



MIDLAND PARTNERS

CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

DENVER PARTNER

BARRY BEAL, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

OIL CONSERVATION DIVISION

ROCKY MOUNTAIN DIVISION

555-17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299

December 6, 1991

Re: Exception to Rule 303-A
Gem, Morrow East
Teas Bone Spring
Gem, 8705 JV-P, Wells 1, 2 & 6
Sec 2, T20S, R33E
State Lease No. V-2199
Lea County, NM

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

BTA hereby requests administrative approval to surface commingle the above referenced wells.

The Gem Wells # 1 & 2 produce from the Teas Bone Spring. Well #1 is now producing 11 bbls per day and well #2 47 bbls per day of 38 degree gravity crude.

The recently completed Gem #6 well produces from the Gem, Morrow East pool and produces an estimated 10 bbls per day of 50 degree gravity condensate.

There is no difference in the value paid to BTA by Phillips Petroleum or a gravity deduction for the higher gravity.

The tank battery to be utilized is located at the #1 well. The production from wells #1 & 2 will utilize its own heater treater and separator. The production from Well #6 will have its own heater treater and separator. The oil and condensate production will be allocated based on weekly well tests.

The well #6 gas will be metered before going into the Phillips gas sales meter. The volume from the check meter will be credited to the well #6 and the balance allocated between wells 1 & 2. Our gas contract pays the same for all gas.

Should further information be required, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy Houghton".

Dorothy Houghton
For BTA Oil Producers

xc: Hobbs District Office
Commissioner of Public Lands

DH/bc

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

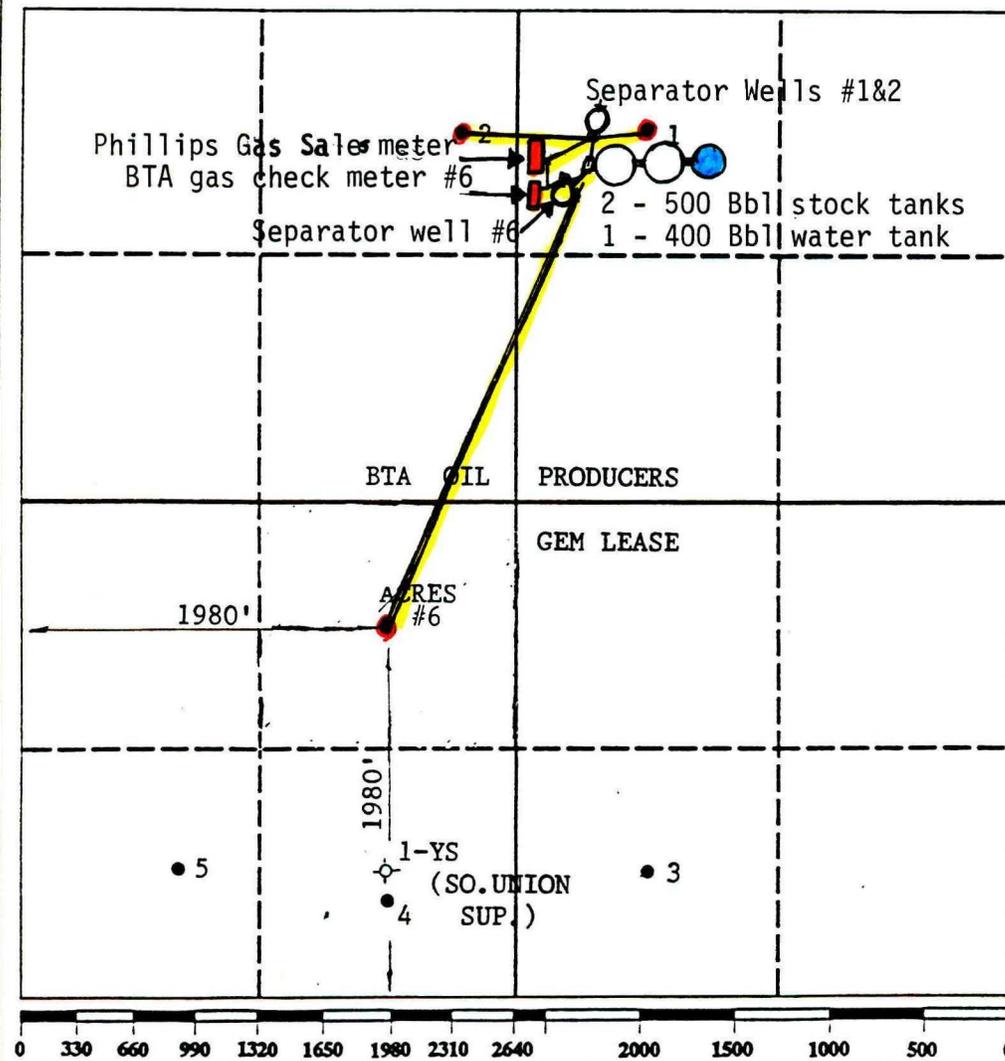
Operator BTA OIL PRODUCERS			Lease 8705 JV-P GEM		Well No. 6
Unit Letter "K"	Section 2	Township 20-S	Range 33-E	County NMPM	LEA
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the WEST line					
Ground level Elev. 3579'	Producing Formation Bone Spring & Morrow		Pool Teas & Gem, East	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature
[Handwritten Signature]
 Printed Name

Position
 Company
 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 knowledge and belief.

Date Surveyed
 JULY 26, 1991

Signature & Seal of Professional Surveyor
[Handwritten Signature]
 MAX A. SCHUNANN, JR.

Certificate No.
 1510