   | 9. API Well No.<br>30-025-29874                         |
|   |   | 10. Field and Pool, or Exploratory Area<br>EK, Delaware |
|   |   | 11. County or Parish, State<br>Lea County, NM           |

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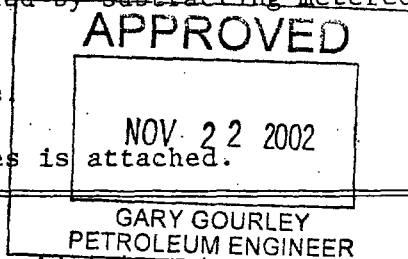
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|   |                                   |
|---|-----------------------------------|
| 14. I hereby certify that the foregoing is true and correct |                                   |
| Name (Printed/Typed)<br>Pam Inskeep                         | Title<br>Regulatory Administrator |
| Signature<br><i>Pam Inskeep</i>                             | Date<br>11/21/2002                |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |        |      |
|---|--------|------|
| Approved by   | Title  | Date |
| 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 |      |

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.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

BIA Oil Producers  
8701 JV-P EK 'A' #1  
8701 JV-P EK 'B' #1  
Sec. 25, T18S-R33E  
Lea County, New Mexico

